



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives

Official Hansard

No. 49, 1950
Tuesday, 5 December 1950

NINETEENTH PARLIAMENT
FIRST SESSION—SECOND PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

PARLIAMENT OF THE COMMONWEALTH.

NINETEENTH PARLIAMENT—FIRST SESSION : SECOND PERIOD.

GOVERNOR-GENERAL.

His Excellency the Right Honorable William John McKell, Governor-General and Commander-in-Chief in and over the Commonwealth of Australia, from the 11th March, 1947.

FOURTH MENZIES GOVERNMENT.

(FROM THE 19TH DECEMBER, 1949.)

Prime Minister	The Right Honorable Robert Gordon Menzies, K.C.
Treasurer	The Right Honorable Arthur William Fadden.
(*)Minister for the Interior	The Honorable Eric John Harrison.
Minister for Labour and National Service and Minister for Immigration	The Honorable Harold Edward Holt.
Minister for Commerce and Agriculture	The Honorable John McEwen.
Minister for External Affairs and Minister for External Territories	The Honorable Percy Claude Spender, K.C.
(*)Minister for National Development and Minis- ter for Works and Housing	The Right Honorable Richard Gardiner Casey, C.H., D.S.O., M.C.
(*)Minister for Defence	The Honorable Philip Albert Martin McBride.
Minister for Health	The Right Honorable Sir Earle Christmas Grafton Page, G.C.M.G., C.H.
Minister for Trade and Customs	Senator the Honorable Neil O'Sullivan.
(*)Minister for Fuel, Shipping and Transport	Senator the Honorable George McLeay.
Minister for Air and Minister for Civil Aviation Postmaster-General	The Honorable Thomas Walter White, D.F.C., V.D.
Minister for the Army and Minister for the Navy Attorney-General	The Honorable Hubert Lawrence Anthony.
Vice-President of the Executive Council	The Honorable Josiah Francis.
Minister for Social Services	Senator the Honorable John Armstrong Spicer, K.C.
Minister for Repatriation	The Honorable Dame Enid Muriel Lyons, G.B.E.
(*)Minister for Supply	Senator the Honorable William Henry Spooner.
			Senator the Honorable Walter Jackson Cooper, M.B.E.
			The Honorable Howard Beale.

PARLIAMENTARY SECRETARIES.

Commerce and Agriculture	Mr. Charles William Jackson Falkinder, D.S.O., D.F.C.
Interior	Mr. Leonard William Hamilton
External Affairs	Mr. John Brooke Howse.

(¹) Designations altered on the 21st March, 1950.

(²) Designations altered on the 25th October, 1950.

THE MEMBERS OF THE SENATE.

(FROM THE 1ST JULY, 1950.)

NINETEENTH PARLIAMENT—FIRST SESSION: SECOND PERIOD.

President—Senator the Honorable Gordon Brown.

Leader of the Government in the Senate—Senator the Honorable Neil O'Sullivan.

Deputy Leader of the Government in the Senate—Senator the Honorable George McLeay.

Chairman of Committees—Senator Theophilus Martin Nicholls.

Temporary Chairmen of Committees—Senators Stanley Kerin Amour, James Jarvist Arnold, William Edward Aylett, Edmund Bede Maher, Richard Harry Nash, Justin Hilary O'Byrne and John Percival Tate.

Leader of the Opposition—Senator the Honorable William Patrick Ashley.

Deputy Leader of the Opposition—Senator the Honorable Nicholas Edward McKenna.

Amour, Stanley Kerin†	New South Wales
Armstrong, Hon. John Ignatius‡	New South Wales
Arnold, James Jarvist†	New South Wales
Ashley, Hon. William Patrick†	New South Wales
Aylett, William Edward‡	Tasmania
Beerworth, Frederick Hubert†	South Australia
Benn, Archibald Malcolm‡	Queensland
Brown, Hon. Gordon†	Queensland
Cameron, Hon. Donald‡	Victoria
Cole, George Ronald†	Tasmania
Cooke, Joseph Alfred†	Western Australia
Cooper, Hon. Walter Jackson, M.B.E.†	Queensland
Courtice, Hon. Benjamin‡	Queensland
Crutchley, John Owen†	South Australia
Devlin, John Joseph‡	Victoria
Finlay, Alexander‡	South Australia
Fraser, Hon. James Mackintosh‡	Western Australia
Gorton, John Grey†	Victoria
Grant, Donald MacLennan‡	New South Wales
Guy, Hon. James Allan†	Tasmania
Hannaford, Douglas Clive†	South Australia
Harris, John†	Western Australia
Hendrickson, Albion†	Victoria
Henty, Norman Henry Denham‡	Tasmania
Katz, Frederick†	Victoria
Kendall, Roy†	Queensland
Large, William James†	New South Wales
McCallum, John Archibald‡	New South Wales
McKenna, Hon. Nicholas Edward‡	Tasmania
McLeay, Hon. George‡	South Australia
Maher, Edmund Bede†	Queensland
Mattner, Edward William, M.C., D.C.M., M.M.	South Australia
Morrow, William†	Tasmania
Murray, Reginald James†	Tasmania
Nash, Richard Harry†	Western Australia
Nicholls, Theophilus Martin‡	South Australia
O'Byrne, Justin Hilary†	Tasmania
O'Flaherty, Sidney Wainman‡	South Australia
O'Sullivan, Hon. Neil†	Queensland
Piesse, Edmund Stephen Roper‡	Western Australia
Rankin, Annabelle Jane Mary†	Queensland
Rankin, George James, D.S.O., V.D.‡	Victoria
Reid, Albert David‡	New South Wales
Robertson, Agnes Robertson‡	Western Australia
Ryan, John Victor†	South Australia
Sandford, Charles Walter†	Victoria
Scott, Malcolm Fox†	Western Australia
Sheehan, James Michael†	Victoria
Simmonds, Wilfrid Mylchreest‡	Queensland
Spicer, Hon. John Armstrong‡	Victoria
Spooner, Hon. William Henry‡	New South Wales

THE MEMBERS OF THE SENATE—*continued.*

Tangney, Dorothy Margaret†	Western Australia
Tate, John Percival†	New South Wales
Vincent, Victor Seddon†	Western Australia
Ward, Frederick Furner†	South Australia
Wedgwood, Ivy Evelyn†	Victoria
Willesee, Donald Robert†	Western Australia
Wood, Ian Alexander Christie†	Queensland
Wordsworth, Robert Hurley†	Tasmania
Wright, Reginald Charles†	Tasmania

Dates of Retirement of Senators—† The 30th June, 1953.

† The 30th June, 1956.

THE MEMBERS OF THE HOUSE OF REPRESENTATIVES.

NINETEENTH PARLIAMENT—FIRST SESSION: SECOND PERIOD.

Speaker—The Honorable Archie Galbraith Cameron.

Chairman of Committees—Charles Frederick Adermann.

Temporary Chairmen of Committees—Thomas Patrick Burke, George James Bowden, M.C., The Honorable Allan McKenzie McDonald, Rupert Sumner Ryan, C.M.G., D.S.O., Albert Victor Thompson and David Oliver Watkins.

Leader of the Opposition—The Right Honorable Joseph Benedict Chifley.

Deputy Leader of the Opposition—The Right Honorable Herbert Vere Evatt, LL.D., D.Litt., K.C.

Leader of the Australian Country Party—The Right Honorable Arthur William Fadden.

Deputy Leader of the Australian Country Party—The Honorable John McEwen.

