

DEPT. OF THE SENATE	
No.	04792
Presented	26 MAR 1942
CLERK OF THE SENATE	

1940-41-42

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

---

SECOND REPORT

from the

JOINT COMMITTEE ON PROFITS.

---

1940-41-42

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

---

SECOND REPORT

from the

JOINT COMMITTEE ON PROFITS.

---

MEMBERS OF THE COMMONWEALTH PARLIAMENTARY

JOINT COMMITTEE ON PROFITS.

(Appointed 3rd July, 1941;

First Report presented 8th October, 1941)

Senator John Armstrong Spicer, Chairman

Senate

- \* ∅ Senator John Ignatius Armstrong
- + X Senator Benjamin Courtice
- + X Senator William James Large

House of Representatives

- ∅† Joseph James Clark, Esquire,  
M.P., (Vice-Chairman)
- Thomas William Marwick,  
Esquire, M.P.
- Archibald Grenfell Price,  
Esquire, C.M.G., M.P.
- ∅ \* David Oliver Watkins,  
Esquire, M.P.

\* ∅ Discharged from attendance 12th November, 1941

+ X Appointed 12th November, 1941.

† ∅ ∅ Discharged from attendance 25th March, 1942.

1/245 ✓  
d.m.  
JOINT COMMITTEE ON PROFITS.

Second Report. J. J. O. S. Rm

The Joint Committee appointed on 3rd July, 1941, by resolution of the Parliament of the Commonwealth to inquire into

- (a) methods of restricting or controlling profits or prices; and
- (b) the question whether any and what alterations should be made in the existing methods of taxing profits,
- have the honour to present the following further Report.

PART I - PRICES AND PROFITS. J. J. O. S. Rm

1. Since the presentation of the First Report of this Committee the Committee has been reconstituted. By resolutions passed in the Senate and House of Representatives respectively <sup>on 12th November, 1941,</sup> Senator John Ignatius Armstrong and David Oliver Watkins M.P. were discharged from further service on the Committee and Senators Benjamin

Courtice and William James Large were appointed members of the Committee. <sup>Joseph James Clark, M.P. (Vice Chairman) was discharged from further service on 25th March 1942</sup> The Committee places on record its appreciation of the services rendered by Senator Armstrong <sup>Mr. Clark</sup> and Mr. Watkins during their period of membership.

2. Following upon the completion of our first report, the Committee has heard further evidence in Sydney, Melbourne and Canberra. It was intended to pay visits to the other capital cities of the Commonwealth, including Perth, but owing to the serious international situation <sup>and</sup> the desirability of avoiding undue expenditure it was decided to curtail travelling as much as possible and to invite prospective witnesses in cities not visited by the Committee to submit written statements for the consideration of the Committee. Publicity was given to the Committee's desires in this respect and a certain amount of written material has been submitted from Perth, Adelaide, Brisbane and Hobart. The Committee has given full consideration to the whole of this material as well as the sworn evidence taken before it and this report is based <sup>on</sup> upon material and evidence referred to.

3. Our further investigations have not led us to revise the general conclusions reached in our first report. We are satisfied that the methods adopted since the outbreak of war for the control 3

of prices and profits in Australia are sound and that the results on the whole have been very satisfactory, having regard to the difficult character of the undertaking. We again emphasise that great credit is due to the Commissioner and his staff for the efficient and fair manner in which they have carried out their onerous duties.

4. The following are the persons at present holding <sup>the</sup> offices of Commonwealth Prices Commissioner and Deputy and Assistant Prices Commissioners in the States and Territories of the Commonwealth:-

Professor D.B. Copland, C.M.G. - Commonwealth Prices Commissioner.  
Mr. M. E. McCarthy - Assistant Prices Commissioner.  
Mr. C. E. Williamson - Secretary and Deputy Prices Commissioner for the Australian Capital Territory.  
Mr. W. E. Addicoat - Deputy Prices Commissioner for New South Wales.  
Mr. H.E. Bishop - Deputy Prices Commissioner for Victoria.  
Mr. E.H. Lindsey - Deputy Prices Commissioner for Queensland.  
Mr. W.F.J. McCann, D.S.O., O.B.E., M.C. - Deputy Prices Commissioner for South Australia.  
Mr. C.P. Mathea - Deputy Prices Commissioner for Western Australia.  
Mr. L.C. Johnson - Deputy Prices Commissioner for Tasmania.  
Mr. A.H. Simon - Deputy Prices Commissioner for the Northern Territory.

Since our last report, Mr. F.J. Riley has been added to the Advisers who assist the Commonwealth Prices Commissioner.

5. In paragraph 20 of our first report we set out a table showing the movement of retail price index numbers in Australia and certain other countries during the period 1914 to 1919 and during the course of the present war. We repeat these comparative tables with the addition of the most recent figures:-

COST OF LIVING  
RETAIL PRICE INDEX NUMBERS.

		Aus- tralia	Great Britain	Canada	New Zealand	United States of America	India (Bombay)	South Africa
(A) 1914-1919.								
July - 1914	..	100(a)	100	100	100	100	-	(b) 100
1915	..	114(a)	125	97	108	102	-	103
1916	..	116(a)	148	102	115	109	-	106
1917	..	123(a)	180	130	125	128	-	114
1918	..	132(a)	203	146	135	156	-	118
1919	..	149(a)	208	155	145	175	-	126
(a) November. (b) Food, fuel, light and rent.								
(B) 1939-1941.								
1939 -								
September Quarter		100	100	100	100	100	100	100
December "		101	109	103	102	99	105	101
1940 -								
March Quarter ..		102	114	103	102	99	107	102
June " ..		104	116	104	103	100	106	104
September Quarter		105	120	105	105	100	108	104
December "		108	124	107	106	100	109	105
1941 -								
March Quarter ..		109	127	107	106	100	112	106
June " ..		109	129	109	107	103	116	108
September Quarter		110	128	113	108	106	125(d)	110
December " ..		112	129(a)	116(b)	109(c)	109(c)	-	111(a)

(a) November. (b) December. (c) October. (d) August.

Contents of Indexes.

All countries shown - Food, Rent, Clothing, Miscellaneous Household Expenditure.

These movements are shown in graphs in Schedule B

6. It will be seen that in Australia the rise has been about 50% of the increase during the first three years of the last war, and is less than half of the rise in Great Britain during this war.

While such a comparison cannot be conclusive because of the  
X different circumstances existing in each case, we entertain no doubt that the comparison would have been far less favourable to Australia if existing methods of control had not been adopted.

7. The following table shows the movement in retail prices in Australia according to the "C" Series Index (Base 1923-27 = 1000), which includes rent and clothing:-

(8a)

**RETAIL PRICES-**

**VARIATIONS SINCE OUTBREAK OF WAR**

(Base: 1922-27 = 1000)

~~SEPTEMBER QUARTER 1939 TO DECEMBER QUARTER 1941~~

Group	"C" SERIES INDEX (Aggregates)				"GROUP" INDEXES		
	September Quarter, 1939	December Quarter, 1941	Differ- ences	Percentage Increase	September Quarter, 1939	December Quarter, 1941	Percentage Increase
<b>SYDNEY</b>							
Food ..	193,333	201,527	8,194	1.5	930	969	4.2
Rent ..	138,602	139,315	713	0.1	1039	1044	0.5
Clothing ..	106,559	149,744	43,185	8.0	841	1179	40.2
Miscellaneous	100,394	114,664	14,270	2.7	939	1072	14.2
TOTAL:	538,888	605,250	66,362	12.3	933	1048	12.3
<b>MELBOURNE</b>							
Food ..	193,866	197,287	3,421	0.6	932	949	1.8
Rent ..	127,699	130,085	2,386	0.5	957	975	1.9
Clothing ..	104,390	150,553	46,163	8.7	823	1186	44.1
Miscellaneous	104,140	115,798	11,658	2.2	974	1083	11.2
TOTAL:	530,095	593,723	63,628	12.0	918	1028	12.0
<b>BRISBANE</b>							
Food ..	177,895	191,443	13,548	2.7	855	920	7.6
Rent ..	114,119	114,792	673	0.1	855	860	0.6
Clothing ..	105,762	150,787	45,025	9.0	834	1186	42.2
Miscellaneous	102,151	111,531	9,380	1.9	955	1043	9.2
TOTAL:	499,927	568,553	68,626	13.7	866	985	13.7
<b>ADELAIDE</b>							
Food ..	184,711	190,197	5,486	1.0	888	915	3.0
Rent ..	118,751	119,157	406	0.1	890	893	0.3
Clothing ..	108,982	150,268	41,286	7.9	861	1182	37.3
Miscellaneous	109,028	123,544	14,516	2.8	1020	1156	13.3
TOTAL:	521,472	583,266	61,794	11.8	903	1010	11.8
<b>PERTH</b>							
Food ..	196,432	204,224	7,792	1.5	944	982	4.0
Rent ..	117,618	118,004	386	0.1	881	884	0.3
Clothing ..	106,096	148,820	42,724	8.2	836	1169	39.8
Miscellaneous	101,943	113,106	11,163	2.1	953	1058	11.0
TOTAL:	522,089	584,154	62,065	11.9	904	1012	11.9
<b>HOBART</b>							
Food ..	190,497	205,166	14,669	2.8	916	986	7.6
Rent ..	123,700	124,497	797	0.2	927	933	0.6
Clothing ..	108,101	150,751	42,650	8.2	852	1184	39.0
Miscellaneous	100,526	110,129	9,603	1.8	940	1030	9.6
TOTAL:	522,824	590,543	67,719	13.0	905	1023	13.0
<b>SIX CAPITALS</b>							
Food ..	191,298	198,311	7,013	1.3	920	954	3.7
Rent ..	129,071	130,264	1,193	0.2	967	976	0.9
Clothing ..	106,033	150,113	44,080	8.4	836	1182	41.4
Miscellaneous	102,734	115,435	12,701	2.4	961	1080	12.4
TOTAL:	529,136	594,123	64,987	12.3	916	1029	12.3
<b>CANBERRA</b>							
Food ..	217,547	220,847	3,300	0.6	1046	1062	1.5
Rent ..	131,164	131,342	178	0.1	983	984	0.1
Clothing ..	107,691	153,313	45,622	8.2	850	1209	42.2
Miscellaneous	92,623	105,098	12,475	2.2	866	983	13.5
TOTAL:	549,025	610,600	61,575	11.1	951	1057	11.1



F2452

8. The figures for food and groceries alone for the six capital cities are as follows:-

FOOD AND GROCERIES - COST INDEX NUMBERS.

Capital City	Month of September, 1939	Month of December, 1941.	Percentage Increase, 1939, to December, 1941.	Average for year ended -		December Quarter, 1941.	Percentage increase December Quarter, 1941, over -	
				June, 1939.	September 1939.		Year ended June, 1939	Year ended 31 September, 1941
Sydney	934	973	4.2	929	930	949	4.3	4.2
Melbourne	930	953	2.5	927	933	949	2.4	1.7
Brisbane	844	930	8.1	856	858	930	7.5	7.2
Adelaide	893	927	3.8	887	891	915	3.2	2.7
Perth	941	974	3.5	922	931	932	6.5	2.5
Robert	920	990	7.5	901	911	906	9.4	8.2
Six Capitals	922	958	3.9	916	920	954	4.1	3.7
Canberra	1,048	1,049	2.0	1,049	1,057	1,042	1.2	0.5

More detailed particulars of the movement of prices of commodities included in the cost of living register appear in Schedule C.

~~More detailed particulars of the movement of prices of commodities included in the cost of living regimen appear in Schedule C(a).~~

The following table shows the movement in wholesale prices in Australia, New Zealand, Great Britain, United States and Canada, during the period 1939-41 and the movement in those countries during the period 1913-1919:-

**WHOLESALE PRICE INDEX NUMBERS.**

**I. - 1939-41.**

Period	Australia. (Basic Materials and Factories, Commonwealth Statistician.)	New Zealand (Average of four chief centres, Census and Statistics Office.)	Great Britain. (Board of Trade.)	United States. (Bureau of Labour Statistics.)	Canada (Dominion Bureau of Statistics.)
1939 -					
August ..	1,000	1,000	1,000	1,000	1,000
November..	1,054	1,025	1,211	1,055	1,110
1940 -					
February..	1,081	1,049	1,315	1,049	1,144
May ..	1,127	1,093	1,363	1,065	1,155
August ..	1,153	1,130	1,429	1,032	1,143
November..	1,145	1,160	1,498	1,060	1,161
1941 -					
February..	1,128	1,181	1,539	1,074	1,171
May ..	1,148	1,202	1,542	1,132	1,223
August ..	1,202	1,225	1,562	1,204	1,248
November..	1,280	1,252	1,583	1,231(a)	1,294(a)

(a) October.

**II. - 1913-1919.**

Annual Average.	Australia. (Melbourne Wholesale Price Index, Common- wealth Statistician.)	New Zealand. (Average of four chief centres, Census and Statistics Office.)	Great Britain. (“Statist.”)	United States. (Bureau of Labour Statistics.)	Canada. (Dominion Bureau of Statistics.)
1913 ..	100	100	100	100	100
1914 ..	108	104	100	98	102
1915 ..	148	123	127	100	110
1916 ..	139	134	160	123	132
1917 ..	153	161	206	168	179
1918 ..	178	175	226	188	199
1919 ..	189	178	242	199	209

During the period 1939-42 there have been increases in basic wage rates. Increases are shown in the following figures:-

BASIC WEEKLY WAGE RATES (ADULT MALES) FIXED BY COMMONWEALTH  
COURT OF CONCILIATION AND ARBITRATION.

Payable from -	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Six Capitals
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
1939 -							
1st September	81 0	81 0	76 0	78 0	77 0	77 0	79 0
1st December..	82 0	80 0	76 0	77 0	77 0	77 0	79 0
1940 -							
1st February..	82 0	81 0	77 0	77 0	77 0	78 0	80 0
1st May ..	83 0	82 0	78 0	78 0	77 0	78 0	80 0
1st August ..	85 0	84 0	79 0	80 0	79 0	80 0	82 0
1st November..	85 0	84 0	79 0	80 0	80 0	81 0	83 0
1941 -							
1st February..	88 0	86 0	82 0	82 0	81 0	83 0	85 0
1st May ..	88 0	87 0	83 0	83 0	82 0	84 0	86 0
1st August ..	89 0	87 0	83 0	83 0	84 0	85 0	86 0
1st November..	89 0	88 0	84 0	84 0	85 0	85 0	87 0
1942 -							
1st February..	91 0	89 0	86 0	86 0	86 0	87 0	88 0

BASIC WEEKLY WAGE RATES (ADULT MALES) BY STATE INDUSTRIAL TRIBUNALS.

Sydney	Melbourne	Brisbane		Adelaide		Perth		Hobart
		Wage	Payable from	Wage	Payable from	Wage	Payable from	
		s. d.		s. d.		s. d.		
Same as Commonwealth Court Rates	None declared	84 0	7.8.39	78 0	5.1.39	82 2	24.4.39	None declared
		89 0	31.3.41	84 0	28.11.40	82 8	1.7.40	
				87 0	27.11.41	85 4	31.7.40	
						86 11	24.2.41	
						88 0	28.4.41	
						90 5	28.7.41	

CLOTHING. *clothes*

11. It will be observed that by far the most substantial rise in prices still occurs in the item of clothing. This shows a percentage increase for the six capitals of 41.4 per cent and accounts for more than two thirds of the total rise of 12.3 per cent in retail prices since the outbreak of war. The rise in clothing, as shown in the figures for the six capitals, has increased from 32.1 per cent to 41.4 per cent since our first report.