Adermann, Charles Frederick	Fisher (Q.)
Anderson, Charles Groves Wright, V.C., M.C.	Hume (N.S.W.)
Anderson, Gordon	Kingsford-Smith (N.S.W.)
Andrews, Thomas William	Darebin (V.)
Anthony, Hon. Hubert Lawrence	Richmond (N.S.W.)
Bate, Henry Jefferson	Macarthur (N.S.W.)
Beale, Hon. Howard	Parramatta (N.S.W.)
Beazley, Kim Edward	Fremantle (W.A.)
Berry, Douglas Reginald	Griffith (Q.)
Bird, Alan Charles	Batman (V.)
Bostock, William Dowling, C.B., D.S.O., O.B.E.	Indi (V.)
Bourke, William Meskill	Fawkner (V.)
Bowden, George James, M.C.	Gippsland (V.)
Brown, Geoffrey William, M.B.E.	McMillan (V.)
Bryson, William George	Wills (V.)
Burke, Thomas Patrick	Perth (W.A.)
Calwell, Hon. Arthur Augustus	Melbourne (V.)
Cameron, Hon. Archie Galbraith	Barker (S.A.)
Cameron, Clyde Robert	Hindmarsh (S.A.)
Cameron, Dr. Donald Alastair, O.B.E.	Oxley (Q.)
Casey, Rt. Hon. Richard Gardiner, C.H., D.S.O., M.C.	La Trobe (V.)
Chambers, Hon. Cyril	Adelaide (S.A.)
Chifley, Rt. Hon. Joseph Benedict	Macquarie (N.S.W.)
Clarey, Hon. Percy James	Bendigo (V.)
Clark, Joseph James	Darling (N.S.W.)
Corser, Bernard Henry	Wide Bay (Q.)
Costa, Dominic Eric	Banks (N.S.W.)
Cramer, John Oscar	Benelong (N.S.W.)
Cremeann, John Lawrence	Hoddle (V.)
Curtin, Daniel James	Watson (N.S.W.)
Daly, Frederick Michael	Grayndler (N.S.W.)
Davidson, Charles William, O.B.E.	Dawson (Q.)
Davies, William	Cunningham (N.S.W.)
Davis, Francis John	Deakin (V.)
Dean, Roger Levinge	Robertson (N.S.W.)
Downer, Alexander Russell	Angas (S.A.)
Drakeford, Hon. Arthur Samuel	Maribyrnong (V.)
Drummond, Hon. David Henry	New England (N.S.W.)
Drury, Edward Nigel	Ryan (Q.)
Duthie, Gilbert William Arthur	Wilmot (T.)
Edmonds, William Frederick	Herbert (Q.)
Eggins, Eldred James	Lyne (N.S.W.)
Evatt, Rt. Hon. Herbert Vere, LL.D., D.Litt., K.C.	Barton (N.S.W.)
Fadden, Rt. Hon. Arthur William	McPherson (Q.)
Failes, Laurence John	Lawson (N.S.W.)
Fairbairn, David Eric, D.F.C.	Farrer (N.S.W.)
Fairhall, Allen	Paterson (N.S.W.)
Falkinder, Charles William Jackson, D.S.O., D.F.C.	Franklin (T.)
Fitzgerald, Joseph Francis	Phillip (N.S.W.)
Francis, Hon. Josiah	Moreton (Q.)
Fraser, Allan Duncan	Eden-Monaro (N.S.W.)
Freeth, Gordon	Forrest (W.A.)

Gilmore, Thomas Vernon	Leichhardt (Q.)
Graham, Bruce William	St. George (N.S.W.)
Grayden, William Leonard	Swan (W.A.)
Griffiths, Charles Edward	Shortland (N.S.W.)
Gullett, Henry Baynton Somer, M.C.	Henty (V.)
Hamilton, Leonard William	Canning (W.A.)
Handby, Herbert Harry	Kingston (S.A.)
Harrison, Eli James	Blaxland (N.S.W.)
Harrison, Hon. Eric John	Wentworth (N.S.W.)
Hasluck, Paul Meernaa Caedwalla	Curtin (W.A.)
Haworth, Hon. William Crawford	Isaacs (V.)
Haylon, Leslie Clement	Parkes (N.S.W.)
Holloway, Rt. Hon. Edward James	Melbourne Ports (V.)
Holt, Hon. Harold Edward	Higgins (V.)
Howse, John Brooke	Calare (N.S.W.)
Hughes, Rt. Hon. William Morris, C.H., K.C.	Bradfield (N.S.W.)
Hulme, Alan Shackson	Petrie (Q.)
Jack, William Mathers	North Sydney (N.S.W.)
James, Rowland	Hunter (N.S.W.)
Johnson, Hon. Herbert Victor	Kalgoorlie (W.A.)
Kekwick, Bruce Huntley	Bass (T.)
Kent Hughes, Hon. Wilfred Selwyn, M.V.O., O.B.E., M.C., E.D.	Chisholm (V.)
Keon, Standish Michael	Yarra (V.)
Lawrence, William Robert	Wimmera (V.)
Lawson, Hon. George	Brisbane (Q.)
Lazarini, Hon. Hubert Peter	Werriwa (N.S.W.)
Leslie, Hugh Alan	Moore (W.A.)
Lyons, Hon. Dame Enid Muriel, G.B.E.	Darwin (T.)
Mackinnon, Ewen Daniel	Wannon (V.)
McBride, Hon. Philip Albert Martin	Wakefield (S.A.)
McColm, Malcolm Llewellyn	Bowman (Q.)
McDonald, Hon. Allan McKenzie	Corangamite (V.)
McEwen, Hon. John	Murray (V.)
McLeay, John	Boothby (S.A.)
McMahon, William	Lowe (N.S.W.)
Menzies, Rt. Hon. Robert Gordon, K.C.	Kooyong (V.)
Minogue, Daniel	West Sydney (N.S.W.)
Morgan, Charles Albert Aaron	Reid (N.S.W.)
Mulcahy, Daniel	Lang (N.S.W.)
Mullens, John Michael, C.B.E.	Gellibrand (V.)
Nelson, John Norman	(N.T.)
Nott, Dr. Lewis Windermere	(A.C.T.)
O'Connor, William Paul	Martin (N.S.W.)
Opperman, Hubert Ferdinand	Corio (V.)
Osborne, Frederick Meares, D.S.C.	Evans (N.S.W.)
Page, Rt. Hon. Sir Earle Christmas Grafton, G.C.M.G., C.H.	Cowper (N.S.W.)
Pearce, Henry George	Capricornia (Q.)
Peters, Edward William	Burke (V.)
Pittard, Alan Crocker	Ballaarat (V.)
Pollard, Hon. Reginald Thomas	Lalor (V.)
Riordan, Hon. William James Frederick	Kennedy (Q.)
Roberton, Hugh Stevenson	Riverina (N.S.W.)
Rosevear, John Solomon	Dalley (N.S.W.)
Russell, Charles Wilfred	Maranoa (Q.)
Russell, Edgar Hughes Deg	Grey (S.A.)
Ryan, Rupert Sumner, C.M.G., D.S.O.	Flinders (V.)
Sheehan, Thomas	Cook (N.S.W.)
Spender, Hon. Percy Claude, K.C.	Warringah (N.S.W.)
Swartz, Reginald William Colin, M.B.E., E.D.	Darling Downs (Q.)
Thompson, Albert Victor	Port Adelaide (S.A.)
Timson, Thomas Frank, M.B.E.	Higinbotham (V.)
Townley, Athol Gordon	Dension (T.)
Treloar, Thomas John	Gwydir (N.S.W.)
Turnbull, Winton George	Mallee (V.)
Ward, Hon. Edward John	East Sydney (N.S.W.)
Watkins, David Oliver	Newcastle (N.S.W.)
Wentworth, William Charles	Mackellar (N.S.W.)
Wheeler, Roy Crawford	Mitchell (N.S.W.)
White, Hon. Thomas Walter, D.F.C., V.D.	Balaclava (V.)
Wight, Bruce McDonald	Lilley (Q.)
Wilson, Keith Cameron	Sturt (S.A.)

THE COMMITTEES OF THE SESSION.

JOINT.

HOUSE.—The President (Chairman), Senator Amour, Senator George Rankin, Senator Reid, Senator Tangney, Senator Wedgwood, Senator Wordsworth, Mr. Speaker, Mr. Bryson, Mr. Corser, Mr. Gullett, Mr. Hulme, Mr. Rosevear and Mr. Watkins.

LIBRARY.—Mr. Speaker (Chairman), the President, Senator Arnold, Senator Cooke, Senator Kendall, Senator Maher, Senator McCallum, Senator Robertson, Mr. Beazley, Mr. Drummond, Mr. Duthie, Mr. Hasluck, Mr. Haylen and Mr. Wentworth.

PARLIAMENTARY PROCEEDINGS BROADCASTING.—Mr. Speaker (Chairman), the President, Senator Maher, Senator Wright, Mr. Bate, Mr. Davidson, Mr. Fraser, Mr. Gullett and Mr. Rosevear.

PAINTING.—Mr. Wilson (Chairman), Senator Gorton, Senator Hannaford, Senator Nash, Senator Sandford, Senator Scott, Senator Simmonds, Senator Ward, Mr. Daly, Mr. Haylen, Mr. Leslie, Mr. O'Connor, Mr. Osborne and Mr. Ryan.

PUBLIC WORKS.—Senator George Rankin (Chairman), Senator O'Byrne, Senator Annabelle Rankin, Mr. Bowden, Mr. Cramer, Mr. McDonald, Mr. O'Connor, Mr. Edgar Russell and Mr. Watkins.

SENATE.

DISPUTED RETURNS AND QUALIFICATIONS.—Senator Aylett, Senator Hannaford, Senator Harris, Senator Morrow, Senator Piesse, Senator Robertson and Senator Wordsworth.

REGULATIONS AND ORDINANCES.—Senator Tate (Chairman), Senator Arnold, Senator Guy, Senator Katz, Senator Maher, Senator Nash, and Senator Wood.

STANDING ORDERS.—The President (Chairman), the Chairman of Committees, Senator Aylett, Senator Guy, Senator Maher, Senator Mattner, Senator Morrow, Senator Piesse and Senator Annabelle Rankin.

Select Committees.

CONSTITUTION ALTERATION (AVOIDANCE OF DOUBLE DISSOLUTION DEADLOCKS) BILL 1950.—Senator McKenna (Chairman), Senator Arnold, Senator Ashley, Senator Courtice, Senator Finlay, Senator Nash and Senator Sheehan.

NATIONAL SERVICE IN THE DEFENCE FORCE.—Senator McKenna (Chairman), Senator Amour, Senator Arnold, Senator Harris, Senator Murray, Senator O'Byrne and Senator Sandford.

HOUSE OF REPRESENTATIVES.

PRIVILEGES.—Mr. Clark, Dr. Evatt, Mr. Kent Hughes, Mr. McDonald, Mr. McLeay, Mr. Sheehan and Mr. Turnbull.

STANDING ORDERS.—Mr. Speaker (Chairman), the Prime Minister, the Chairman of Committees, Mr. Tom Burke, Mr. Clark, Mr. McDonald, Sir Earle Page and Mr. Rosevear.

PARLIAMENTARY DEPARTMENTS.

SENATE.

Clerk.—J. E. Edwards.

Clerk-Assistant.—R. H. C. Loof.

Second Clerk-Assistant.—W. I. Emerton.

Usher of the Black Rod.—J. R. Odgers.

HOUSE OF REPRESENTATIVES.

Clerk.—F. C. Green, M.C.

Clerk-Assistant.—A. A. Tregebar.

Second Clerk-Assistant.—A. G. Turner.

Sergeant-at-Arms.—N. J. Parkes.

PARLIAMENTARY REPORTING STAFF.

Principal Reporter.—W. J. M. Campbell.

Second Reporter.—H. H. Temperly.

Third Reporter.—B. A. Goode.

LIBRARY.

Librarian.—H. L. White.

Assistant Librarian.—L. C. Key.

JOINT HOUSE.

Secretary.—R. H. C. Loof.

THE ACTS OF THE SESSION.

(FIRST SESSION : SECOND PERIOD.)

APPROPRIATION ACT 1950-51 (ACT NO. 35 OF 1950)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum for the service of the year ending the thirtieth day of June, One thousand nine hundred and fifty-one, and to appropriate the Supplies granted by the Parliament for that year.

APPROPRIATION (WORKS AND SERVICES) ACT 1950-51 (ACT NO. 36 OF 1950)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum for the service of the year ending the thirtieth day of June, One thousand nine hundred and fifty-one, for the purposes of Additions, New Works and other Services involving Capital Expenditure and to appropriate the Supplies granted by the Parliament for that year.

AUSTRALIAN SOLDIERS' REPATRIATION ACT 1950 (ACT NO. 34 OF 1950)—

An Act to amend the *Australian Soldiers' Repatriation Act* 1920-1949, and for other purposes.

BRACHINA TO LEIGH CREEK NORTH COALFIELD RAILWAY ACT 1950 (ACT NO. 75 OF 1950)—

An Act to authorize the Executive by or on behalf of the Commonwealth of an Agreement between the Commonwealth and the State of South Australia, relating to the Construction of a Railway from Brachina to Leigh Creek North Coalfield in the State of South Australia, to provide for the Construction of that Railway, and for purposes connected therewith.

COMMONWEALTH AID ROADS ACT 1950 (ACT NO. 47 OF 1950)—

An Act to grant and apply out of the Consolidated Revenue Fund sums for the purpose of Financial Assistance to the States to be applied in the Construction, Reconstruction, Maintenance and Repair of Roads and Works connected with Transport, and for other purposes.

COMMONWEALTH RAILWAYS ACT 1950 (ACT NO. 77 OF 1950)—

An Act to amend the *Commonwealth Railways Act* 1917-1936, as amended by the *Salaries (Statutory Offices) Adjustment Act* 1950.

COMMUNIST PARTY DISSOLUTION ACT 1950 (ACT NO. 16 OF 1950)—

An Act to provide for the Dissolution of the Australian Communist Party and of other Communist Organizations, to disqualify Communists from holding certain Offices, and for purposes connected therewith.

CONCILIATION AND ARBITRATION ACT 1950 (ACT NO. 20 OF 1950)—

An Act to enable the Jurisdiction of the Commonwealth Court of Conciliation and Arbitration to be exercised, in certain circumstances, by two Judges.

CUSTOMS ACT 1950 (ACT NO. 56 OF 1950)—

An Act to amend the *Customs Act* 1901-1949.

CUSTOMS TARIFF ACT 1950 (ACT NO. 22 OF 1950)—

An Act relating to Duties of Customs.

CUSTOMS TARIFF ACT (NO. 2) 1950 (ACT NO. 32 OF 1950)—

An Act relating to Duties of Customs.

CUSTOMS TARIFF ACT (NO. 3) 1950 (ACT NO. 60 OF 1950)—

An Act relating to Duties of Customs.

CUSTOMS TARIFF (CANADIAN PREFERENCE) ACT 1950 (ACT NO. 33 OF 1950)—

An Act to amend the *Customs Tariff (Canadian Preference)* 1934-1948.

CUSTOMS TARIFF (EXPORT DUTIES) ACT 1950 (ACT NO. 59 OF 1950)—

An Act relating to Export Duties of Customs.

CUSTOMS TARIFF (NEW ZEALAND PREFERENCE) ACT 1950 (ACT NO. 23 OF 1950)—

An Act to amend the *Customs Tariff (New Zealand Preference)* 1933-1949.

DEFENCE FORCES RETIREMENT BENEFITS ACT 1950 (ACT NO. 73 OF 1950)—

An Act to amend the *Defence Forces Retirement Benefits Act* 1948-1949.

DEFENCE (TRANSITIONAL PROVISIONS) ACT 1950 (ACT NO. 78 OF 1950)—

An Act to amend the *Defence (Transitional Provisions) Act* 1946-1949, and for other purposes.

EGG EXPORT CONTROL ACT 1950 (ACT NO. 63 OF 1950)—

An Act relating to Membership of the Australian Egg Board pending the holding of Elections of Members to represent Producers in each State.

EXCISE TARIFF ACT 1950 (ACT NO. 61 OF 1950)—

An Act relating to Duties of Excise.

EXCISE TARIFF ACT (NO. 2) 1950 (ACT NO. 62 OF 1950)—

An Act relating to Duties of Excise.

FLAX CANVAS BOUNTY ACT 1950 (ACT NO. 54 OF 1950)—

An Act to provide for the Payment of a Bounty on the Production of Flax Canvas.