12. The tendency of this item to rise much more steeply than other commodities is not peculiar to Australia or to this war, as a glance at the graphs in Schedule B to this report will disclose.

The Australian figures compare very favourably with those in Great  
X Britain, which appear in the following <sup>Table</sup> ~~total~~ showing the comparative position in various countries in relation to retail price increases in items of household expenditure including clothing:-

~~(21(a)). In the following Table the percentage increases over the present war period in the main divisions of household expenditure are shown separately and as a whole, for the same countries as those of the preceding table. The dates up to which the increases are measured for each country are indicated by footnotes.~~

RETAIL PRICES OVER THE PRESENT WAR PERIOD.

Increases in the main divisions of Household Expenditure over the period 1st September, 1939 to dates shown.

Group	Australia (a)	Great Britain (a)	Canada (b)	New Zealand (b)	U.S. America (c)	India (c)
	%	%	%	%	%	%
Food ..	3.7	20.0	24.1	5.0	9.8	35.0
Rent ..	0.9	1.0	7.1	6.4	1.8	Nil
Clothing ..	41.4	89.0	19.5	21.0	5.6	32.3
Fuel and Light	7.9	26.0	13.2	2.0	4.7	26.4
Home Furnishings & Services	-	-	16.3	-	6.9	-
Other Miscellaneous ..	13.9	29.0	5.1	12.2	2.7	3.8
<u>TOTAL:</u>	12.3	29.0	14.6	8.5	5.4	24.4

(a) December, 1941; (b) October, 1941; (c) August, 1941.

~~Commonwealth Bureau of Census and Statistics~~

~~CANBERRA, A.C.T. 18th March, 1942.~~

11/14  
13. We are satisfied that the Commissioner has exercised constant supervision over the prices of the commodities included in this item, and has taken drastic action against traders engaged in overcharging. Although there have been and probably still are instances of overcharging, the rise is in the main attributable to increased costs of raw materials and additions to wages costs.

14. Imported raw materials have risen greatly in price and there have been substantial increases in the costs of local raw materials. The cost of wool to the local manufacturer for local consumption has increased by 15%. In addition, the sale of cheap materials formerly imported from such countries as Japan has virtually ceased.

15. Labour costs <sup>have risen</sup> ~~show greater increases~~ in the clothing trade ~~than in most other undertakings~~, due in part to the elimination of undesirable sweating conditions which were prevalent in this industry ~~before~~ the war. The increase in labour costs has been estimated by the Commissioner to amount to ~~not less than~~ about  $7\frac{1}{2}\%$ .

#### RENT.

16. By way of contrast to the large increase in clothing we direct attention to the comparative stability of rents throughout Australia which ~~have~~ only increased 0.9% for the six capitals. Relative increases in relation to rents of four and five roomed houses during the last war and this war appear in the following table:-

RENTS (4 AND 5 ROOMS)

SIX CAPITAL CITIES

(Base 1923-27)

Relative Increases over the War Periods November 1914,  
to November, 1917, and September quarter, 1939 to  
December quarter, 1941.

Index Number		Increase Per Cent	Index Number		Increase Per Cent
November 1914	November 1917		September Quarter 1939	December Quarter 1941	
649	685	5.5	967	975	0.8

DECLARED GOODS <sup>and services</sup> ~~AND SERVICES~~

17. The goods and services which had been declared pursuant to the Regulations up to the 26th September, 1941 are set out in Schedule "A" to <sup>our first</sup> that report. The only goods ~~and services~~ declared since ~~that date~~ ~~fixing prices~~ are those in respect of which a specific price has been fixed and appear in ~~the~~ Schedule "A" ~~thereto~~.

APPEALS.

18. Some evidence has been directed to the desirability of providing some form of appeal tribunal to enable decisions of the Commissioner fixing prices and rates to be reviewed. Under existing regulations the only method of control prescribed is that contained in Regulation 24, which enables the Minister to suspend for 28 days the operation of any order determining prices or rates under Regulation 23. During the period of suspension the Commissioner is required to report to the Minister and to confirm, amend, vary or revoke his order. While this forces a reconsideration of the declaration by the Commissioner, it leaves the final decision to him.

19. Without reflecting in any way on the skill or integrity of the present Commissioner some witnesses urged that such extensive powers as the Commissioner <sup>now</sup> possesses should be subject to review by appeal tribunal.

20. After careful consideration of all the suggestions which have been put to us we do not think the administration of the regulations would be improved by the creation of such a tribunal, and we think the existing machinery provides sufficient practical safeguards against unwise or unjust declarations.

21. The outstanding objection we think is that the existence of such a tribunal would involve serious delays and would tend to add considerably to the work of a department already heavily burdened with onerous duties, without providing any practical advantages for the general public. With such a tribunal in existence there would be a tendency to review many decisions, particularly if consumers or organisations of consumers, as well as traders, had a right of appeal and the Commissioner or members of his staff would spend much of their time explaining and defending their decisions before the Appeal Tribunal. In most cases we have little doubt a competent tribunal would uphold the Commissioner and in cases of difficulty presenting room for differences of opinion a decision varying the Commissioner's finding might be as much open to criticism as that of the Commissioner himself.



22. In the final analysis the success of an undertaking of this kind depends in no small measure upon the degree of confidence which the officers and particularly the Commissioner enjoy in the minds of the public. All our investigations lead us to the conclusion that the Commissioner his staff and advisers have the confidence of the public and that his decisions up to date generally have been regarded as fair and equitable to all parties concerned.

GOVERNMENT'S NEW POLICY.

23 On the 10th February 1942 the Prime Minister announced a number of fundamental changes in economic policy which will involve important alterations in the system of Price Control which has been in operation since the outbreak of war. As we understand them these changes involve the pegging of prices at the level prevailing on 10th February, 1942, and the restriction of profits to a rate of 4% on the capital employed in any business. The latter objective may be obtained either by fixing prices at a level which will not produce more than 4% or by the collection by means of taxation of profits in excess of that figure or by a combination of both methods.

24. In practice it will be found impossible to control prices as to ensure that the prescribed profit is not exceeded and the plan will involve both price control and taxation.

25. Insofar as price control is resorted to, it will be necessary to place limits upon the wide discretion which the Commissioner exercises under the regulations. At present he has complete freedom to vary the basic price and the gross profit margin. In the past we think he has exercised this discretion wisely with due regard to the interests of producers and consumers, the risks involved, and without disregarding the need to maintain and encourage efficient production and service. We greatly doubt the wisdom of interfering with him in the exercise of this discretion by requiring him to control prices so as in effect to bring all businesses, whether efficient or inefficient, down to a common profit level. A low nominal price level will in truth involve the

*Ask*  
community in heavy real costs if it can only be maintained at the expense of efficiency.

26. Having regard to the greatly increased spending power of the community during the war period and the acceleration of turnover arising therefrom, we do not think that figures indicate that there has been any marked rise in profits during the war period. On the contrary, looking at the field as a whole, profits as a percentage of Shareholders' funds have remained remarkably steady. The following table taken from the Statistical Bulletin of the Commonwealth Bank of Australia for December 1941 indicates the general trend:-

December 1941

# **COMPANY PROFITS** **PROFITS AS PERCENTAGE OF SHAREHOLDERS' FUNDS**

	Number of Companies in 1930 and 1941	Shareholders' Funds at Balancing Date					Profit as Percentage of Shareholders' Funds				
		1937	1938	1939	1940*	1941*	1937	1938	1939	1940*	1941*
		£m.	£m.	£m.	£m.	£m.	%	%	%	%	%
<b>Grand Total</b>	<b>467</b>	<b>390.0</b>	<b>408.5</b>	<b>421.5</b>	<b>301.0</b>	<b>310.5</b>	<b>7.5</b>	<b>7.0</b>	<b>6.8</b>	<b>6.9</b>	<b>7.0</b>
<b>Total Mining and Primary Production</b>	<b>22</b>	<b>30.9</b>	<b>30.7</b>	<b>30.7</b>	<b>16.8</b>	<b>17.3</b>	<b>12.8</b>	<b>7.0</b>	<b>5.9</b>	<b>9.2</b>	<b>9.4</b>
Coal	0	5.8	5.8	5.8	3.4	3.4	1.3	2.0	3.0	4.3	6.1
Silver, lead, zinc, tin, etc.	9	15.6	15.0	15.7	12.8	13.3	21.2	11.5	9.6	10.6	10.3
Pastoral and forestry	—	8.8	8.4	8.4	—	—	5.7	2.0	1.1	—	—
Quarrying, sand, etc.	4	8	8	8	6	6	9.9	8.4	6.2	7.8	6.6
<b>Total Manufacturing</b>	<b>157</b>	<b>138.8</b>	<b>150.2</b>	<b>156.6</b>	<b>120.0</b>	<b>128.5</b>	<b>8.9</b>	<b>8.6</b>	<b>8.5</b>	<b>7.6</b>	<b>7.8</b>
Food, drink and tobacco	37	59.0	61.6	63.2	47.2	48.5	8.4	8.5	8.5	7.8	8.3
Clothing, boots, etc.	20	3.8	4.0	4.3	3.0	3.1	7.4	5.6	7.3	7.5	8.4
Textiles, paper, chemicals, rubber, flour and sugar mills	38	34.3	37.4	38.8	29.3	31.2	8.0	7.5	7.5	7.6	7.4
Motor cars, furniture and hardware, musical instruments, etc.	11	6.1	7.3	7.5	2.8	3.1	22.6	17.6	14.2	7.3	7.2
Bricks, glass, tiles, cement, timber, etc.	29	13.1	13.4	16.2	13.6	14.8	8.8	9.1	7.6	7.4	7.3
Iron and steel and heavy engineering	9	18.6	22.8	22.5	22.3	23.8	8.1	7.8	9.3	7.8	7.6
Other metals and machinery	13	3.1	3.7	4.2	1.9	1.9	7.6	10.6	9.0	6.6	8.1
<b>Total Distribution</b>	<b>109</b>	<b>47.7</b>	<b>50.3</b>	<b>52.4</b>	<b>45.2</b>	<b>46.4</b>	<b>7.3</b>	<b>7.3</b>	<b>7.1</b>	<b>7.8</b>	<b>7.6</b>
Wholesale	41	16.1	16.7	17.3	11.4	11.6	6.8	5.9	5.6	7.3	7.2
Softgoods and food	14	9.7	9.8	9.7	5.5	5.6	5.4	4.9	4.3	6.0	5.6
Wool, hides and skins, stationery, jewellery, etc.	9	2.9	3.0	3.4	2.9	3.0	9.1	4.6	7.0	9.2	9.1
Machinery, motor parts, furniture, etc.	18	3.5	3.9	4.1	3.0	3.1	8.9	9.7	7.5	8.0	8.3
<b>Retail</b>	<b>68</b>	<b>31.6</b>	<b>33.6</b>	<b>35.1</b>	<b>33.8</b>	<b>34.6</b>	<b>7.6</b>	<b>7.9</b>	<b>7.9</b>	<b>8.0</b>	<b>7.8</b>
Softgoods, shoes, food, drugs, etc.	45	25.7	27.3	28.3	27.9	28.6	7.6	7.9	8.1	8.3	8.2
Motor cars, furniture and musical instruments	23	5.9	6.3	6.8	5.9	6.0	7.6	7.8	6.9	6.7	5.8
<b>Total Services</b>	<b>88</b>	<b>57.8</b>	<b>60.8</b>	<b>64.0</b>	<b>44.2</b>	<b>45.0</b>	<b>6.6</b>	<b>6.6</b>	<b>6.5</b>	<b>6.1</b>	<b>6.6</b>
Gas and Electricity	14	22.3	23.0	22.8	16.5	15.8	6.7	6.4	5.9	5.9	6.7
Shipping	8	12.7	13.1	15.8	8.6	8.8	6.1	6.8	7.7	6.6	7.2
Other transport	15	4.4	4.6	4.5	2.3	2.4	4.8	5.8	5.5	8.3	8.1
Newspapers	9	7.9	9.6	9.8	8.6	8.6	9.4	8.1	7.8	6.6	7.0
Amusements	12	5.9	5.8	6.1	4.9	5.1	3.3	3.0	3.1	3.7	4.2
Hotels and restaurants	18	3.3	3.5	3.5	3.0	3.0	7.2	7.3	7.2	5.9	6.0
Miscellaneous	12	1.2	1.4	1.5	1.2	1.3	10.1	11.4	8.5	7.8	7.0
<b>Total Finance</b>	<b>91</b>	<b>114.8</b>	<b>116.5</b>	<b>117.8</b>	<b>74.8</b>	<b>75.3</b>	<b>4.9</b>	<b>4.9</b>	<b>4.7</b>	<b>4.9</b>	<b>4.8</b>
Banks	7	69.1	69.2	69.2	44.5	44.4	4.1	4.2	4.2	3.9	3.7
Pastoral Finance	13	25.4	26.0	26.4	13.8	14.1	5.4	4.1	3.6	5.5	5.0
Trustee and Insurance	24	7.0	7.2	7.4	6.5	6.7	8.1	8.9	7.7	7.6	8.2
Hire purchase, cash order, motor finance	16	3.7	4.0	4.2	3.5	3.5	11.3	11.6	11.1	9.3	9.0
Building societies	5	4.7	5.0	5.1	1.7	1.7	5.6	5.7	5.8	5.1	4.6
Investment and miscellaneous	20	4.9	5.1	5.5	4.8	4.9	4.2	5.4	5.5	6.0	6.4

Notes:—(a) Figures are compiled from published accounts of companies operating mainly in Australia, and show profits after making provision for taxation.

(b) The figures include all those balance sheets dated within the calendar year, and would thus include an operating period from January of the previous year to December of the year stated.

(c) The figures in these tables are not necessarily comparable with figures of company profits published in earlier issues of the BULLETIN owing to minor revisions.

(d) The figures for 1940 and 1941 are for the same companies, and are not necessarily complete.

PROSECUTIONS AND PENALTIES.

27. Details of prosecutions launched between November 1939 and August 1941 are set out in Schedule "D" to our first report. In Schedule "D" to this report we set out details of prosecutions between August 1941 and the *third* day of *March*, 1942.

A perusal of this schedule indicates that the penalties imposed in many cases have not been heavy. Without detailed information of the evidence placed before the tribunal in each case, which is not within our knowledge, we are not competent to express any opinion as to the adequacy of the penalties imposed in such cases.

28. We entertain some doubts whether the serious nature of offences against the regulations is fully appreciated throughout the community and we think that this is reflected in the comparatively small penalties which at times are imposed. We again stress the view expressed in our first report that deliberate breaches of the

*rich*  
regulations should not be regarded lightly, and we think heavy penalties are necessary to ensure that unscrupulous traders do not benefit at the expense of their rivals and the community by evading the obligations imposed on them by the regulations. We think it is fair to say that the trading community in general has displayed a readiness to co-operate with the Commissioner and his staff which is commendable, and has contributed in no small measure to the smooth working of an extremely difficult undertaking.

POST-WAR RECONSTRUCTION AND MINIMUM PRICES. *20*

29. In our first report we referred to the need which would arise at the end of the war to guard the community against the evils of a rapidly falling price level. At that time the problem will involve the maintenance of fixed minimum prices for many commodities and if any marked degree of success is to attend such an undertaking, plans will have to be worked out well in advance. We understand that work of this character has already been undertaken and the Commissioner and his advisers believe that much can be done <sup>to</sup> successfully cushion the <sup>main</sup> contemplated fall. Members of the business community however display less optimism as to the possibility of successfully operating such a scheme and stress is laid upon the political obstacles which will be encountered.

30. In view of heavy taxation commitments and the control of prices, many businesses we believe <sup>may</sup> encounter difficulties in making provision by means of adequate reserves to meet any heavy depreciation in the value of stock and plant. Doubts entertained by business men as to the efficacy of price control measures to protect them after the war coupled with the difficulties encountered in providing their own safeguards against lower prices may lead to undue depletion of stocks and retard efficiency. It therefore appears to us that some advantages will be derived at the present time if the business community could be assured that government policy will provide reasonable protection against the risks envisaged by them. Greater publicity could with advantage be given to plans which may have been formulated for this purpose. We also suggest that consideration should be given to the possibility of earmarking some portion of the Special War-time Taxation as a post-war credit, ~~as is provided in England with respect to Excess Profits tax.~~ <sup>Another possibility worthy of consideration is</sup> that traders subject to

special risks might be allowed special reserves for tax purposes to the extent to which the Prices Commissioner advised that such reserves were warranted. It should be possible to evolve a scheme under which reserves of this kind could be invested in Government Bonds and could only be resorted to for the purpose of meeting losses due to post-war conditions.

## PART II - TAXATION OF PROFITS.

31. Since the presentation of our first ~~Progress~~ Report the statutory percentage prescribed by the War-time (Company) Tax Assessment Act has been reduced from eight per centum to five per centum and the rates of tax imposed by the War-time (Company) Tax Act have been considerably increased. In addition the flat rate of tax on the taxable income of companies, has been increased from 2/- to 4/- in the £. This is in addition to the tax imposed upon the incomes of companies by the States.
32. While we have taken that portion of our terms of reference which require us to enquire into the question whether any and what alterations should be made in the existing methods of taxing profits to refer more particularly to the taxation imposed by the War-time (Company) Tax Act, it is not possible to consider this matter without reference to the other forms of taxation to which companies are liable, and it is necessary in any review of these problems to have regard to the total burden now imposed upon companies by virtue of the several forms of direct taxation to which they are subject.

## COMPANY TAXATION GENERALLY.

33. We have set out in Schedule "E" a table showing the taxation on public and private companies in Australia in respect of income derived during the year ended 30th June, 1941.
34. The flat rate of tax upon companies operating in Australia has now become extremely heavy. In New South Wales the ~~combined~~ <sup>(with deductions for State Tax)</sup> Commonwealth and State taxes amount to 4/- Federal and 3/- State ~~(with deductions for Federal Tax)~~ on resident companies,

*8/2*  
17. ~~companies and 4/- Federal and 3/6 State (with similar deductions)~~  
on non-residents.

*11/12*  
35. This form of taxation, especially when it reaches rates as high as these, imposes heavy burdens upon persons entitled to income from shares without regard to ~~the~~ <sup>their</sup> capacity to pay. We have no doubt that these heavy imposts, without any provision by which shareholders may claim rebates, operated to reduce the incomes of many persons not otherwise liable to tax or whose income would be liable only to low rates of tax. We think this aspect needs special emphasis at this time when the need for revenue may be employed as a reason for further increasing taxation of this kind. We are unable to see any justice in a position which in effect taxes the small shareholder at these high rates and permits the recipient of a similar amount of income from other property or from personal exertion to escape with little or no tax. We strongly recommend that no further imposts of this kind should be imposed unless provision is made for adequate rebates.

36. We direct attention to the urgent need for State legislation to implement the <sup>section</sup> provisions of §160 of the Income Tax Assessment Act 1936-1940 as amended by section 24 of the Income Tax Assessment Act 1941 (No. 58 of 1941), <sup>which</sup> ~~this~~ is designed to safeguard taxpayers against taxation at rates exceeding 18/- in the £.

#### PRIVATE COMPANIES. *2 1/2 marks*

37. A good deal of evidence was tendered to us in relation to the position of private companies. In the main, the representations made to us were directed to -

- (a) the contention that private companies should not be subject to the flat rate of company tax or at least that shareholders should be entitled to a rebate, and
- (b) complaints against the operation of the Undistributed Profits Tax.

38. As to the contention involved in (a) that private companies should in effect be taxed as partnerships we refer to our general <sup>on company taxation</sup> comments in the ~~preceding~~ paragraph and otherwise we are not disposed to make any recommendation in favour of this view. It would, we think, be difficult to justify a position in which rebates are permitted to private companies and not to public companies.

39. A good deal of the criticism directed against the Undistributed Profits Tax in the case of private companies arises from some misconceptions as to the burden of that tax. It seems to be assumed in some quarters that a company which does not distribute its profits is as heavily burdened with tax as one which does, that no allowance is made for the fact that a complete distribution of profits may be impossible and that no encouragement remains to induce a company to provide adequate reserves.

40. To test the position, we asked the Commissioner of Taxation to prepare a table showing the relative positions over a period of years of a private company which distributes the whole of its distributable income, a private company which makes no distribution, and a partnership. This table is set out hereunder:-

#### INCOME TAX : PRIVATE COMPANIES.

Comparison of tax payable on the rates for the financial year 1941/1942 on the profits of a business owned by three persons each of whom receives a salary of £1,000 per annum under the following circumstances:-

- As a private company which distributes the whole of its distributable income;
- As a private company which makes no distributions;
- As a partnership in which profits are shared equally.

	1st year	2nd year	3rd year	4th year	5th year	6th Year	Total
Taxable Income	£9,000	£7,500	£8,100	£9,300	£10,000	£11,400	

#### COMPANY A:

Normal Coy. Tax.	1,800	1,500	1,620	1,860	2,000	2,280	
Tax payable by shareholders:	7,578	4,740	5,520	6,447	6,837	7,914	
	£9,378	£6,240	£7,140	£8,307	£8,837	£10,194	£50,096

#### COMPANY B:

Normal Coy. Tax.	1,800	1,500	1,620	1,860	2,000	2,280	
Sec. 104 Tax	6,951	Nil	4,893	1,644	4,800	3,159	
Tax payable by shareholders:	627	627	627	627	627	627	
	£9,378	£2,127	£7,140	£4,131	£7,427	£6,066	£36,269

#### PARTNERSHIP:

Tax payable by partners:	£4,131	£5,869	£6,374	£7,384	£7,972	£9,151	£43,881
	£6,875	£5,625	£6,125	£6,575	£7,707	£8,375	£42,332



42. It will be seen from the table that the company which does not make a distribution over a period of years is in a more favourable position than a company which distributes the whole of its income or a partnership. This arises from the fact that allowance is made in the <sup>calculation of distributable income for</sup> assessment of the company for the Undistributed Profits Tax paid by <sup>the company</sup> ~~it~~ in <sup>the</sup> ~~the~~ year while in the case of the individual taxpayer no deduction is permitted for income tax purposes for Federal taxes paid or payable.

43. While the circumstances assumed for the purposes of this calculation in relation to the private company are somewhat unreal, it does indicate that the burden of the Undistributed Profits Tax is not as heavy as is sometimes assumed and also that the tax for which a company which distributes portion of its income and retains the balance will be liable over a period of years approximates fairly closely to the tax imposed upon a similar business carried on as a partnership.

44. There are, we have little doubt, anomalous cases in which by reason of recent increases in tax the burden on some private companies may at the moment be extremely heavy, but such anomalies ~~are~~ are inseparable from war time conditions. It has been suggested that provision should be made for the allowance as a deduction of Undistributed Profits Tax payable in the year of assessment. This would provide immediate relief but we do not think it is a practical proposition.

45. In view of the fact that only Undistributed Profits Tax paid in the year of <sup>income</sup> ~~assessment~~ is deductible, delay in issuing assessments may make a considerable difference to the amount of tax payable in any particular year. In these cases advantage, of course, is obtained in a subsequent year. We are satisfied that there are difficulties in the way of issuing the bulk of Undistributed Profits tax assessments within the relevant tax year. Companies have six months of the tax year in which to make their distributions and work on the assessments cannot be undertaken until this period has expired. We do not think any justifiable criticism can be directed against the Commissioner in that regard.

BRITISH-AUSTRALIAN COMPANIES

46. Evidence was presented to us which we think establishes that companies operating both in Great Britain and Australia <sup>either</sup> ~~either~~ through branches or subsidiary companies become ~~subject~~ subject to heavy taxation on ~~the~~ income earned in Australia. This is especially so in the case of certain British companies operating in Australia through subsidiary companies and arises by reason of the fact that the income earned in Australia, in addition to being subject to income tax, may also be subject to War-time (Company) Tax in Australia, and excess profits tax in England, without any allowance being made for rebates of tax in either country.

47. Our attention was directed to the fact that section 159 of the Income Tax Assessment Act which was introduced into our legislation in 1921 to avoid double or treble taxation only operates in relation to income tax paid. It does not apply in relation to War-time (Company) Tax which is not an income tax within the meaning of the section. In evidence tendered to us it was alleged that while War-time (Company) Tax was not within the ambit of the section, British Excess Profits Tax was taken into account for the purpose of determining the "British rate", i.e., the rate at which tax is paid under the law of the United Kingdom on the amount of income. As the rebate provision only operates where the Commonwealth and State rates are greater than one-half the British rate, the exclusion of War-time (Company) Tax for the purpose of determining the Commonwealth rate or the Commonwealth and State rates and the inclusion of British Excess Profits Tax for the purpose of determining the British rate would tend to greatly reduce the number of cases in which the Commonwealth rate or Commonwealth and State rates combined exceeded one-half of the British rate, and such an interpretation of the section would render it difficult for a number of companies to qualify for the rebate or would greatly reduce the amount of the same. We have been informed by the Commissioner of Taxation that at one stage he did adopt this view of the section but that later consideration of the matter has led him to exclude British Excess Profits Tax and Australian War-time (Company) Tax from the calculation altogether. It is therefore unnecessary for us to ~~make~~ <sup>further</sup> comment on this particular criticism.

48. British-Australian companies which carry on their business in Australia through subsidiary companies are not in any event entitled to the benefit of section 159, which only applies where the taxpayer in England and Australia is the same legal entity. The fact that such companies are unable to take advantage of the rebate provisions renders the combined companies subject to heavier tax than might otherwise be the case and in certain ranges of income in the case of certain companies we think that the combined effect of the British and Australian legislation, including War-time (Company) Tax and Excess Profits Tax, is to tax some incomes at rates considerably in excess of £20/- in the £.
49. We realise that the disadvantages which some companies may suffer is attributable in part to the fact that they choose to carry on business in Australia by means of subsidiary companies and also to the drag-net character of English legislation which taxes the income earned outside England and that it may be urged that the remedy should be sought from the British legislature rather than the Australian.
50. In directing attention to the problems raised in relation to these companies, we suggest that having regard to the very high rates of tax operating in some ranges of income, consideration should be given to the making of some reciprocal arrangement which will avoid or lessen the evils associated with duplication of tax upon the same income. There is provision in the Finance Act 1940 (England) section 30, for reciprocal arrangements to avoid double payment of Excess Profits Tax. It may be that this section would not authorise a reciprocal arrangement in relation to our War-time (Company) Tax as it is not an Excess Profits Tax, but it seems to us that the type of arrangement contemplated by that section would serve to remove some of the difficulties we have indicated.

WAR-TIME (COMPANY) TAX

51. In view of the suggestions which have been made for the imposition of a tax equivalent to 100% of all profits in excess of 4% to which we have made some reference in paragraph of this report, we direct attention to two provisions of the British Finance Acts imposing Excess Profits Tax which tend to lighten the burden of the tax of 100% on excess profits collected in that country.

*Fin* *F.2452*  
The first provision is contained in Finance Act (No.2) of 1939,  
X (7th Schedule, paragraph 4 of Part II) and it provides for the inclusion  
of portion of the profits of the accounting period in the calculation  
of capital. In considering taxation of such a drastic character as is  
X proposed, the fact that profits are not necessarily in the hands of  
the company in the form of money but are themselves employed in the  
business and contribute in some measure to the making of profit which  
it is proposed in effect to appropriate should not be overlooked. The  
provision of the English Act appears to us to be a recognition of this  
fact.

*HA* *1944*  
52. The other provision to which we desire to refer is section 28  
of the Finance Act 1941 by which 20% of the Excess Profits Tax may be  
repaid after the war. In paragraph 30 of this report we have  
indicated reasons why we think <sup>some</sup> provision of this kind may be  
desirable.

53. We believe that the imposition of a tax by which all profits in  
excess of 4% are appropriated would represent an imposition heavier  
than has been imposed in any part of the Empire and the objections to  
such a tax as a deterrent to efficiency <sup>cannot be lightly disregarded</sup>. Such legislation must we think  
also lead to a reduction in total taxable incomes, ~~(other than those~~  
~~in which directors have a controlling interest)~~ <sup>cannot be lightly</sup>  
~~disregarded~~. <sup>The result might necessitate extensive supervision</sup>

54. There is much uncertainty in the business community as to the  
X nature of the Government's Taxation proposals in this regard and we  
think it is desirable that the position should be clarified as soon as  
possible. The amendments made by <sup>Statutory Rule No.</sup> S.R. 110 of 1942 to the regulation  
contained in <sup>Statutory Rule No.</sup> S.R. 76 of 1942 relating to the limitation of profits have  
not made the position plain.

55. One of the many doubts which arise is as to whether the tax-  
ation contemplated by the regulation is to apply to profits earned in  
the current financial year or to profits earned after 1st July 1942.

56. In England, in the case of companies (other than those in which  
directors have a controlling interest) formed after 1st July 1936 to  
which the excess profits provisions ~~such as~~ as such do not apply by  
reason of the absence in such cases of a pre-war standard, the standard  
rate of profit permitted upon the basis of which the excess is cal-  
culated is 8%.

FUTURE WORK OF THE COMMITTEE.

57. We do not think any useful purpose would be served by this Committee continuing a general investigation into the matters which have been referred to us.

58. We think the methods which have heretofore been adopted for the control of prices and profits and for the taxation of profits as such are sound and we would not recommend any drastic departure from these methods.

59. The new economic policy recently announced by the Prime Minister has been formulated without any reference to this committee and, if implemented, it will greatly alter the basis for controlling prices and taxing profits.

60. We thus find ourselves reporting favourably upon a system which public pronouncements have already indicated is to be drastically altered.