THE ACTS OF THE SESSION—*continued.*

- INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ACT 1950 (ACT NO. 49 OF 1950)—**
 An Act to impose upon Incomes a Tax by the name of Income Tax and Social Services Contribution.
- INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ASSESSMENT ACT 1950 (ACT NO. 48 OF 1950)—**
 An Act to amend the *Income Tax Assessment Act 1936–1949*, to repeal the *Social Services Contribution Act 1945–1949* and the *Social Services Contribution Assessment Act 1945–1948*, and for other purposes.
- INTERIM FORCES BENEFITS ACT 1950 (ACT NO. 79 OF 1950)—**
 An Act to amend the *Interim Forces Benefits Act 1947*.
- LIFE INSURANCE ACT 1950 (ACT NO. 65 OF 1950)—**
 An Act to amend the *Life Insurance Act 1945*.
- LOAN ACT 1950 (ACT NO. 27 OF 1950)—**
 An Act to authorize the Raising and Expending of a certain Sum of Money.
- LOAN (HOUSING) ACT 1950 (ACT NO. 21 OF 1950)—**
 An Act to authorize the Raising of Moneys to be advanced to the States for the purposes of Housing.
- LOAN (INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT) ACT 1950 (ACT NO. 74 OF 1950)—**
 An Act to authorize the Raising of a Loan from the International Bank for Reconstruction and Development and for purposes connected therewith.
- NATIONALITY AND CITIZENSHIP ACT 1950 (ACT NO. 58 OF 1950)—**
 An Act to amend the *Nationality and Citizenship Act 1948*.
- NATIONAL WELFARE FUND ACT 1950 (ACT NO. 52 OF 1950)—**
 An Act to amend the *National Welfare Fund Act 1943–1945* and to repeal certain provisions of the *National Welfare Fund Act 1945*.
- PORT AUGUSTA TO ALICE SPRINGS RAILWAY (ALTERATION OF ROUTE) ACT 1950 (ACT NO. 68 OF 1950)—**
 An Act relating to the Route of that part of the Port Augusta to Alice Springs Railway which lies between Stirling North and Brachina.
- POST AND TELEGRAPH RATES ACT 1950 (ACT NO. 28 OF 1950)—**
 An Act to amend the *Post and Telegraph Rates Act 1902–1949*.
- SALARIES (STATUTORY OFFICES) ADJUSTMENT ACT 1950 (ACT NO. 51 OF 1950)—**
 An Act to increase the Salaries payable to the Holders of certain Statutory Offices.
- SALES TAX ACT (NO. 1) 1950 (ACT NO. 38 OF 1950)—**
 An Act to amend the *Sales Tax Act (No. 1) 1930–1949*.
- SALES TAX ACT (NO. 2) 1950 (ACT NO. 39 OF 1950)—**
 An Act to amend the *Sales Tax Act (No. 2) 1930–1949*.
- SALES TAX ACT (NO. 3) 1950 (ACT NO. 40 OF 1950)—**
 An Act to amend the *Sales Tax Act (No. 3) 1930–1949*.
- SALES TAX ACT (NO. 4) 1950 (ACT NO. 41 OF 1950)—**
 An Act to amend the *Sales Tax Act (No. 4) 1930–1949*.
- SALES TAX ACT (NO. 5) 1950 (ACT NO. 42 OF 1950)—**
 An Act to amend the *Sales Tax Act (No. 5) 1930–1949*.
- SALES TAX ACT (NO. 6) 1950 (ACT NO. 43 OF 1950)—**
 An Act to amend the *Sales Tax Act (No. 6) 1930–1949*.
- SALES TAX ACT (NO. 7) 1950 (ACT NO. 44 OF 1950)—**
 An Act to amend the *Sales Tax Act (No. 7) 1930–1949*.
- SALES TAX ACT (NO. 8) 1950 (ACT NO. 45 OF 1950)—**
 An Act to amend the *Sales Tax Act (No. 8) 1930–1949*.
- SALES TAX ACT (NO. 9) 1950 (ACT NO. 46 OF 1950)—**
 An Act to amend the *Sales Tax Act (No. 9) 1930–1949*.
- SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT 1950 (ACT NO. 37 OF 1950)—**
 An Act to amend the *Sales Tax (Exemptions and Classifications) Act 1935–1949*.
- SERVICES TRUST FUNDS ACT 1950 (ACT NO. 67 OF 1950)—**
 An Act to amend the *Services Trust Funds Act 1947*.
- SOCIAL SERVICES CONSOLIDATION ACT (NO. 2) 1950 (ACT NO. 26 OF 1950)—**
 An Act to amend the *Social Services Consolidation Act 1947–1949*, as amended by the *Social Services Consolidation Act 1950*.
- STATES GRANTS ACT 1950 (ACT NO. 24 OF 1950)—**
 An Act to grant and apply out of the Consolidated Revenue Fund sums for the purposes of Financial Assistance to the States of South Australia, Western Australia and Tasmania.
- STATES GRANTS (ADDITIONAL TAX REIMBURSEMENT) ACT 1950 (ACT NO. 25 OF 1950)—**
 An Act to grant and apply out of the Consolidated Revenue Fund a sum for the purpose of Financial Assistance to the States.

- STATES GRANTS (ADMINISTRATION OF CONTROLS REIMBURSEMENT) ACT 1950 (ACT NO. 64 OF 1950)—**
An Act to make provision for the grant of Financial Assistance to the States in connexion with the administration of the Control of Prices and Rents.
- STATES GRANTS (IMPORTED HOUSES) ACT 1950 (ACT NO. 66 OF 1950)—**
An Act to make provision for the Grant of Financial Assistance to the States in connexion with the Importation of Houses into Australia.
- STATES GRANTS (MILK FOR SCHOOL CHILDREN) ACT 1950 (ACT NO. 72 OF 1950)—**
An Act to make provision for the Grant of Financial Assistance to the States in connexion with Provision by the States of Milk for School Children, and for other purposes.
- STATUTE LAW REVISION ACT 1950 (ACT NO. 80 OF 1950)—**
An Act to revise the Statute Law of the Commonwealth.
- SUPERANNUATION ACT 1950 (ACT NO. 76 OF 1950)—**
An Act to amend the *Superannuation Act 1922–1948*, and for other purposes.
- SUPERPHOSPHATE BOUNTY ACT REPEAL ACT 1950 (ACT NO. 53 OF 1950)—**
An Act to repeal the *Superphosphate Bounty Act 1941*.
- SUPPLY ACT (NO. 2) 1950–51 (ACT NO. 18 OF 1950)—**
An Act to grant and apply a sum out of the Consolidated Revenue Fund for the service of the year ending the thirtieth day of June, One thousand nine hundred and fifty-one.
- SUPPLY (WORKS AND SERVICES) ACT (NO. 2) 1950–51 (ACT NO. 19 OF 1950)—**
An Act to grant and apply a sum out of the Consolidated Revenue Fund for the service of the year ending the thirtieth day of June, One thousand nine hundred and fifty-one, for the purposes of Additions, New Works and other Services involving Capital Expenditure.
- TRACTOR BOUNTY ACT 1950 (ACT NO. 57 OF 1950)—**
An Act to amend the *Tractor Bounty Act 1939–1947*.
- WAR PENSIONS APPROPRIATION ACT 1950 (ACT NO. 17 OF 1950)—**
An Act to grant and apply out of the Consolidated Revenue Fund a sum for War Pensions.
- WHEAT INDUSTRY STABILIZATION (REFUND OF CHARGE) ACT 1950 (ACT NO. 50 OF 1950)—**
An Act to provide for the Payment, through the Australian Wheat Board, to Growers of Wheat of a certain Season of certain Moneys in the Wheat Prices Stabilization Fund.
- WOOL (CONTRIBUTORY CHARGE) ACT (NO. 1A) 1950 (ACT NO. 70 OF 1950)—**
An Act to amend the *Wool (Contributory Charge) Act (No. 1) 1950*, and for other purposes.
- WOOL (CONTRIBUTORY CHARGE) ACT (NO. 2A) 1950 (ACT NO. 71 OF 1950)—**
An Act to amend the *Wool (Contributory Charge) Act (No. 2) 1950*, and for other purposes.
- WOOL (CONTRIBUTORY CHARGE) ASSESSMENT ACT (NO. 2) 1950 (ACT NO. 69 OF 1950)—**
An Act to amend the *Wool (Contributory Charge) Assessment Act 1945*, as amended by the *Wool (Contributory Charge) Assessment Act 1950*.
- WOOL PRODUCTS BOUNTY ACT 1950 (ACT NO. 55 OF 1950)—**
An Act to provide for the payment of Bounty on the Production of certain Wool Products.
- WOOL SALES DEDUCTION ACT (NO. 1) 1950 (ACT NO. 30 OF 1950)—**
An Act to provide for the Payment to the Commonwealth of a Proportion of the Sale Value of Wool sold or otherwise disposed of by Producers on or after the twenty-eighth day of August, One thousand nine hundred and fifty, otherwise than for Delivery out of Australia.
- WOOL SALES DEDUCTION ACT (NO. 2) 1950 (ACT NO. 31 OF 1950)—**
An Act to provide for the Payment to the Commonwealth of a Proportion of the Appraised Value of Wool exported from the Commonwealth by Producers on or after the twenty-eighth day of August, One thousand nine hundred and fifty.
- WOOL SALES DEDUCTION (ADMINISTRATION) ACT 1950 (ACT NO. 29 OF 1950)—**
An Act to provide for the Collection and Recovery of Amounts payable under the *Wool Sales Deduction Act (No. 1) 1950*, and the *Wool Sales Deduction Act (No. 2) 1950*, and for the application of those Amounts.

BILLS OF THE SESSION.

- ACTS INTERPRETATION BILL 1950.** Initiated in House of Representatives. Second Reading.
- CONSTITUTION ALTERATION (AVOIDANCE OF DOUBLE DISSOLUTION DEADLOCKS) BILL 1950.** Initiated in House of Representatives. Report of Select Committee of Senate presented.
- CONSTITUTION ALTERATION (PRICES) BILL 1950.** Initiated in Senate. Second Reading in House of Representatives.
- COMMONWEALTH BANK BILL 1950.** Initiated in House of Representatives. Consideration of Senate's Message.
- COMMONWEALTH BANK BILL 1950 [NO. 2].** Initiated in House of Representatives. Second Reading in Senate.
- NATIONAL SERVICE BILL 1950.** Initiated in House of Representatives. Second Reading in Senate.

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House of Representatives.

Tuesday, 5 December, 1950.

MR. SPEAKER (Hon. Archie Cameron) took the chair at 2.30 p.m., and read prayers.

ASSENT TO BILLS.

Assent to the following bills reported :—

Wool Sales Deduction (Administration)

Bill 1950.

Wool Sales Deduction Bill (No. 1) 1950.

Wool Sales Deduction Bill (No. 2) 1950.

HOUR OF MEETING.

Motion (by Mr. MENZIES) agreed to—
That the House, at its rising, adjourn to
to-morrow, at 11 a.m.

INTERNATIONAL AFFAIRS.

Dr. EVATT.—I ask the Prime Minister, in reference to the situation in Korea and the state of international affairs generally, whether he will endeavour during the present week to inform the House, as far as he can, of the important decisions that may be made, and do so, if possible, before the news of such decisions and events is broadcast or reported in the press?

Mr. MENZIES.—If anything can be said usefully on that matter I should desire to say it during the course of the week.

POSTAL DEPARTMENT.

Mr. KENT HUGHES.—Will the Postmaster-General say whether he does not regard it as desirable to let the carriage of air mails by public tender? Does the honorable gentleman not feel that the adoption of that practice would result in a considerable saving to the Postal Department?

Mr. ANTHONY.—The carriage of mails by air is very substantially controlled by the Department of Civil Aviation. The Postal Department collects the extra surcharge of 3d. a letter for carrying air mail, but the whole of the sum collected is paid into a fund, the annual receipts of which are estimated at approximately £600,000, and the money is then apportioned to the various airlines that carry air mail. At the present time Trans-Australia Airlines is getting much the greater part of that money. I shall examine the suggestion made by the honorable gentleman and see what can be done.

ARMED FORCES.

Mr. CHAMBERS.—In directing a question to the Minister representing the Minister for the Army, I explain that it has been announced that members of the Permanent Military Forces have been asked to accept re-attestation to serve in any part of the world. Statements have been made to me that members of those forces who are not prepared to re-attest for such service are being discharged, except when their remaining period of service in the permanent forces is twelve months or less! Is it true that members of the Permanent Military Forces who joined up in all good faith in compliance with the conditions operating at the time of their enlistment, and who have refused to re-attest for service in any part of the world, are to be discharged unless their remaining period of service in the permanent forces is more than twelve months?

Mr. McBRIDE.—The members of the Permanent Military Forces have

been asked whether they are prepared to volunteer for service in any part of the world. Up to date a number have replied to the request and have indicated their willingness so to serve, but in no case are any discharges being effected of those who have not replied, or who have refused to sign the new form of attestation.

Mr. CHAMBERS.—Are they not to be discharged?

Mr. McBRIDE.—Not so far as I know.

Mr. HOWSE.—My question to the Minister for Defence arises from representations that have been made to me by various ex-servicemen who have had military experience but who are now above the military age and are living in retirement or semi-retirement. Will the Minister consider enlisting these men, under special financial regulations if necessary, so that they can serve as storemen and clerks and thus release the younger men who are now in those jobs for more active service?

Mr. McBRIDE.—I shall discuss with the Minister for the Army the proposal made by the honorable member for Calare with a view to ascertaining whether his suggestions can be put into effect.

TOBACCO.

Mr. GILMORE.—I preface a question to the Minister representing the Minister for Trade and Customs by explaining that reports are circulating in the press that the Government intends to increase the allocation of dollars for the purchase of American tobacco leaf. Will the Minister state whether those reports are correct and, if so, how many dollars will be allocated, and for what type of tobacco leaf?

Mr. McBRIDE.—I have not seen the reports to which the honorable gentleman has referred, but I shall refer his question to the Minister for Trade and Customs and obtain for him the information that he requires.

MONUMENTAL HEADSTONES.

Mr. DAVIES.—Is the Minister representing the Minister for Social Services aware that many age pensioners and widows are being fleeced in one of the

most despicable rackets ever perpetrated? Is he aware that a man alleged to be a representative of a monumental mason's company situated at a certain address in Sydney is going around taking money from pensioners who have recently buried relatives? Is he aware that the method adopted by this low-down individual is to study the death notices in the columns of the daily press, then to go along to the relatives of the dead people and ask them to pay a deposit on the purchase of a grave headstone? After the money has been paid the relatives are bound by an agreement to pay various amounts up to £100 and under no circumstances are they allowed any refund. Will the Minister take whatever steps may be deemed to be necessary to protect the pioneers of this country from being robbed in the manner that I have described?

Mr. HOLT.—I have not had brought to my notice previously the circumstances to which the honorable member has referred. It is difficult to believe that anybody could behave in such a despicable manner towards elderly persons who have experienced bereavements. I do not know that the department administered by the Minister for Social Services is the appropriate department to deal with a matter of this kind, which seems to me to be one that could more properly be dealt with by a State government and perhaps by the police authorities in the particular State. However, I shall bring the matter that the honorable member has mentioned under the notice of the Minister for Social Services in order to see whether anything can usefully be done through his department.

COAL.

Mr. WENTWORTH.—Will the Minister for National Development inform the House what progress was made at a conference held in Sydney yesterday to deal with the question of initiating a thorough geological and quality survey of the shallow coal resources of New South Wales which are suitable for development by means of open-cut mining?

Mr. CASEY.—In company with the Minister for Fuel, Shipping and

Transport I had a conference in Sydney yesterday with the New South Wales Minister of Mines, the chairman of the Joint Coal Board, and senior officers of my own department and other relevant departments. A programme was decided upon and initiated in relation to the pooling of the resources of the Bureau of Mineral Resources, the New South Wales Department of Mines and the Joint Coal Board, under which the New South Wales Department of Mines would carry out a rapid survey, in the first place, to determine roughly the areas that are likely to be most fruitful. That survey would be followed quickly by a rapid geological survey by the Bureau of Mineral Resources and by drilling. When the most fruitful areas are finally determined, a programme of close drilling will be instituted at once by the appropriate authority and drilling equipment will be pooled. Requirements of additional equipment, either for drilling or for open-cut mining, will be decided on quickly and I hope will be approved by the relevant authority. The conference was held in an atmosphere in which the urgency of the problem was accepted and I hope that it will mark the beginning of an era of rapid exploitation of coal deposits by the open-cut method in New South Wales.

Mr. PETERS.—Is the Minister for Supply aware that Victoria has agreed to take over the whole of the output of the Callide coal-fields? Is the Government proceeding with the proposal to subsidize by 15s. a ton Callide and imported coal? Under the Government's coal scheme what is to be the allocation of imported coal to the various States?

Mr. CASEY.—I do not think that the honorable gentleman was correct when he stated that the Victorian Government has contracted to take the whole output of coal from Callide. I understand that the Premier of Victoria is at present considering, and discussing with his officers, various suggestions made to him by the Commonwealth, which, if accepted, would in our opinion result in a considerable increase of coal mined at Callide. No determination has yet been made on the subject. I shall bring my information on the matter up to date during the

course of the day, and shall communicate with the honorable gentleman as soon as I can.

BASIC WAGE.

Mr. FRASER.—I ask the Minister for Labour and National Service whether the increase of the basic wage as the result of the recent announcement by the Commonwealth Arbitration Court will be paid to members of the Building Workers Industrial Union? I understand that the net increase is 19s. a week. I think that the Minister is aware that in the Australian Capital Territory and in other parts of the Commonwealth thousands of members of that union are employed by the Department of Works and Housing and by contractors to the department. Will that increase of the basic wage be paid to those employees in spite of the fact that their union still remains deregistered by the Commonwealth Arbitration Court? Will the Minister take into account the necessity for announcing as soon as possible what the department intends to do in this matter so that building tradesmen will not transfer to private employees who, undoubtedly, will pay the increase to them?

Mr. HOLT.—The matter to which the honorable member has referred is being examined by not only the Department of Labour and National Service, but also by the Department of Works and Housing. I am unable to give a precise reply to the honorable member at the moment but I shall treat the honorable member's question as being on the notice-paper and shall obtain for him whatever information is available.

Mr. KEON.—In view of the fact that members of the Building Workers Industrial Union cannot obtain payment of the £1 a week increase of the basic wage recently granted by the Commonwealth Arbitration Court because their union was deregistered by the court for improper activities on the part of its Communist executive in rigging ballots, victimizing certain members and defying the court, will the Minister for Labour and National Service bear in mind, in any consideration of the application of the increased basic

wage, that in Victoria, Tasmania and South Australia any carpenter can obtain payment of the increase by joining the Amalgamated Society of Carpenters and Joiners of Australia? That organization is a registered trade union that was recently inaugurated by the Australian Labour party industrial group. It possesses proper status, and is recognized by the Commonwealth Arbitration Court. Will the Minister, in addition to advising carpenters in the three States I have mentioned to join that union, also consider giving preference on Commonwealth works to members of that union, which is an Australian body, as opposed to its Communist-dominated rival, the Building Workers Industrial Union?

Mr. HOLT.—The matters raised by the honorable gentleman will receive consideration in connexion with the examination that I shall make of certain industrial matters in accordance with the statement that I made earlier this afternoon.

RICE.