61. Under the pressure of war we state these facts not by way of criticism but as illustrating that our investigations have been rendered difficult by the frequency with which changes in regard to finance and taxation have taken place while our enquiries have proceeded. In these circumstances we feel that if there is any particular matter upon which Parliament desires the report of this Committee, it should be specifically referred to it, and that action should be stayed until our report is tabled. In the absence of any such direction from Parliament we do not think any useful purpose would be served at this stage X in pursuing our investigations until the Government stabilises its new financial policy and the results of that policy are evident.

62. The Committee wishes to place on record its appreciation of the services rendered to it by Mr. R.H.C. Loof, who has acted as our Secretary during the whole of our investigations. He has devoted himself untiringly to the work of the Committee and his assistance has greatly lightened the burden of members of the 28

Committee in the performance of the task assigned to them.

*J. A. Spicer*  
CHAIRMAN

*I W. M. M. M. M.*  
*Ben. Courtice*  
*M. R. R. R.*  
*A. G. R. R. R.*

Senate Committee Room,

CANBERRA, 26th March, 1942.

F. 2452

1-1. ADDITONS TO SCHEDULE "A"  
 List of declared goods in which a specific price has been fixed  
 FROM 27/9/41 TO 25/3/1942.

1-1	Declaration No.	Gazette No.
Advertising Show Cards and Show Cards Boards	88	57 - 20th February, 1942
Aerated Water Machines and Gauges	88	57 - 20th February, 1942
Amusement Park Equipment	88	57 - 20th February, 1942
Architectural Metal Work (decorative)	88	57 - 20th February, 1942
Art Metal Ceilings	88	57 - 20th February, 1942.
Art Metal Coal Boxes and Kerbs	88	57 - 20th February, 1942.
Automatic Slot Vending Machines	88	57 - 20th February, 1942.
Bath-Heaters	88	57 - 20th February, 1942
Betting Bags	88	57 - 20th February, 1942
Billiard Tables	88	57 - 20th February, 1942
Bird Norman - Sydney (all goods sold by)	84)	16th February, 1942
Bottles and Glass Containers	73 86)	21st November, 1941
Cake Ornaments	88	57 - 20th February, 1942
Carpet Sweepers	88	57 - 20th February, 1942
Cement Ornaments	88	57 - 20th February, 1942
Children's Scooters, Tricycles, Motor Cars, Trucks and similar vehicles	88	57 - 20th February, 1942
Cigarettes	70	29th October, 1941
Club Badges	88	57 - 20th February, 1942
Confetti	88	57 - 20th February, 1942
Confectionery Machinery	88	57 - 20th February, 1942
Cordial Machinery	88	57 - 20th February, 1942
Cream of Tartar Substitutes	79	15th January, 1942
Crown Crystal Glass Pty. Ltd., North Melbourne, goods sold by	73	21st November, 1941
Deck Chairs	88	57 - 20th February, 1942
Dickson Frank - Sydney (all goods sold by)	85	18th February, 1942

30

	Declaration No.	Gazette No.
Display Cards and Cartons	88	57 - 20th February, 1942.
Display Stands and Models	88	57 - 20th February, 1942.
Dog racing equipment, also accessories such as rugs, leads, muzzles	88	57 - 20th February, 1942.
Domestic Vacuum Cleaners	88	57 - 20th February, 1942.
Domestic Washing Machines	88	57 - 20th February, 1942.
Dott & Co. Pty. Ltd., North Melbourne goods sold by	73	21st November, 1941.
Drums secondhand steel	81	27th January, 1942.
Edible Oils & Mixtures thereof	87	17th February, 1942.
Electric Dish-Washing Machines	88	57 - 20th February, 1942.
Enamelled Badges and Signs	88	57 - 20th February, 1942.
Fancy Earthenware	88	57 - 20th February, 1942.
Fancy Leather Goods	88	57 - 20th February, 1942.
Fancy Leather Goods Machinery	88	57 - 20th February, 1942.
Firewood - South Australia Victoria	92 69	92 - 24th March, 1942 23rd October, 1941
Fur Coats and Garments	88	57 - 20th February, 1942.
Furniture items as follows, viz:- Bathroom Cabinets, China Cabinets, Coffee Tables, Cocktail Cabinets, Floor and Table Standard Lamps, Fireside Sets, Glass fronted bookcases and cupboards, Hallstands, Lounge suites, settees, easy chairs, Occasional tables, Potstands and plant pedestals, Traymobiles, Writing Bureaux		
Garden Arches, Ornaments, Rollers and Seats	88	57 - 20th February, 1942.
Glaciarium Equipment	88	57 - 20th February, 1942.
Glass, figured rolled and similar sheet glass	73	21st November, 1941.
Greeting Cards	88	57 - 20th February, 1942.
Grotjan & Co. - all goods	89	64 - 26th February, 1942.

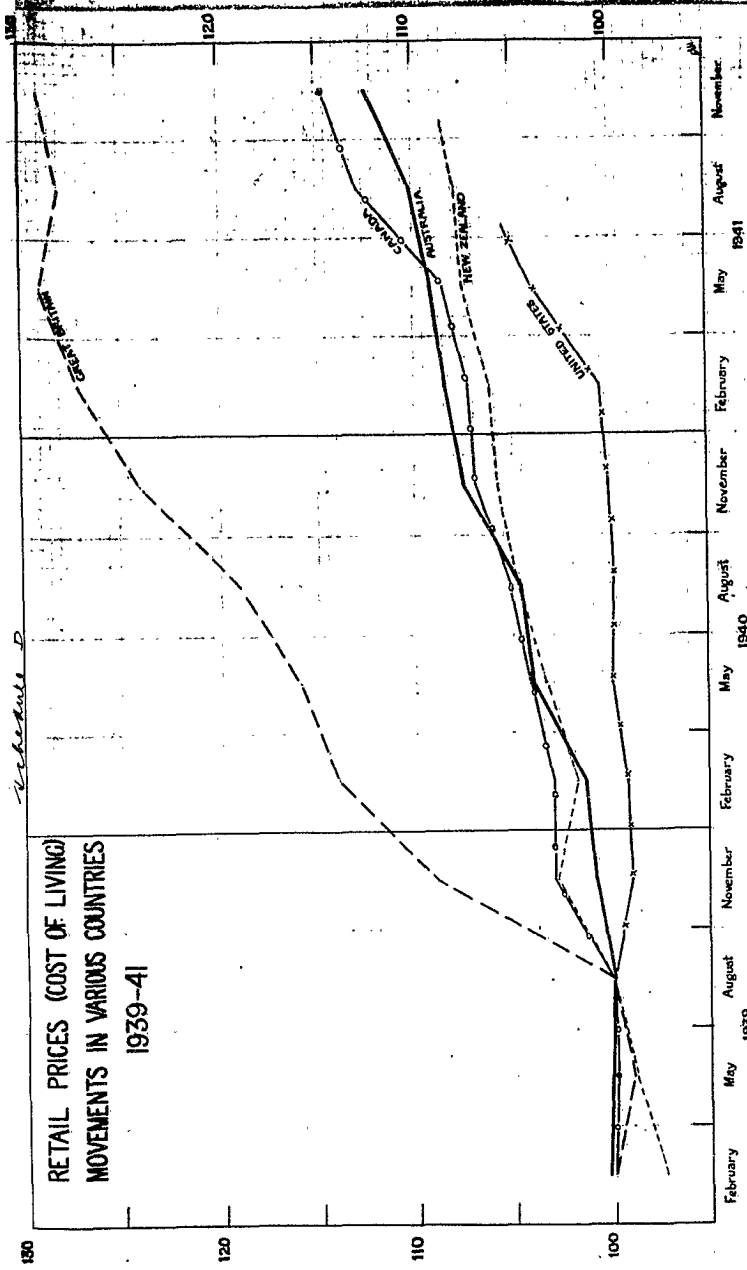


	Declaration No.	Gazette No.
Horse Trotting Equipment	88	57 - 20th February, 1942.
Household ornaments	88	57 - 20th February, 1942.
House number and name plates	88	57 - 20th February, 1942.
Jewel cases	88	57 - 20th February, 1942.
Jewellers' tools and machines	88	57 - 20th February, 1942.
Jewellery	88	57 - 20th February, 1942.
Jewellery (imitation)	88	57 - 20th February, 1942.
Knitted outerwear for men and boys - woollen or containing wool	68	2nd October, 1941.
Knitted underwear - woollen or containing wool	68	2nd October, 1941.
Lawn Mowers	88	57 - 20th February, 1942.
Manicure Sets	88	57 - 20th February, 1942.
Matthews A. G. trading as Buras Johnson & Co. Brisbane Galvanised Iron Pipes & Tubes	74	21st November, 1941.
Meat - Western Australia Metropolitan Area, Adelaide	91 90	92 - 24th March, 1942. 92 - 24th March, 1942.
Men's Evening Wear including Dress Shirts, Dress Suits, Dinner Jackets	88	57 - 20th February, 1942.
Men's garters and sock suspenders	88	57 - 20th February, 1942.
Mosley & Kemp Pty. Ltd., Melbourne goods sold by	67	1st October, 1941.
Motor Caravans, Trailers and Horse Floats	88	57 - 20th February, 1942.
Murray D. & W. Ltd., Melbourne - goods sold by	72	20th November, 1941.
Musical Instruments	88	57 - 20th February, 1942.
Myer Emporium Ltd., Melbourne - goods and services performed by	78	8th January, 1942.
Onions all grown in Victoria with the exception of white Globe	80	15th January, 1942
Ornamental Electric Fittings and Art Glass Electric Lighting Ware	88	57 - 20th February, 1942.

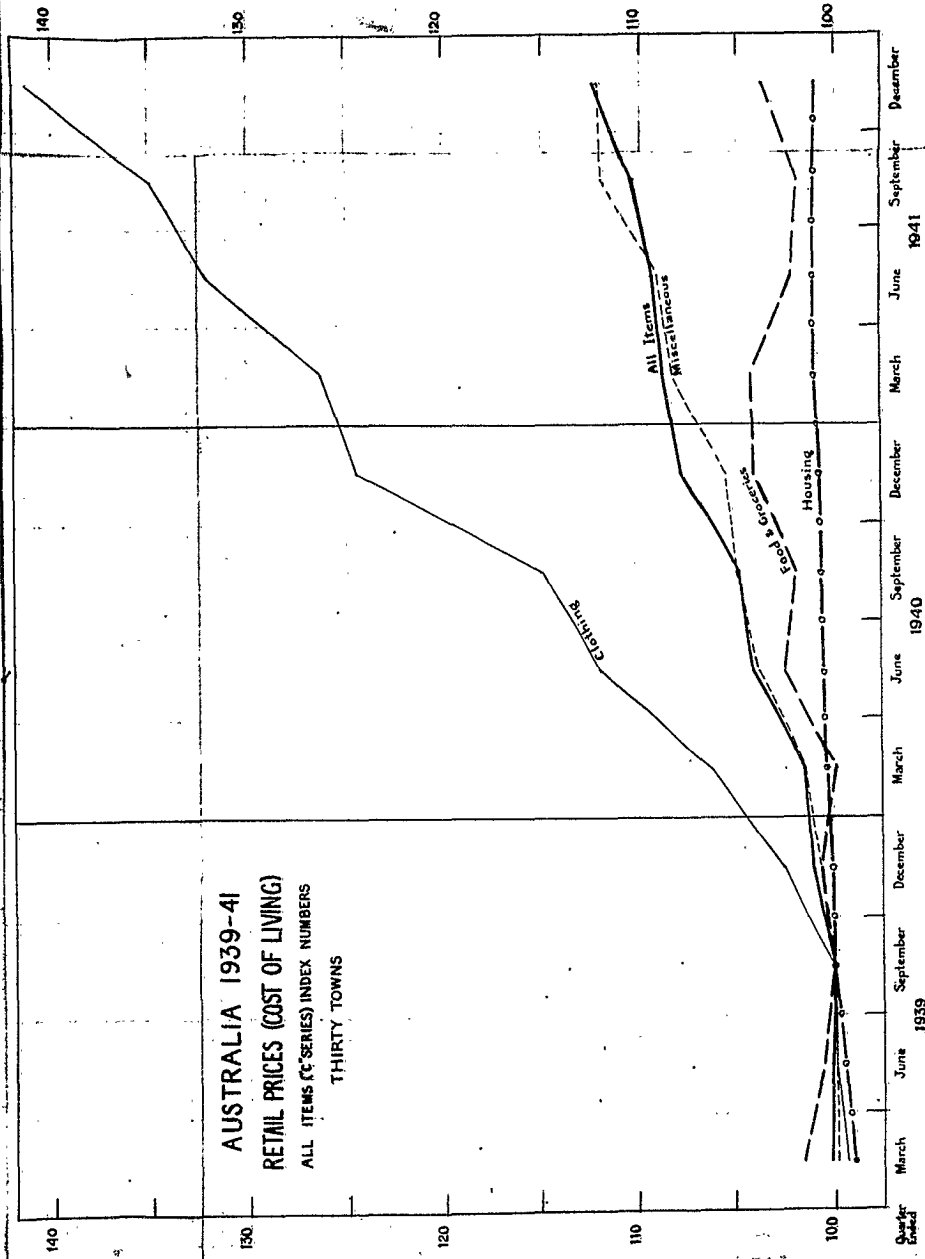
	Declaration No.	Gazette No.
Paper Novelties	88	57 - 20th February, 1942.
Parisian Laundry Pty. Ltd., Woollahra, N.S.W. services performed by	75	12th December, 1941.
Picture Frames exceeding 12" x 10"	88	57 - 20th February, 1942.
Plated Table Ware other than Knives, Forks and Spoons	88	57 - 20th February, 1942.
Racecourse and Horse Racing Equipment	88	57 - 20th February, 1942.
Rubber - scrap	82	29th January, 1942.
Shooting Gallery Equipment	88	57 - 20th February, 1942.
Shop Window Fittings	88	57 - 20th February, 1942.
Show cases and show stands	88	57 - 20th February, 1942.
Skates, ice and roller	88	57 - 20th February, 1942.
Spirituuous Liquors - Ales, Stout and other beer containing more than 2% proof spirit	70	29th October, 1941.
Stained glass	88	57 - 20th February, 1942.
Theatre programmes of more than a single sheet	88	57 - 20th February, 1942.
Tobacco	70	29th October, 1941.
Tomatoes	83	10th February, 1942
Totalisator Machinery	88	57 - 20th February, 1942.
Toys	88	57 - 20th February, 1942.
Trio Woollen Mills, Abbotsford, Vic. goods sold by	77	8th January, 1942.
Tubular steel furniture	88	57 - 20th February, 1942.
Gualtiero Vaccari trading as Vaccari & Co. Melbourne, goods sold by	71	13th November, 1941.
Walking sticks	88	57 - 20th February, 1942.
Wool tops	76	19th December, 1941.
Women's fitted dressing cases and fittings for same	88	57 - 20th February, 1942.

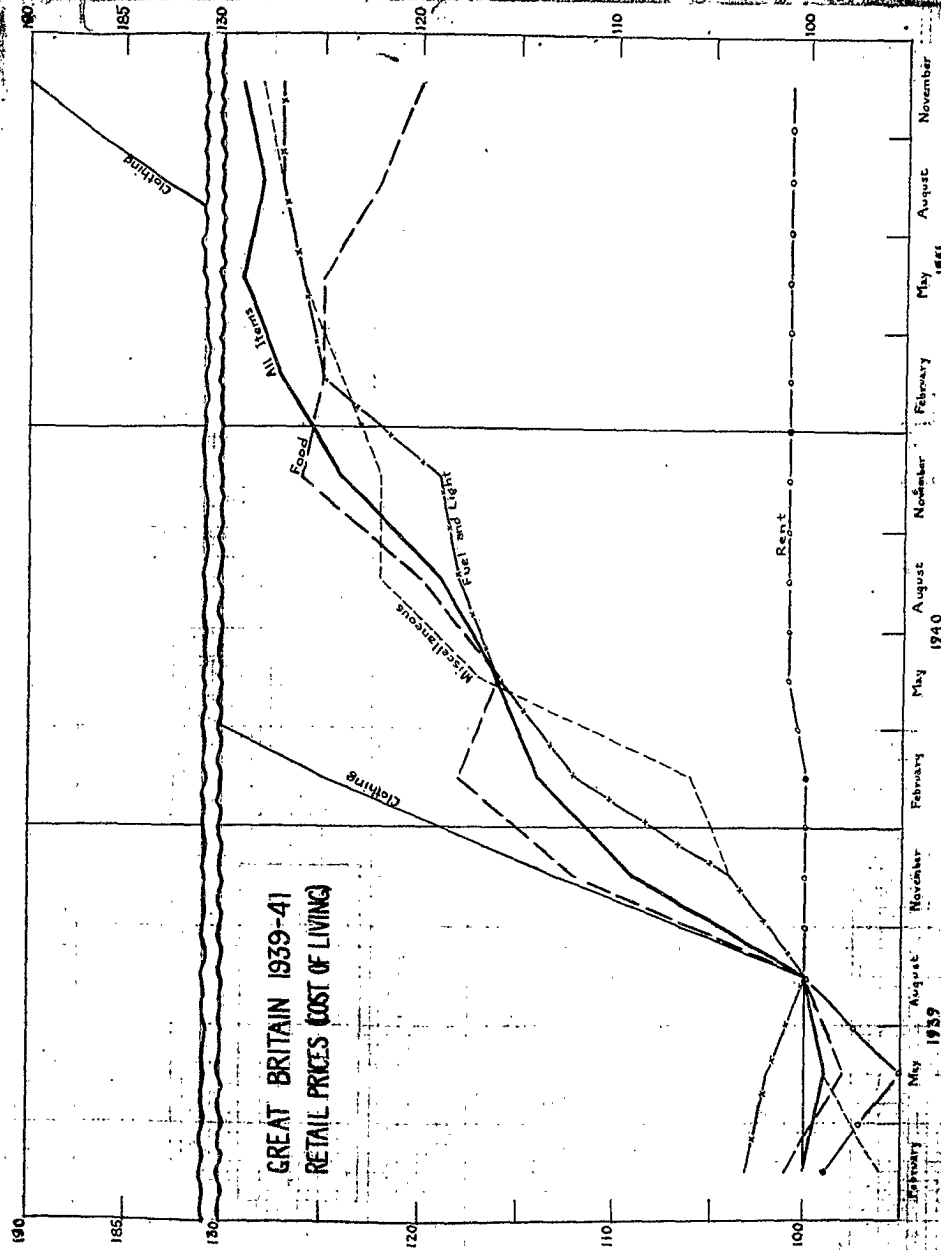
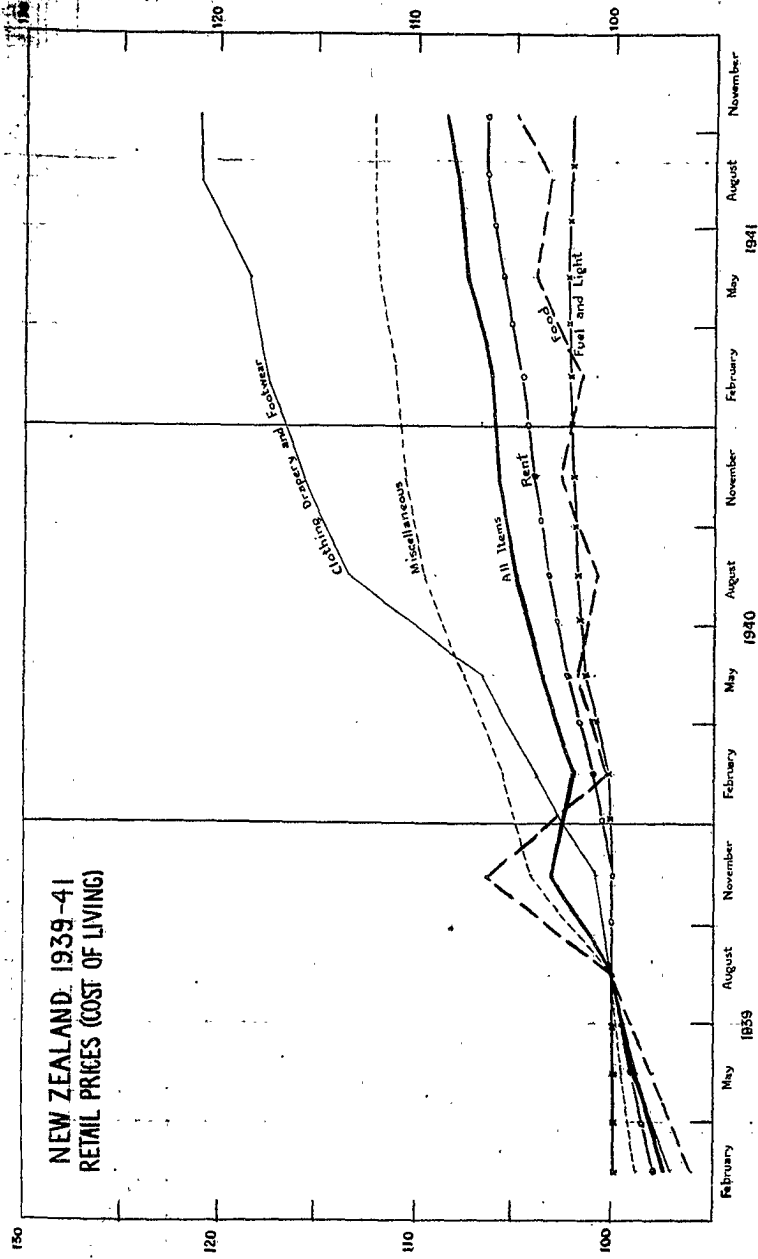
Schedule B.

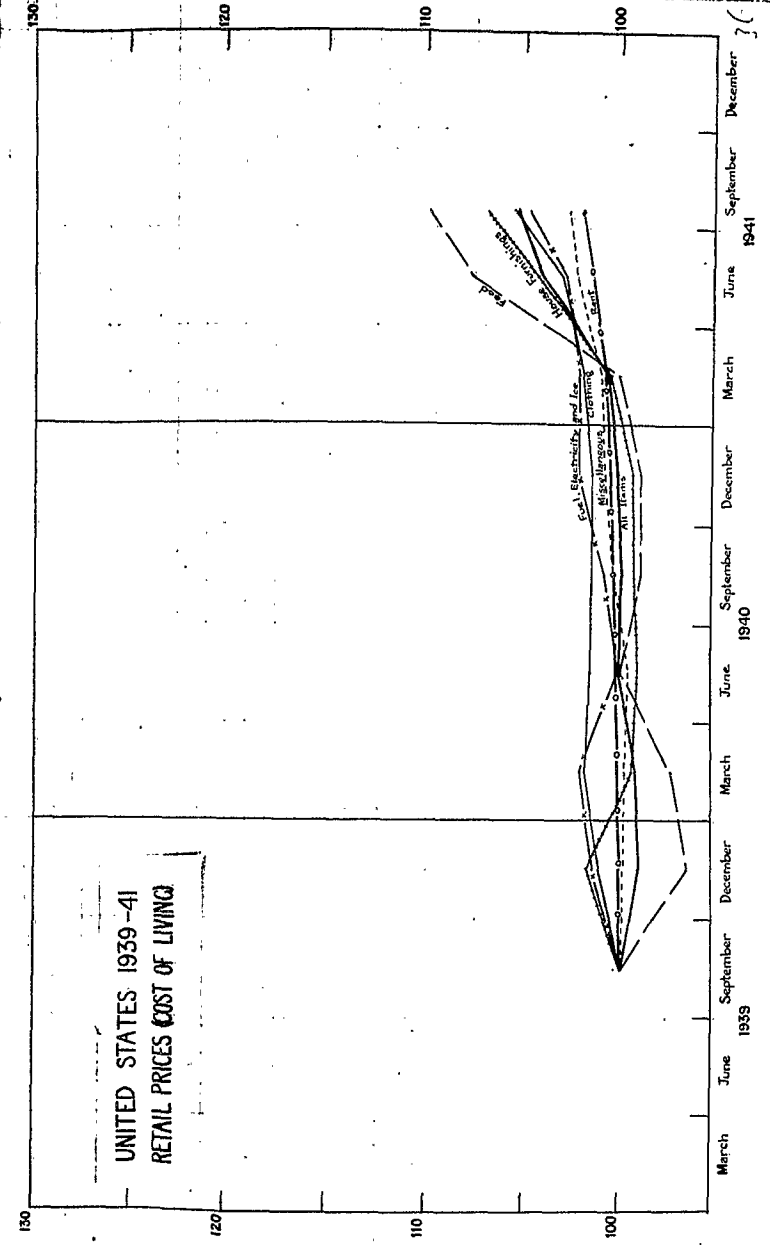
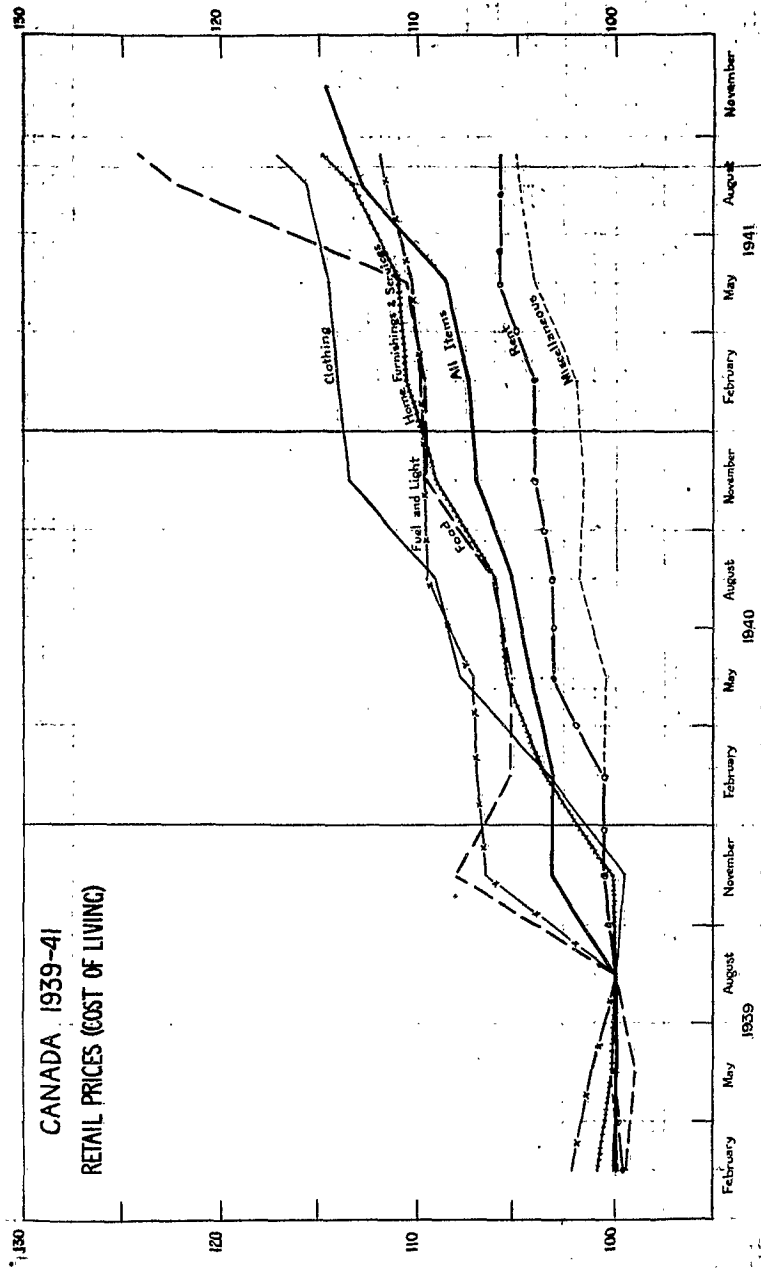
# RETAIL PRICES (COST OF LIVING) MOVEMENTS IN VARIOUS COUNTRIES 1939-41