Dr. NOTT.—Can the Minister for Commerce and Agriculture say whether the total quantity of rice that is made available annually to the retail trade throughout Australia by the Rice Equalization Association Limited is approximately 12,000 tons, which represents a quota of less than 56 lb. a month to every distributing grocer? Is it a fact that rice is being refused to persons whose medical advisers have prescribed it for them as a dietetic necessity although it is comparatively easy to obtain rice at exorbitant prices on the black market? Will the Minister have inquiries made in order to ascertain the exact position with respect to the distribution of rice?

Mr. McEWEN.—I am unable to say whether the figure of 12,000 tons which the honorable member has mentioned as being the total quantity of rice that is made available annually is correct. I remind him that the Commonwealth does not now possess power to control, or direct, the sale of rice. During the war, it exercised that power under National Security Regulations. I have concerned myself with the quantity and

destination of exports of rice. There are certain areas, such as New Guinea and the phosphate islands, in respect of which the Australian Government accepts responsibility in this matter. However, the mere holding of rice in Australia by refusing to grant export permits would not in itself ensure that rice would be distributed in this country. It would not be the policy of the Government to facilitate the exports of rice to areas in respect of which it has no responsibility if such exportation would cause a shortage in Australia.

Dr. NOTT.—I address a supplementary question to the Minister for Commerce and Agriculture. Will the Minister say, first, whether the Commonwealth relinquished the control of rice on the 4th October, and, secondly, whether, on the 12th October, the Rice Millers Association stopped any further sales of rice to the public, allegedly because of inadequacy of stocks? Will the Minister also say whether Mr. Farley, the secretary of the Rice Equalization Association, stated on the 1st December that only 1,000 tons of rice a month were available to meet all Australian requirements? If Mr. Farley's statement is correct, will the Minister make further inquiries into the possibility of making additional quantities of rice available to the public, and inform the House of the results of those inquiries?

Mr. McEWEN.—I cannot answer with exactitude all the matters raised by the honorable gentleman in his question. In the first place, I point out that during October I was absent from Australia. The honorable gentleman inquired whether the Commonwealth had relinquished control of rice distribution on a particular date. The fact is that at that particular time the Commonwealth was not exercising control over the distribution of rice in Australia. The Commonwealth has no constitutional power to direct or control sales of rice in this country. However, under a voluntary arrangement between the Rice Equalization Association Limited and the Government, the Commonwealth was issuing, through the Department of Commerce and Agriculture, documents which purported to authorize persons who held them to purchase rice.

The so-called permits were recognized by the trade, and rice was supplied upon production of them. However, I understand that later certain rice distributors broke away from the voluntary agreement and supplied retailers with quantities of rice without any official or unofficial control. Subsequently, during my absence from Australia, the rice millers advised the Commonwealth that it was no longer practicable to continue to control the distribution of rice, and in consequence of that advice no further attempts were made by the Commonwealth to exercise any form of control. I repeat that the Commonwealth possesses no constitutional authority to direct the sale of rice in this country. However, at my direction, the officers of the Department of Commerce and Agriculture have used their good offices in an endeavour to ensure that hospitals and sick people for whom rice is recommended by medical practitioners obtain sufficient supplies, and I shall continue, within the limits of my authority, to see that those efforts are continued.

SOCIAL SERVICES.

Mr. BIRD.—On the 9th November last I asked the Prime Minister whether consideration would be given to increasing the rates of pension payable to the widows of men who had been killed in the course of their service with the Civil Construction Corps, and the right honorable gentleman replied that the matter would be investigated. Since then, I have been given to understand that an amendment of the act, under which those pensions are payable, will be necessary to enable an increase of the rates to be made. In view of the fact that other pensions have been increased recently, and that the present session is drawing to a close, will the Prime Minister give urgent consideration to the introduction of an amendment of the appropriate act in order that the persons concerned may receive similar treatment to that given to other recipients of pensions?

Mr. MENZIES.—I shall have that matter considered.

Mr. GRIFFITHS.—Is the Prime Minister aware that invalid children between the ages of sixteen and 21 years are

denied invalid pensions if the officers of the Department of Social Services deem that their parents' income is sufficient to keep them? Can the right honorable gentleman say what is deemed to be sufficient income in such cases? Does he know that these children are also denied social services payments? In view of the fact that all children under sixteen years of age are entitled to child endowment irrespective of the parents' income, will he consider authorizing the payment of pensions to all invalids over sixteen and under 21 years of age whose parents have a weekly income of, say, less than £10 or £12.

Mr. MENZIES.—I shall convey the substance of the honorable member's question to my colleague, the Minister for Social Services.

Mr. DALY.—I direct the attention of the Minister representing the Minister for Social Services to the fact that the last payment of pensions to aged and invalid persons this year would normally be made on the 28th December, which will be too late to enable pensioners to make Christmas purchases out of that payment. Will the Minister therefore ascertain whether that date has definitely been fixed for the payment of pensions, and, if so, will he consider making the payment earlier in order that pensioners may be able to use some of their money from that pay day for Christmas purchases?

Mr. HOLT.—I shall discuss the matter with my colleague, the Minister for Social Services, with a view to having an earlier date fixed for payment of pensions. I know that, because of the seasonal rush of mail matter practical difficulties are experienced by the Postal Department in making pension payments close to Christmas. That difficulty was mentioned when we were discussing certain legislation that was recently introduced to the Parliament.

FLOOD WARNINGS.

Mr. EGGINIS.—The Postmaster-General is reported in the press as having made a statement last week-end about the provision of modern flood warning facilities, such as radio systems, for the northern rivers district of New South

Wales. That statement indicated that those facilities would be provided for the Clarence, Richmond and Tweed Rivers. Will the Postmaster-General inform me of the progress that has been made in investigating the provision of such facilities for the rivers in the Macleay, Hastings, Manning, Bellinger and Nambucca areas? When is it likely that he will be able to make a statement about the provision of flood warnings for those rivers?

Mr. ANTHONY.—The same kind of investigation is being made, and action taken in relation to the rivers which the honorable gentleman has mentioned as to the rivers named in my statement. Unfortunately, at this stage, those investigations have not been sufficiently advanced in respect of the Macleay and other rivers to enable me to make a statement about the position, but I shall do so as soon as possible.

KOREA.

Mr. KEON.—In view of the vital nature of the discussions at present being held between the Prime Minister of the United Kingdom and the President of the United States of America, and of the effect of any decisions made at that conference upon Australia's future, particularly those affecting the Pacific, will the Prime Minister inform the House whether the views of Australia and of the other dominions in the current crisis were sought by the United Kingdom Government prior to the departure of Mr. Attlee for the United States of America? What action has the Australian Government taken to ensure that the vital interests of this country are brought to the notice of the conferring parties? Does not the Prime Minister consider that only a person of the status of the Prime Minister of Australia can adequately represent our interests and views in the United States of America at the present time?

Mr. MENZIES.—At all relevant times, we have maintained the closest contact with that problem, and have put the Prime Minister of the United Kingdom in possession of our views.

HOUSING.

Mr. CRAMER.—I understand that the Minister for Works and Housing, when he was in Sydney yesterday, conferred with the Minister for Housing and the Minister for Building Materials in New South Wales. Can he tell the House of any useful matters which have resulted from those discussions?

Mr. CASEY.—I had discussions yesterday with the Minister for Housing and the Minister for Building Materials in New South Wales, and I assured them of the complete co-operation of the Commonwealth in pursuing the common responsibility of housing in that State. Those Ministers stressed that bricks constituted easily the most difficult bottleneck in the building industry, and a backlog of some 100,000,000 bricks in New South Wales was mentioned. I undertook to do everything possible, within our province, to endeavour to assist the brick-making industry in that State. I had reason to believe that the Commonwealth measure for providing a subsidy on prefabricated houses was being well received. Discussions also took place on how the sale, as distinct from the rental, of houses under the Commonwealth and State Housing Agreement could be effected. I think that I am right in believing that the New South Wales Government is most eager to encourage the purchase of such houses, as against the renting of them, and I propose to ascertain whether a suitable method can be adopted by the Commonwealth through the Department of Works and Housing of promoting that objective.

Mr. WARD.—The Minister for Works and Housing stated recently that the construction of houses in Australia was approaching the rate of 60,000 a year, but that, in order to meet the needs of immigrants and of newly married couples, a rate of construction of 90,000 houses a year was needed. Having regard to the fact that the State authorities have already indicated that no emergency housing is available, can the Minister tell me where he expects to accommodate the people whose requirements are not being met by the building programme and whether the Government has any plan to solve this problem?