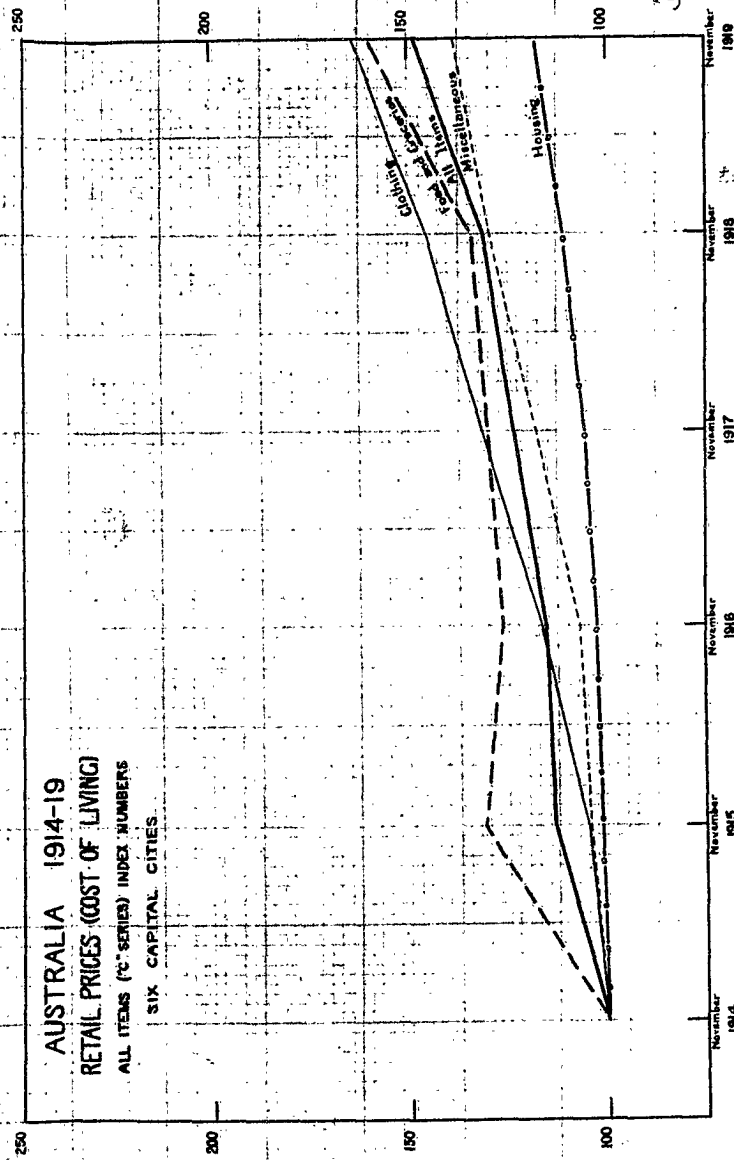
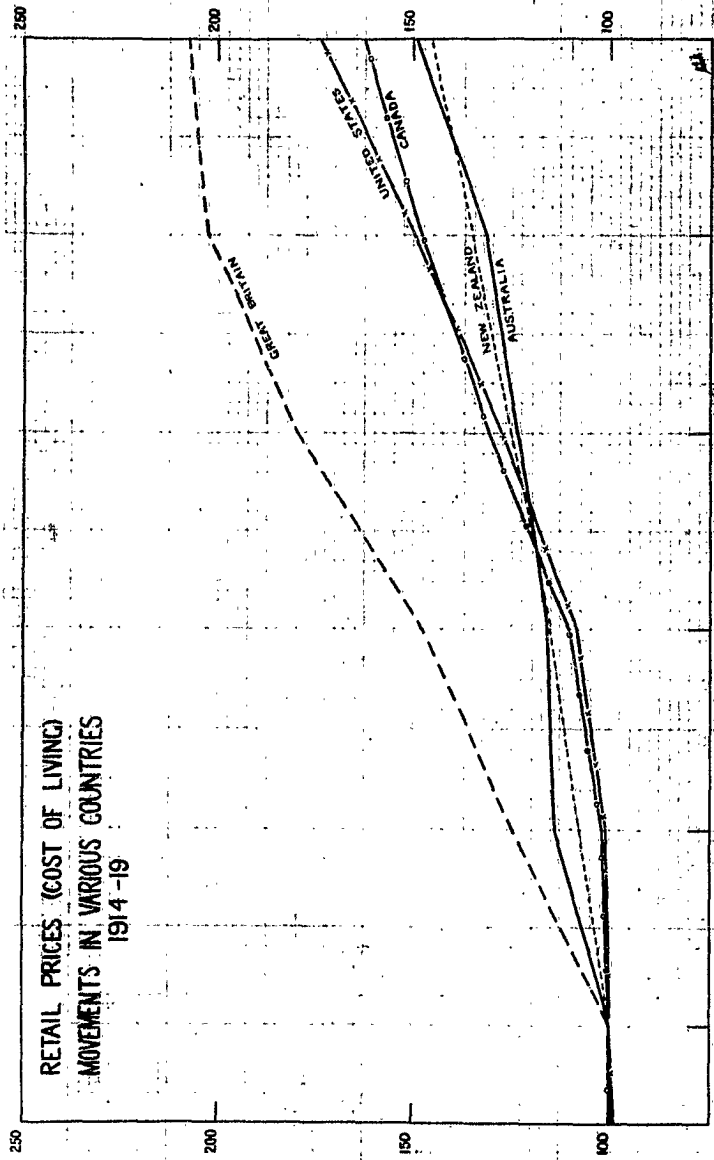


## AUSTRALIA 1939-41 RETAIL PRICES (COST OF LIVING) ALL ITEMS (C'SERIES) INDEX NUMBERS THIRTY TOWNS

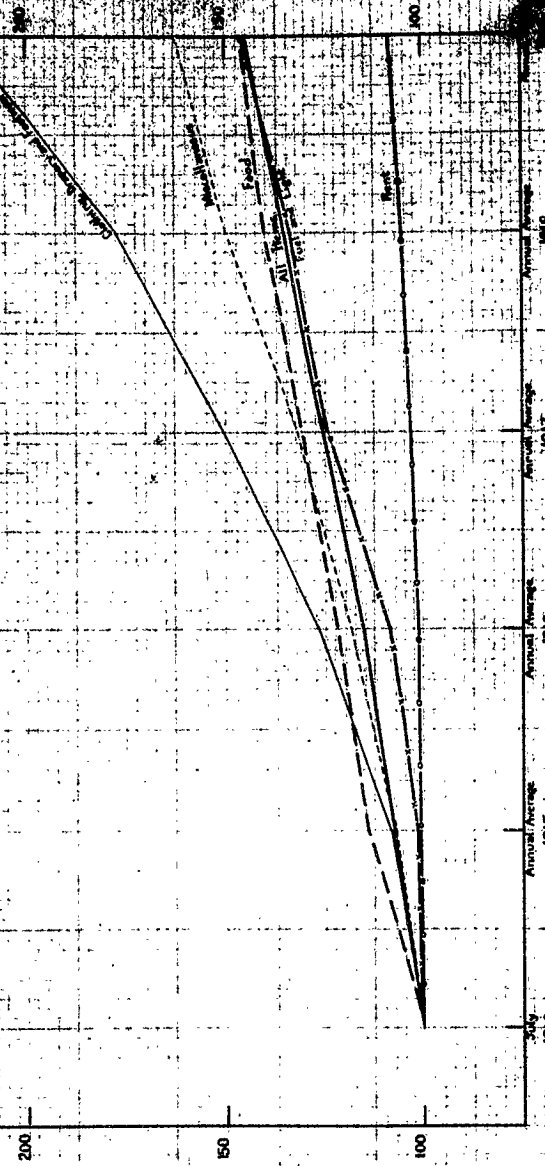




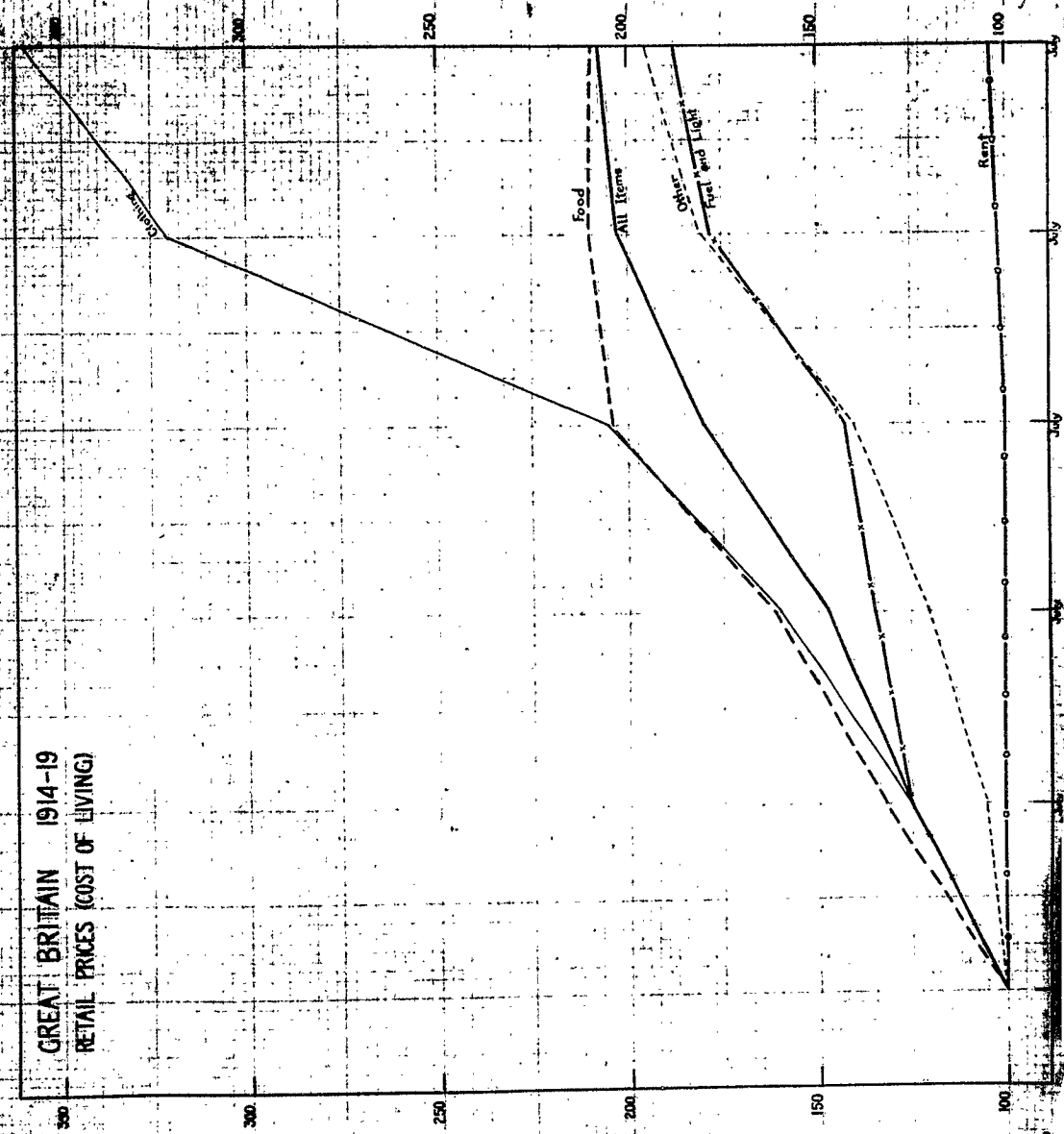




# NEW ZEALAND 1914-19 RETAIL PRICES (COST OF LIVING)

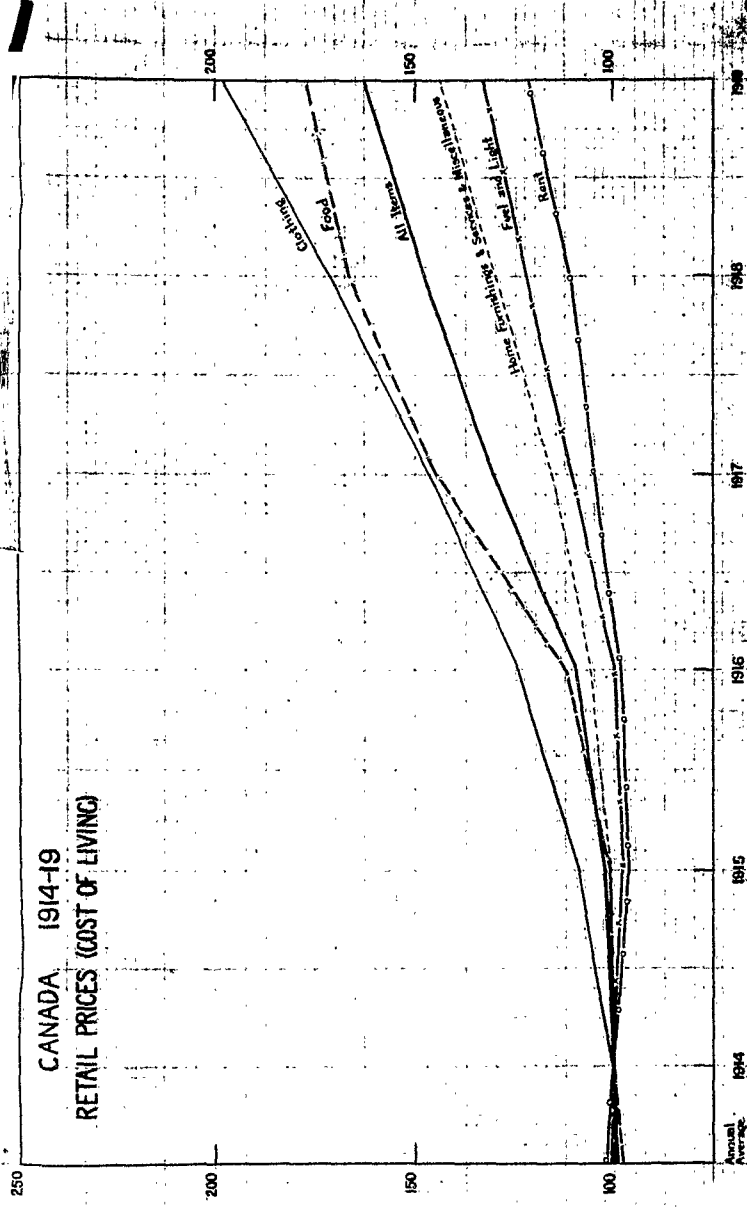


# GREAT BRITAIN 1914-19 RETAIL PRICES (COST OF LIVING)

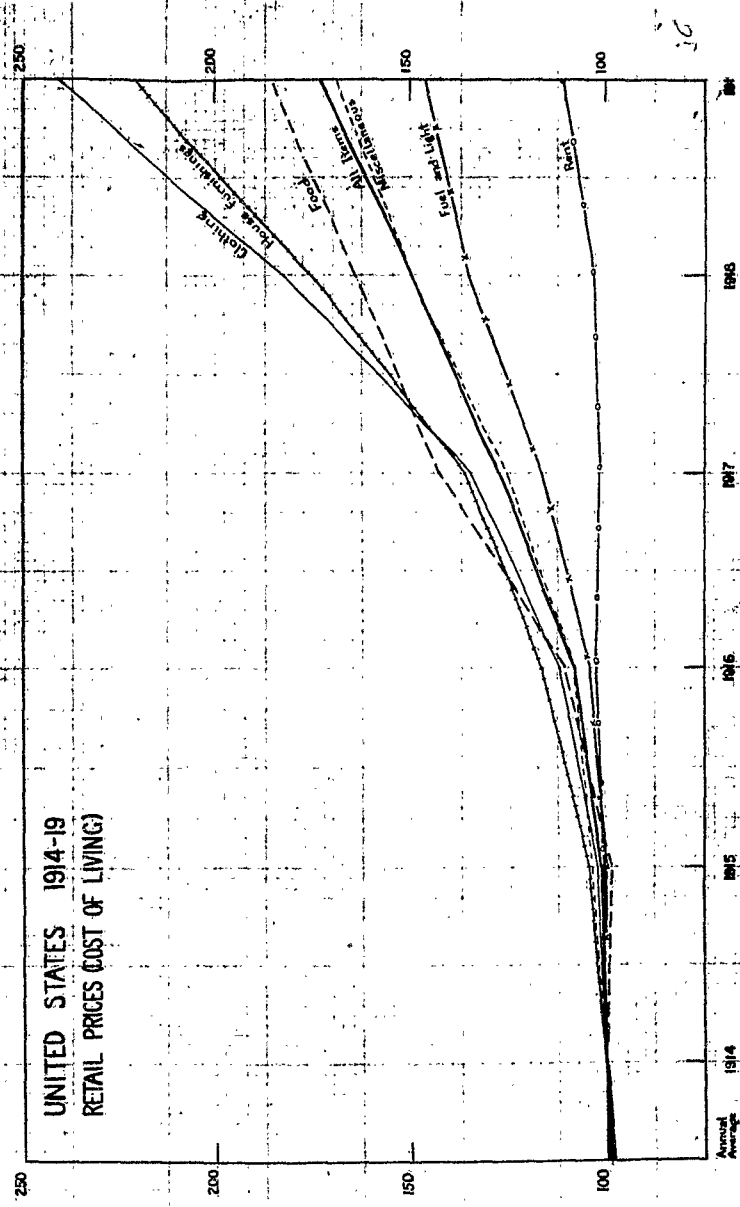




# CANADA 1914-19 RETAIL PRICES (COST OF LIVING)



# UNITED STATES 1914-19 RETAIL PRICES (COST OF LIVING)



**MEMORANDUM**  
**AUSTRALIA : RETAIL PRICES.**

**September Quarter, 1939, and December Quarter, 1941.**

A comparison of average retail prices for 165 items which enter into cost of living is shown in the following tables. These are the items which are combined into the All Items ("C" Series) Retail Price Index Numbers compiled each quarter by the Commonwealth Statistician. Neither the list nor the index purport to cover all items entering into "cost of living". They do, however, include most of the important items for which price comparisons can be obtained. Fresh fruit and vegetables and fresh fish are omitted from the list because their price fluctuations are seasonal and because it is virtually impossible to obtain standard price comparisons.

The prices are for goods of specified grade, and are ascertained by Field Officers from representative retailers in each of the six capital cities. As a rule the comparative quality of the goods and the prices are inspected and checked by the Field Officers.

The prices are collected for the purposes of the Index Number which is designed to measure as accurately as possible the degree of change in price levels for the individual groups of commodities and the whole of the groups combined. The method of compiling the index is described in the Labour Report, published annually by the Commonwealth Statistician.

(The amounts shown for rent and miscellaneous items represent averages used for periodical comparison only and have no relationship to amounts assessed as basic wages by any industrial tribunal.)

Commonwealth Bureau of Census and Statistics,  
**CANBERRA. A. C. T.**

**COMMONWEALTH OF AUSTRALIA**  
**RETAIL PRICES : FOOD AND GROCERIES**  
**Six Capital Cities.**

Commodity	Unit	Weighted Average Prices		
		September Quarter 1939	December Quarter 1941	Percentage Variation
<b>"A" Section "A" : Groceries</b>		77 d.	79 d.	79
1. Bread ..	2 lb.	5.70	5.84	
2. Flour - ordinary ..	2 lb.	4.55	4.56	
3. " - self-raising ..	2 lb.	7.42	7.63	
4. Tea ..	1 lb.	27.00	41.11	
5. Sugar ..	1 lb.	4.01	4.00	
6. Rice ..	1 lb.	3.42	3.50	
7. Eggs ..	1 lb.	3.03	5.14	
8. Jam, plum ..	1 1/2 lb.	8.90	9.79	
9. Golden syrup ..	2 lb.	6.85	6.92	
10. Oats, flaked ..	1 lb.	3.48	3.79	
11. Raisins ..	1 lb.	10.19	11.17	
12. Currants ..	1 lb.	8.77	9.80	
13. Apricots, dried ..	1 lb.	15.12	17.03	
14. Peaches, canned ..	30 oz.	9.93	10.95	
15. Pears, canned ..	30 oz.	10.58	11.75	
16. Salmon, in tins ..	1 lb.	12.50	19.48	
17. Potatoes ..	7 lb.	17.97	9.74	
18. Onions ..	1 lb.	4.13	4.19	
19. Soap ..	1 lb.	6.62	6.77	
20. Kerosene ..	quart	4.89	6.05	
<b>TOTAL (Weighted Aggregate)</b>		<b>2,187.11</b>	<b>2,231.60</b>	<b>2.0</b>
<b>"B" Section "B" : Dairy Products</b>				
21. Butter ..	1 lb.	19.25	19.27	
22. Cheese ..	1 lb.	13.88	14.31	
23. Eggs ..	1 doz.	16.21	13.75	
24. Bacon ..	1 lb.	17.08	18.24	
25. Milk - condensed ..	1 tin	9.25	9.35	
26. " - fresh ..	quart	6.87	6.98	
<b>TOTAL (Weighted Aggregate)</b>		<b>1,476.13</b>	<b>1,488.03</b>	<b>1.5</b>

\* Grating factors due to changes of standard applied for comparative purposes.

40

SCHEDULE C - continued

RETAIL PRICES - FOOD AND GROCERIES - continued  
Six Capital Cities - continued

Commodity	Unit	Weighted Average Prices		
		September Quarter 1939	December Quarter 1941	Percentage Variation
"C" <u>Section "C" - Meat</u>		d.	d.	
27. Beef - sirloin ..	1 lb.	9.87	11.06	
28. " - ribs ..	1 lb.	7.71	8.48	
29. Steak - rump ..	1 lb.	14.53	16.89	
30. " - chuck ..	1 lb.	6.92	8.29	
31. Sausages ..	1 lb.	5.71	6.53	
32. Beef - corned silverside ..	1 lb.	8.36	9.47	
33. " - corned brisket ..	1 lb.	6.24	7.19	
34. Mutton - leg ..	1 lb.	7.43	7.35	
35. " - forequarter ..	1 lb.	4.43	4.28	
36. " - loin ..	1 lb.	7.50	7.56	
37. " - chops, loin ..	1 lb.	8.34	8.35	
38. " - chops, leg ..	1 lb.	8.20	8.49	
39. Pork - leg ..	1 lb.	12.38	12.31	
40. " - loin ..	1 lb.	12.72	12.71	
41. " - chops ..	1 lb.	12.98	12.75	
Total (weighted aggregate)		1587.91	1713.52	7.9
GRAND TOTAL (Weighted aggregate)		5251.15	5443.15	3.7

RENT AVERAGES  
Six Capitals

Particulars	Weighted Average Prices		
	September Quarter 1939	December Quarter 1941	Percentage Increase
Four rooms - wood ..	218.64	220.74	1.0
" - brick ..	250.87	253.27	1.0
Weighted average ..	243.18	245.48	0.9
Five rooms - wood ..	244.29	246.66	1.0
" - brick ..	296.36	299.63	1.1
Weighted average ..	281.60	284.19	0.9
Total weighted average	260.85	263.20	0.9

CLOTHING - MAN  
Section "E"  
Six Capitals.

Article	Weighted Average Prices		
	September Quarter 1939	December Quarter 1941	Percentage Variation
1. Suit, ready made, worsted ..	61.05	86.86	
2. Trousers (working), cotton tweed ..	10.23	16.14	
3. Overcoat, ready made, tweed ..	41.69	63.96	
4. Hat, fur felt ..	19.52	19.50	
5. Shirt (fashion) ..	8.88	12.61	
6. " (working), drill ..	6.23	9.20	
7. Collar, semi-soft, white ..	(1.00)	-	
8. Singlet, wool and cotton ..	7.48	8.50	
9. " cotton ..	1.84	2.35	
10. Underpants, wool and cotton ..	8.60	9.68	
11. " cotton shorts ..	2.86	3.90	
12. Sox, all wool, fancy ..	2.92	4.46	
13. " wool and cotton, fancy ..	1.93	2.92	
14. Braces ..	2.34	3.09	
15. Handkerchief, cotton ..	1.00	1.33	
16. Pyjamas, winosette ..	6.89	12.17	
17. Pullover, all wool ..	14.35	15.51	
18. Shoes (best) ..	23.20	28.09	
19. Boots (working) ..	15.02	18.15	
Weighted Aggregates	233.32	315.98	35.4

**SCHEDULE C. - Continued.**

**CLOTHING - WOMEN**

**SECTION "F".**

**SIX CAPITALS**

1229

Article	Weighted Average Prices		
	September Quarter 1933	December Quarter 1941	Percentage Variation
20. Costume, ready made, tweed ..	41.32x	64.59x	
21. Skirt, ready made, tweed ..	11.79x	14.69x	
22. ..			
23. Hat, fur felt ..	14.75	18.02	
24. " straw ..	9.43	18.63	
25. Frock, ready made, cotton ..	9.03	19.23	
26. " " art. silk ..	12.21	22.17	
27. Brassiere, cotton brocade ..	2.37x	2.86x	
28. Undervest, woollen and art. silk ..	2.92	3.75	
29. Undervest, art. silk ..	3.92	3.92	
30. ..			
31. Bloomers, art. silk ..	2.92	3.75	
32. Princess slip, art. silk ..	5.92x	6.83x	
33. Stockings, silk ..	4.92	9.92x	
33A. " twin silk ..		(4.98)	
34. " lisle ..	4.92	6.00	
35. Gloves, fabric ..	3.28	7.93	
36. " nappa ..	9.47	15.38	
37. Nightdress, art. silk ..	6.92x	7.70x	
38. Pyjamas, wineyette ..	7.85	11.66	
39. Dressing gown, art. silk ..	12.92x	15.70x	
40. Apron, cotton ..	2.61	4.10	
41. Cardigan, all wool ..	16.42	19.31	
42. Shoes (best) ..	18.28	22.80	
43. " (ordinary wear) ..	14.68	17.04	
<b>Weighted Aggregate:</b>	<b>292.61</b>	<b>440.40</b>	<b>50.0%</b>

\* Grafting factors due to change of standard applied for comparative purposes.

**CLOTHING - BOY (10+ Years).**

**SECTION "G".**

**SIX CAPITALS.**

Article	Weighted Average Prices		
	September Quarter 1933	December Quarter 1941	Percentage Variation
44. Suit, ready made, tweed ..	21.07x	33.93x	
45. Pants, ready made, tweed ..	7.14	10.47	
46. Overcoat, ready made, tweed ..	23.43	37.46	
47. Cap, skull, cloth ..	2.11	2.66	
48. ..			
49. Shirt, sports ..	3.21x	4.52x	
50. Singlet, wool and cotton ..	5.51	6.69	
51. Singlet, cotton ..	1.32x	1.59x	
52. Braces ..	1.50	1.90	
53. Stockings, golf ..	2.31x	3.17x	
54. Pyjamas, wineyette ..	5.90	10.20	
55. Pullover, all wool ..	9.38	10.66	
56. Shoes (best) ..	14.17	16.61	
<b>Weighted Aggregate:</b>	<b>143.06</b>	<b>197.61</b>	<b>38.1%</b>

\* Grafting factors due to changes of standard applied for comparative purposes.

42

**SCHEDULE C. - Continued**  
**CLOTHING - GIRL (7 Years)**

P 30

**SECTION "I".**  
**SIX CAPITALS**

Article			Weighted Average Prices		
			September Quarter 1939	December Quarter 1941	Percentage Variation
58. Tunic, wool .. ..	..	..	\$. 17.13*	\$. 22.10*	
59. .. ..	..	..			
60. Dress, cotton .. ..	..	..	6.65*	11.98*	
61. Top coat, tweed .. ..	..	..	21.31*	27.36*	
62. Hat, wool felt .. ..	..	..	8.25*	9.33*	
63. " straw .. ..	..	..	7.62	10.16*	
64. .. ..	..	..			
65. Petticoat, art. silk .. ..	..	..	2.92*	3.27*	
66. Singlet, silk and wool .. ..	..	..	2.39	2.90	
67. .. art. silk .. ..	..	..	1.92	2.25	
68. Bloomers, cotton, fleecy-lined .. ..	..	..	1.60	1.87	
69. " art. silk .. ..	..	..	1.92	2.75	
70. Stockings, cashmere .. ..	..	..	1.63	1.63	
71. Pyjamas, vincoyette .. ..	..	..	5.79	7.82	
72. " art. silk .. ..	..	..	6.40*	7.88*	
73. Pullover, all wool .. ..	..	..	7.89	9.60	
74. Shoes (best) .. ..	..	..	10.97	13.18*	
75. " (school) .. ..	..	..	10.72	13.25*	
Weighted Aggregate:			118.43	157.01	32.6%

\* Grafting factors due to changes of standard applied for comparative purposes.

**CLOTHING - BOY (3 1/2 Years)**

**SECTION "J".**  
**SIX CAPITALS**

Article			Weighted Average Prices		
			September Quarter 1939	December Quarter 1941	Percentage Variation
76. Blouse coat .. ..	..	..	\$. 4.23*	\$. 5.77*	
77. Pants, ready made, tweed .. ..	..	..	6.60	9.25	
78. Overcoat, ready made, tweed .. ..	..	..	17.54	25.93	
79. Hat, cloth .. ..	..	..	2.92	3.59	
80. Singlet, wool and cotton .. ..	..	..	4.50	4.92	
81. " cotton (athletic) .. ..	..	..	1.17*	1.45*	
82. Sox, art. silk and lisle .. ..	..	..	1.31*	1.32*	
83. Pyjamas, vincoyette .. ..	..	..	5.35	9.80	
84. Pullover, all wool .. ..	..	..	6.02	7.09*	
85. Shoes (best) .. ..	..	..	9.04	12.07*	
86. " (ordinary) .. ..	..	..	8.69	11.76*	
Weighted Aggregate:			93.20	128.78	38.2%

\* Grafting factors due to changes of standard applied for comparative purposes.

**HOUSEHOLD DRAPEY**

**SECTION "K".**  
**SIX CAPITALS**

Article			Weighted Average Prices		
			September Quarter 1939	December Quarter 1941	Percentage Variation
1. Blankets, D.B. .. ..	..	..	\$. 48.32*	\$. 63.92*	
2. " S.B. .. ..	..	..	30.27*	39.90*	
3. Quilt, D.B. Marcella .. ..	..	..	42.34*	69.70*	
4. .. ..	..	..			
5. Sheets, D.B. .. ..	..	..	18.41*	30.40*	
6. " S.B. .. ..	..	..	12.51*	19.83*	
7. Pillow slip .. ..	..	..	1.14*	1.67*	
8. Towel .. ..	..	..	2.71*	4.34*	
9. Table-cloth .. ..	..	..	23.97*	53.47*	
10. Tea towel .. ..	..	..	1.64*	3.79*	
Weighted Aggregate:			65.18	109.74	66.4%

\* Grafting factors due to changes of standard applied for comparative purposes.

43

HOUSEHOLD UTENSILS

SECTION "L"  
(Six Capitals)

Article	Weighted Average Prices		
	September Quarter 1939	December Quarter 1941	Percentage Variation
11. Cup and saucer ..	0.	0.	7
12. Plate, dinner ..	0.89	1.36	
13. Jug, quart ..	2.54	3.81	
14. Teapot ..	-	-	
15. Basin, pudding ..	1.83	2.24	
16. Tumbler ..	0.61	0.60	
17. Kettle, enamel ..	7.55	8.30	
18. " , aluminium ..	(5.65)	-	
19. Saucepan, aluminium ..	3.07	5.17	
20. Bucket, galvanized ..	2.72	3.85	
21. Dipper, galvanized ..	1.06	1.50	
22. Broom, millet ..	3.71	4.17	
23. " , hair ..	5.55	9.12	
24. Brush, scrubbing ..	1.13	1.38	
25. Mop, polishing ..	4.51	4.96	
26. Knife, table stainless ..	2.21	3.43	
27. Spoon, tea stainless ..	0.52	0.69	
28. " , dessert stainless ..	1.06	1.36	
29. Fork, table stainless ..	1.49	1.93	
30. Globe, electric light ..	1.34	1.43	
31. Iron, electric ..	23.58	25.34	
Weighted Aggregate:	23.58	30.10	27.7

Grafting factors due to changes of standard applied for comparative purposes.

MISCELLANEOUS : UNION DUES, ETC.