Mr. CASEY.—The programme for the construction of hostels and other buildings for the accommodation of immigrants is being carried out to its limit. Many millions of pounds will be expended on such work during the current financial year. In addition, every effort is being made to accelerate the production of all building components, with success in many instances. All governments in Australia are importing houses at a very great rate, and this Government has also facilitated the importation of building materials and components. I do not believe that any avenue has been left unexplored or any stone left unturned in developing the building programme. I do not believe that many people find it impossible to obtain accommodation of some sort at present. The situation is being alleviated each month.

Mr. ROSEVEAR.—Recently I asked the Minister for National Development a question concerning the number of prefabricated homes that were to be imported by the Government. I now ask the Minister whether the necessary land resumptions have been made for the erection of these cottages and, if so, where they have been made. Is the department yet in possession of general and ground plans for these cottages which would enable the foundations to be prepared while the arrival of the cottages is still being awaited?

Mr. CASEY.—The answer to the honorable member's first question is "Yes". The houses were designed by the Department of Works and Housing which has all the particulars necessary for their erection. The on-site work has been in hand for some time in respect of all houses likely to arrive within the next three or four months.

Mr. TRELOAR.—I direct to the Minister for Labour and National Service a question that is supplementary to one that was asked by the honorable member for East Sydney about housing. In view of the fact that houses are so urgently needed and that there is such a grave shortage of bricks, will the Minister see what can be done to lift the drag that at present applies to brick-making, and also to increase the number of bricks that the trade union covering bricklayers

allows its members to lay a day? I believe that bricklayers are restricted, by trade union instructions, to the laying of 300 bricks a day, and that that number could very well be raised to 800 bricks a day.

Mr. HOLT.—The matter to which the honorable member has referred has been examined by the Department of Labour and National Service this year. It was found that the brick-making industry is not at the present time attracting as much labour as is desirable, and, indeed, it has been necessary to place a very substantial number of immigrants in that industry in order to maintain the supply of bricks. Despite these efforts, however, we found that at the end of twelve months just about the same number of people were employed in the brick-making industry as were employed in it immediately before we introduced migrant labour into it. That position is due, largely, to the turnover of Australian labour in the industry during the year. When we took up the matter of limitation of output with the relevant trade union it informed us that it was already hard enough to attract people into the industry with the rate of output as it is at present, and it urged us not to press that phase of the matter as, if we did so, it would be even more difficult to obtain workers for the industry. However, I can assure the honorable gentleman that we are doing what we can to improve the output of bricks, and that we do not despair at some future stage of obtaining co-operation along the lines that he has suggested.

BALING WIRE.

Mr. DUTHIE.—I direct the attention of the Minister for Supply to the fact that Tasmania is experiencing a baling wire famine. Twenty per cent. of the farmers' needs of this product remains unsatisfied as the result of the good season and the increased number of producers who are conserving fodder. I understand that the vessel *Wanaka* is loading cargo for Tasmania at Newcastle or Sydney at present. Will the Minister communicate with the Rylands factory and/or the Lysaght factory at Newcastle and endeavour to have a further shipment of several hundred tons of baling wire loaded on the vessel? The situation is serious because the hot

weather is ripening the hay quickly. Will the Minister please treat the questions as being urgent?

Mr. BEALE.—The distribution of baling wire does not come within the jurisdiction of the Department of Supply in any way. However, I imagine that the Minister for National Development will be glad to help, insofar as the matter is under his control, and that the Minister for Fuel, Shipping and Transport will do his best to facilitate the shipment of additional supplies of baling wire for Tasmania. Between the three of us, we shall endeavour to have something done to meet the needs of Tasmanian farmers in this respect.

IRON AND STEEL.

Mr. McCOLM.—Will the Minister representing the Minister for Trade and Customs have inquiries made in order to ascertain whether pressed steel from dollar sources is being used for the manufacture of baths in Australia? If his inquiries establish that such steel is being used for that purpose, will he further inquire whether the expenditure of the dollars involved is justifiable? By way of explanation, I have been told that pressed steel from dollar sources is being used for the manufacture of baths and that, because of the high coefficient of expansion of the steel, the manufactured articles will not retain their enamel coating with the result that a considerable amount of dissatisfaction with the quality of the goods has arisen.

Mr. McBRIDE.—I shall refer the question to the Minister for Trade and Customs, ascertain the facts, and supply the honorable member with the information he has sought.

Mr. O'CONNOR.—Is the Minister for Supply aware that iron foundries of New South Wales are suffering from an acute shortage of pig iron and that unless relief is forthcoming immediately foundries will be compelled to close down, which will cause unemployed and a loss of production? Is it a fact that there are approximately 10,000 or 12,000 tons of this material awaiting shipment from Whyalla in South Australia? Was an application made to the

Australian Shipping Board in Melbourne last month to allocate ships for the purpose of bringing this material to Sydney but that no reply has been received from the board? In view of the urgency of this matter will the Minister endeavour to have the shipment of this ore expedited?

Mr. BEALE.—Some of the matters raised by the honorable member for Martin do not come within my personal knowledge but I shall endeavour to ascertain the facts. I know that there is a shortage of pig iron which is partly due to a lack of ships. The Minister for Fuel, Shipping and Transport has been giving a considerable amount of attention to the shortage of shipping. I shall discuss this matter with him and then give the honorable member a detailed answer to his question.

SUPERPHOSPHATE.

Mr. LESLIE.—I ask the Minister for Commerce and Agriculture whether Australian manufacturers are unable to meet the demand for superphosphate for agriculture. In view of the fact that imported superphosphate costs nearly double the price of the Australian product and that primary producers are now finding it necessary to consider the importation of superphosphate from overseas will the Minister for Commerce and Agriculture stress to the Minister for Trade and Customs the importance of this commodity to the agricultural industry, with a view to obtaining a remission of duty on imported superphosphate?

Mr. McEWEN.—The Government is aware that there is a serious shortage of superphosphate, particularly in Western Australia. The honorable member has informed me that inquiries have been made recently by certain commercial interests in Western Australia concerning the possibility of importing superphosphate from overseas although it is realized that the imported product would be very much more expensive than the Australian product. I shall discuss the point that the honorable member has raised with the Minister for Trade and Customs immediately in order that the Government's policy on this question may be decided as quickly as possible.

WAR PENSIONS.

Mr. GULLETT.—It is the normal practice of the Government of countries which are sources of immigrants and which are also ex-allied countries to allow their nationals who emigrate to Australia or other countries to draw their service pensions in those countries. One of the very few exceptions to this rule is the Dutch Government, which recently sent a deputation to Australia to arrange for the migration of Dutch people from Holland to Australia. Some time ago I wrote to the Minister for Immigration about this matter. I now ask him whether he has been in touch with the Dutch Government for the purpose of ascertaining whether it will allow Dutch war-disabled personnel to draw their Dutch service pensions in Australia if they desire to live in this country? If the Minister has done so what has been the reaction of the Dutch Government?

Mr. HOLT.—I cannot say offhand whether the matter mentioned by the honorable member was one of the matters covered by the agreement recently concluded with the Dutch Government. I shall investigate the matter to ascertain whether I can give the honorable member up-to-date information.

Mr. WILSON.—I ask the Prime Minister whether, in view of the fact that British war pensioners resident in Australia have not received any increase of their pensions in line with the increases that have been recently granted to our own pensioners, he will discuss with an appropriate Minister of the British Government, when he is in England next month, the making of reciprocal arrangements between Britain and Australia so that British war pensioners resident in Australia shall receive the same rate of pensions for the equivalent disabilities as Australian war prisoners receive?

Mr. MENZIES.—I am under the impression that there have been, in the past, some discussion about reciprocal arrangements in connexion with such matters. I shall ascertain what the position is, and if it lends itself to any further discussion I shall certainly arrange for such discussion.

BANK ADVANCES.

Mr. CHARLES RUSSELL.—My question is directed to the Treasurer. By way of explanation I say that the new bank credit restrictions have been reported as being a part of central bank policy. The effect of the credit restriction is that home builders and primary producers who require capital goods must in future look elsewhere than to the banking system for accommodation. Can the Treasurer inform the House whether he is consulted on central bank policy, or whether the responsibility for these decisions is taken solely by the Governor for the time being of the Commonwealth Bank?

Mr. FADDEN.—The sweeping restriction mentioned by the honorable member does not prevail. It is only in certain circumstances that applicants for bank accommodation have to seek finance elsewhere. The general policy in relation to advances is in conformity with the economic policy of the Government.

Mr. ROSEVEAR.—I direct to the Treasurer a question that is supplementary to the question asked by the honorable member for Maranoa, who complained about the restriction of credit by the Commonwealth Bank. Is the Treasurer aware that during the life of the previous Government a bill was passed, in which there was a clause that made it mandatory for the Commonwealth Bank to seek business? Is he aware that, besides the case referred to by the honorable member for Maranoa, the Commonwealth Bank recently temporarily declined a loan to three municipalities, Balmain, Leichhardt and Annandale, which had been merged into one municipality, and advised that that amalgamated authority should seek financial accommodation elsewhere? Is he aware that since the amalgamation of those three municipalities the whole of their business has been given to the Commonwealth Bank? Is the Government in agreement with the attitude of the Commonwealth Bank in referring very substantial clients to other sources for loans, in view of the fact that the act requires the bank to seek business, and not to give business away?