Six Capitals  
(Weekly Cost)

Item	Weighted Average Prices		
	September Quarter 1939	December Quarter 1941	Percentage Variation
Union dues ..	6.00	6.00	7
Lodge dues and medicine ..	24.00	24.00	
Newspapers ..	15.55	19.63	
Recreation ..	24.00	24.00	
Smoking ..	25.76	30.66	
School requisites ..	3.00	4.50	
Fares ..	34.95	35.24	
Weekly Total:	133.26	144.03	8.1

FUEL AND LIGHT

Six Capitals

Item	Unit	Weighted Average Prices		
		September Quarter 1939	December Quarter 1941	Percentage Variation
Firewood ..	per cwt.	26.19	31.57	20.5
Gas ..	per unit	.516	.518	0.4
Power electricity ..	per unit	1.67	1.63	- 2.4
Lighting electricity ..	per unit	4.33	4.32	- 0.2

# SCHEDULE D.

## Prosecutions under National Security (Prices) Regulations.

Date of Proceeding.	Place and State where Proceedings taken.	Defendants' Names and addresses.	Nature of alleged contravention.	Result of Proceedings.	Penalty imposed and Costs.	File No.
16.7		13	209	13	19	14
11th Sept., 1941	Brisbane	Atherton & Co Pty. Ltd., Brisbane.	Sale of olive oil at excessive prices. (Reg. 29).	Convicted	Fined £15 £3. 9. 0. costs	P. 40/3840
11th Sept., 1941	Brisbane	L.A. Wilkinson (Northern) Pty., Ltd., Brisbane	Sale of olive oil at excessive prices (Reg. 29).	Convicted	Fined £15 £3. 9. 0. costs	P. 40/3840
11th Sept., 1941	Mossman, Qld.	Jack & Newell Pty., Ltd., Mossman, Qld.	Sale of Potatoes (P.R.O. No. 311)	Convicted	Fined £5 £2. 8. 0. costs	P. 41/153
24th Nov., 1941	Sydney, N.S.W.	G. Phillips, Sydney	Breach P.R.O. No. 361 sales of seed potatoes	Convicted	Fined £3 £2. 10. 0. costs	P. 41/153
"	"	Garden Supply Co. (Currans) Syd.	"	"	"	"
"	"	Nock Kirby Ltd., Sydney	"	"	"	"
"	"	Henderson & Co (M. Cowper) Sydney.	"	"	"	"
"	"	Anderson & Co. Pty. Ltd., Sydney	"	Adjourned	"	"
7th Jan. 1942	Adelaide S.A.	Home Service Stores (C.E. Larcombe) Kadina, S.A.	Excess Prices tea and rice (2 charges)	Convicted	Fined £1 on each charge. Costs £3.2.0.	P. 41/4052

Date of Proceeding.	Place and State where Proceedings taken.	Defendants' Names and addresses	Nature of alleged contravention	Result of Proceedings	Penalty Imposed and Costs	File No.
7th Jan. 1942	Adelaide, S.A.	Kennett Bros., Kadina	Excess Prices tea and rice. (2 charges)	Convicted	Fined £1 on each charge - Costs. £3. 12. 0.	P. 41/4053
8th Jan. 1942.	Melbourne. Vic.	G. Thomas Bolton Vic.	Breach of P.R.O. No. 428 - sale of wood <del>and</del> fuel	"	Fined £10 - costs £2. 2. 0.	P. 41/4063
6th Jan. 1942	Warren. N.S.W.	Wright Heaton & Co. Ltd., Sydney	Wholesale and Retail sales of butter (2 charges)	"	Total costs £11. 13. 4. Fined £10 on each charge -	P. 41/3032
8th Jan. 1942	Gobar. N.S.W.	ditto	Tea and Sunlight soap sales. (2 charges)	"	Fined £10 on each charge - Total costs £11. 11. 4.	P. 41/261
8th Jan. 1942.	"	Rankin Bros. Pty Ltd., Gobar. N.S.W.	Tea Sales	"	Fined £10 - costs £5. 16. 8.	P. 41/261
29th Jan. 1942	Tottenham, N.S.W.	Permevan Wright Ltd. Sydney	Rice Sales	"	Fined £10 - costs £10	P. 41/1665
8th Jan. 1942	Gobar. N.S.W.	P. F. Napp, Gobar	Tea Sales	"	Fined £5 costs £5. 16. 8.	P. 41/261
6th Feb. 1942	Brisbane, Qld.	R. D. G. Fraser Clayfield, Qld	3 charges for breaches of (a) Reg. 17 (b) " 19 (c) " 29	Convicted on each charge	Fined £10 on each of charges (a) & (b) and £5 on charge (c) - Total costs £7. 4. 0.	P. 41/5537

27th Jan. 1942



Date of Proceeding.	Place and State where proceedings taken.	Defendants' Names and addresses	Nature of alleged contravention	Result of Proceedings	Penalty imposed and Costs	File No.
24 <sup>th</sup> Jan. 1942	Perth. W.A.	Jas. Wm. Walker trading as "Ra-lite Products" Perth	Olive Oil Sales (Reg 32)	Convicted	Fined £5 - costs £3. 6. 0.	P. 41/1940
"	"	Taylor's Herbal Remedies Ltd., Perth.	Olive Oil Sales (Reg 29)	"	Fined £25 - costs £5. 8. 0.	"
6 <sup>th</sup> Feb. 1942	Hobart. Tas.	H. H. Key - Grocer, Smithton. Tas.	Various sales at excessive prices. (8 charges)	Convicted on all charges	Fined a total of £39 - costs £2. 2. 6.	P. 41/3810
"	"	River Don Trading Co. Pty. Ltd., Devonport	Sales at excessive prices (2 charges)	Convicted on both charges	Fined a total of £27. Costs: £2. 2. 6.	"
"	"	Tasmanian Farmers' Coop. Assn. Ltd., Burnie.	Sales at excessive prices (4 charges)	ditto. all charges	Fined a total of £31. Costs: £2. 2. 6.	"
16 <sup>th</sup> Feb. 1942	Narrabri, N.S.W.	A. E. Collins P/L. Narabri, N.S.W.	Shirt sales at excessive prices (2 charges)	Convicted on both charges	Fined £2. 10. 0. on each charge. Total costs £5. 9. 6.	P. 41/3391
"	"	Wm. Fox & Co. Pty. Ltd. Narabri, N.S.W.	Grocery Sales at excessive prices (3 charges)	Convicted on all charges	Fined £7. 10. 0. on each charge. Total costs £11. 7. 3.	"
17 <sup>th</sup> Feb. 1942	Inverell, N.S.W.	Hong Yuen & Co P/L. Inverell. N.S.W.	Shirt Sales at excessive prices (2 charges)	Convicted on each charge	Fined £2. 10. 0. on each charge. Total fines £5. 13. 0.	P. 41/2993

14

94

15

14

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

15

Date of Proceeding	Place and State where Proceedings Taken.	Defendants' Names and Addresses	Nature of alleged contravention	Result of Proceedings	Penalty Imposed and Costs	File No.
17th Feb, 1942	Inverell, N.S.W.	Burge Bros. & Co P/L Inverell, N.S.W.	Various sales at excessive prices. (5 charges)	Convicted on all charges	Fined a total of £40. 0.0. Total costs £13.12.6.	P.41/2993
"	"	H.M. Gansdell & Co P/L, Inverell, N.S.W.	Various sales at excessive prices. (4 charges)	"	Fined a total of £35. Total costs £10.18.0	"
28th Jan 1942	Trarigie, N.S.W.	Wright Henton & Co. Ltd., Sydney	Salmon & Flour sales at excessive prices (2 charges)	Convicted	Fined £10 on each charge. Total costs £20	P.41/3032
29th Jan 9th Feb. 1942	Tamworth, N.S.W.	P.G. Smith & Co Pty. Ltd.,	Various sales at excessive prices. (4 charges)	Convicted on each charge	Fined £2 on each charge. Total costs £29/2/-	P.41/2999
"	"	Thibaults Pty Ltd	ditto (3 charges)	"	Fined £25 on ea. charge. Total costs £26.16.6.	"
"	"	A.J. Laybutt	ditto (5 charges)	"	Fined £2. on ea. charge. Total costs £11.7.6.	"
"	"	Fosseys Pty. Ltd.,	ditto (3 charges)	"	Fined £2. ones. charge. Total costs £26.16.6.	"
"	"	Burns Philp & Co. Ltd.,	ditto (7 charges)	"	Fined £2. on ea. charge. Total costs £15.18.6.	"
"	"	T.J. Treload Pty. Ltd.	ditto (5 charges)	"	Fined £2 on ea. charge. Total costs £11.7.6.	"

Date of Proceeding	Place and State where Proceedings taken.	Defendants' Names and Addresses	Nature of alleged contravention	Result of Proceedings	Penalty Imposed and costs	File No.
9th Feb, 1942	Tamworth, N.S.W.	F. Yee Wong	Sale of tea at an excessive price	Convicted	Fined £2. with costs £2.5.6	P.41/2999
"	"	Regans Pty Ltd.,	Sales at excessive Prices (3 charges)	Convicted on each charge	Fined a total of £8 with total costs £6.16.6.	P.41/2999
10th Feb, 1942	Williamstown, Vic.	George A. Reid 302. Melbourne Road, Newport, Vic.	Sales of firewood (Reg. 29 (1) (3 charges)	Convicted on each charge.	Fined a total of £20.0.0 Costs £3.3.0	P.42/317
20th Feb.	Gunnedah, N.S.W.	Fosseys Pty. Ltd. Gunnedah.	Shirt Sale at excessive price.	Convicted	Fined £2.10.0 Costs £2.14.9	P.41/3237
20th Feb.	Gunnedah, N.S.W.	Stores Pty. Ltd.	Grocery Sales at excessive prices. (5 charges)	Convicted on each charge.	Fined a total of £27.10.0. Total Costs £13.13.9	P.41/3237
20th Feb.	Gunnedah, N.S.W.	Hawke & Treloar Ltd. Gunnedah	Grocery Sales at excessive prices. (2 charges)	Convicted on each charge.	Fined £5 on each charge - Total £10. Total Costs £5.9.6	P.41/3237
20th Feb.	Gunnedah, N.S.W.	McDonagh Pty. Ltd. Gunnedah	(a) Grocery Sales at excessive prices. (2) Charges (b) Potato sales at excessive prices.	Convicted on each charge. Convicted	Fined £5 on each charge - total £10. Total Costs £5.9.6 Fined £10. Costs £2.14.9	P.41/3237 P.41/153

5

144

15

14

14

14

49

Date of Proceeding	Place and State where proceedings taken.	Defendants' Names and addresses.	Nature of alleged Contravention.	Result of Proceedings	Penalty Imposed and Costs	File No.
Feb. 26, 1942	Burren Junction, N.S.W.	George Collins Burren Junction	Various transactions involving breaches of N.S. (P) Regs. (7 charges)	Convicted on all charges.	Fined a total of £35.0.0 Costs. £26.10.3	P.41/1809
Feb. 26 "	Burren Junction, N.S.W.	Permewan Wright Ltd. Burren Junction	Grocery Sales at excessive prices. (2 charges)	Convicted on each charge.	Fined a total of £10. Costs. £7.11.6	P.41/1809
Mar. 3 "	Moree, N.S.W.	Wright Heaton & Co. Ltd. Moree N.S.W.	Various transactions involving breaches of N.S. (P) Regs. (5 charges)	Convicted on all charges.	Fined a total of £39.10.0 Costs. £17.7.6	P.41/3217
Mar. 3 "	Moree, N.S.W.	Hong Yuen & Co. Pty. Ltd. Moree, N.S.W.	Various transactions involving breaches of N.S. (P) Regs. (3 charges)	Convicted on all charges.	Fined a total of £25. Costs. £10.8.6	P.41/3217

*SCHEDULE 5*  
Statement showing *taxation on Public and Private Companies in Australia in respect of income derived during the year ended 30 June 1941.*  
TAXATION OF PROFITS.

Commonwealth and State Taxes Payable by Companies.

COMMONWEALTH:-

Public Companies.

- (a) Ordinary income tax - 4/. in £ on taxable income.
- (b) Super tax - 1/- in £ on taxable income in excess of £5,000.
- (c) Undistributed profits tax - 2/. in £ on undistributed income.
- (d) War-time (company) tax - Rate commences at 6% of the first 1% of capital employed by which the taxable profit exceeds 5% of the capital employed and increases by steps of 6% for each additional 1% until the maximum rate of 76% is reached.

Private Companies.

- (a) Ordinary income tax - 4/. in £ on taxable income.
- (b) Tax on undistributed income - The additional tax which would have been payable by the shareholders if the income had been distributed.

VICTORIA:-

Public and Private Companies.

- Ordinary income tax - 2/. in £ on taxable income.

NEW SOUTH WALES:-

Public Companies.

(1) Ordinary Income Tax:-

- (a) Ordinary companies - resident ; 3/. in £  
non-resident : 3/6 in £

- (b) Mutual Life Assurance Companies 1/6 in £

- (c) Companies (other than Mutual Life Assurance Companies) carrying on the business of life assurance -

- (1) on income from life assurance business 1/6 in £

- (11) on other income - resident 3/. in £  
non-resident 3/6 in £

- (2) Undistributed profits tax .. 1/. in £ on undistributed income as ascertained under the Act.

Private Companies.

- (1) Ordinary Income Tax - The same as public companies.

(2) Tax on undistributed income - (a)

The same as public companies.

(b) The additional tax which would have been payable by the shareholders if the income had been distributed. Provision is made in the Act for a deduction from the tax payable under (b) of the amount of tax paid under (a)

### QUEENSLAND :

#### Public and Private Companies.

#### Ordinary income tax.

The rate of tax depends upon the percentage which the profit of the company bears to the capital. In the case of a company (other than a public utility or monopoly company or a company to which special rates are prescribed) where the percentage does not exceed 5% the rate is 1/2 in the £. The rate increases by 3d. for each additional 1% until the maximum rate of 5/3d. in the £ is reached when the profit exceeds 19%.

In addition to the ordinary tax a super tax of 20% is chargeable on Development Tax - rate varies according to district, but in all cases where taxable income exceeds £499 the rate is 9d. in the £1.

### SOUTH AUSTRALIA :

#### Ordinary income tax :-

Public and Private Companies - 2/6 in the £.

### WESTERN AUSTRALIA :-

#### (1) Ordinary income tax.

#### Public and Private Companies.

(a) Companies ( other than Life Assurance Companies) - 2/6 in the £  
(b) Life Assurance Companies .. .. 2/3 in the £

#### (2) Gold Mining Tax :

Gold mining companies .. .. 1/4 in the £

#### (3) Hospital Fund Tax

.. .. 1/4d in the £

### TASMANIA :-

#### Public Companies :-

#### Ordinary income tax :-

In respect of the first £500 or part thereof 2/3 in the £  
In respect of the amount in excess of £500 up to £1,500 2/6 in the £  
In respect of the amount in excess of £1,500 2/10½ in the £

#### Private Companies :

Ordinary income tax - The same as public companies.

Tax on undistributed income - The additional amount of tax that would have been payable by the shareholders if the income had been distributed.