Mr. FADDEN.—I know nothing of the circumstances to which the honorable member has referred. I shall require to have inquiries made into the matter before I can decide whether the bank acted rightly or wrongly.

GRAIN SORGHUM.

Mr. SWARTZ.—I point out to the Minister for Commerce and Agriculture that owing to the failure of the wheat crop in Queensland and in parts of New South Wales because of the floods and very heavy rains experienced during the last few months, there will be a large planting of grain sorghum in those areas during this summer. Will the Minister arrange for his department to keep a close check on the planting of grain sorghum in order that an early decision can be made regarding the allocation of quantities for home consumption and for export? Will the honorable gentleman also endeavour to make the information available to growers and marketing organizations as soon as possible after the harvest period commences?

Mr. McEWEN.—I shall be glad to act along the lines suggested by the honorable gentleman.

PAPUA AND NEW GUINEA.

Mr. DRUMMOND.—Will the Minister for External Territories say whether it is a fact that during his tour of Papua and New Guinea some months ago it was suggested to him that it was urgently necessary to return the control and administration of works and housing in the territory to the Minister for External Territories and the authorities who administer Papua and New Guinea? Will the honorable gentleman also say whether his attention was drawn to the grave dissatisfaction expressed within the territory about the delay that has occurred in re-transferring the control of works and housing in the territory to the local authorities? Is the honorable gentleman also aware of statements that have been made concerning the effect of the employment of, and the rates of remuneration paid to, certain types of white people by the administration of native affairs in the territory? Can the Minister inform the House whether he

intends to proceed with the transfer of control of works and housing to the Department of External Territories, if, in fact, it has not already taken effect?

Mr. SPENDER.—It is a fact that when I was in the Territory of Papua and New Guinea the subject of the transfer of control of works and housing to the local administration was mentioned. However, no decision on the matter was made by me, because it was not within my competence to make a decision in respect to it. Before the recent war, works in the territory were constructed by the local administration, and the quantity and nature of the constructional work then carried out do not compare with the work at present being carried out in the territory. The reason for the increased volume of constructional work is due, first, to replacement of buildings damaged and destroyed during the war and, secondly, to the advanced development that is now taking place in the territory. It is also true that when I visited New Guinea my attention was drawn to the fact that some people were drawing substantial sums of money, and in my view some of them were simply taking advantage of their position and working overtime to draw money which they were not, strictly, earning. I have drawn attention to those matters since I returned to Australia. I think that the Administrator takes the view that at present it would be quite impossible for him to assume responsibility for the control of works and housing, first, because a large amount of the work is what may be regarded as being in the nature of an emergency or of an abnormal character and secondly, because at present there is not sufficient administrative staff to cope with more than the normal volume of work. I shall take up the various other matters mentioned by the honorable gentleman with those of my colleagues who are concerned, with a view to seeing what can be done to meet some of the difficulties mentioned by him. At the moment, I can see no immediate opportunity to transfer the control of works and housing to the administration of Papua and New Guinea.

Mr. DRUMMOND.—I understand that the officer who is in control of works

and housing in Papua and New Guinea is the deputy director in Queensland. Having regard to the works that the Minister has indicated are being undertaken, will he consult with the Minister for Works and Housing with a view to having appointed in the territory an able and vigorous administrator, with an efficient staff, to take charge of those works and thus ensure that the vast sums that are to be expended on such works shall be expended in the interests of both the territory and Australia?

Mr. SPENDER.—I promise the honorable member that I shall discuss with the Minister for Works and Housing the matter that he has raised. I do not wish it to be inferred from my reply that I reflect in any way upon the officer who is at present in charge of works and housing in the territory. Although the problem does not come within my jurisdiction, I know that it goes much deeper than that. The deputy director in the territory is an able man but he is confronted with difficulties that arise from many facts, including, as I ascertained when I visited the territory, that many men under his control had made a racket of overtime and were not pulling their weight.

HEALTH AND MEDICAL SERVICES.

Mr. WARD.—The Minister for Health is reported to have stated that the only thing that is delaying the introduction of the free medical and pharmaceutical benefits scheme for age and invalid pensioners is the difficulty of having the necessary printing completed. That statement implies that the details of the scheme have been completed. I therefore ask the Minister whether he proposes to furnish to honorable members the details of the scheme before the House rises for the Christmas recess? If not, is there any particular reason why he should not do so?

Sir EARLE PAGE.—The printing work in connexion with that matter is well advanced and we hope that it will not be long before the various documents can be put in the hands of the pensioners. When that has been done, and when it is close to the time at which it will be desirable

to give the pensioners the information that will enable them to apply for and to obtain their identification cards, a statement will be made in full. If the House is sitting at that time the statement will be made to the House; if not, it will be freely published.

SOCIAL SECURITY COMMITTEE.

Mr. MORGAN.—Will the Prime Minister say whether he has given any further consideration to the matter of the re-establishment of the Social Security Committee? If he has not done so, will he say whether his failure to consider the matter can be taken as an indication that the Government has said the last word on the matter of social services, or whether it has merely decided that it is not intended to utilize the services of rank and file members of both sides of the Parliament in connexion with matters of that nature?

Mr. MENZIES.—The answer to the first question is "No". The answer to the second question is also "No".

MUNITIONS ESTABLISHMENTS.

Mr. CREMEAN.—Will the Minister for Supply say whether a cadet engineers' scheme is still in operation in relation to entry to, or promotion within, the munitions establishments controlled by the Department of Supply? If so, what are the present qualifications for entry into the scheme? Who are the members of the selection committee, and what section of the department does each selector represent? How many qualified candidates have presented themselves for selection, from 1943 to the present time? How many of such qualified candidates have been successful during the same period, and what are their names?

Mr. BEALE.—I am sure that the honorable member will realize that it is not possible for me to have the details of the questions that he has asked clear in my mind. It is a fact that a cadet engineers' scheme is still in operation, and my recollection is that it is operating very successfully. I shall obtain the details requested in the remainder of the honorable gentleman's questions and shall let him have them in due course.

PHARMACEUTICAL BENEFITS.

Mr. LESLIE.—Is the Minister for Health aware of reports of the beneficial action of the drug glutamic acid in the treatment of sub-normal children? Has any departmental investigation been directed into the matter of the treatment of such children by the means of that drug? If such investigations should indicate that the benefits from the drug are as good as they are claimed to be, will he consider including it in the free medicine list?

Sir EARLE PAGE.—I have seen reports on the use and the effects of the drug that the honorable gentleman has mentioned, and I have asked the special expert committee that deals with the inclusion of further drugs in the free list to examine the matter and to make a report.

MR. J. HUGHES.

Mr. PETERS.—Has the Prime Minister seen a report that Mr. J. Hughes, secretary of the New South Wales branch of the Federated Clerks Union, broadcast a speech over Moscow radio in which he accused the Australian Government of being opposed to the maintenance of peace? As that person represents nobody but himself, is doing harm to Australia and is in Moscow in violation of the conditions under which his passport was issued, will the Government inform him, through Australia's representative in Russia, that he must immediately return to this country or stay away from it altogether?

Mr. SPEAKER.—Order! Notice must be given of questions which concern the character or conduct of individuals other than Ministers or members of the House.

INFLATION.

FORMAL MOTION FOR ADJOURNMENT.

Mr. SPEAKER (Hon. Archie Cameron).—I have received from the Deputy Leader of the Opposition (Dr. Evatt) an intimation that he desires to move the adjournment of the House for the purpose of discussing a definite

matter of urgent public importance, namely—

The economic dangers with which Australia is now confronted as a result of inflation, having particular regard to the failure of the Government to carry out certain special measures announced by the Prime Minister on the 6th October last, namely, legislation to impose an excess profits tax, the re-institution of Capital Issues control, control of basic materials in short supply and the establishment of a national security resources board.

Dr. EVATT (Barton—Deputy Leader of the Opposition) [3.28].—I move—

That the House do now adjourn.

Mr. SPEAKER.—Is the motion supported?

Eight honorable members having risen in support of the motion,

Dr. EVATT.—The problem of inflation in this country has now reached such dimensions that recently the Minister for National Development (Mr. Casey) said that he regarded it as being the “A1” problem confronting Australia and as being of more importance in its ramifications than even the problem of defence.

Mr. CASEY.—I did not say that.

Dr. EVATT.—The Minister has been reported as having made that statement in this House.

Mr. SPEAKER.—Order! I ask the House to maintain order. If honorable members wish to take objection to what the Deputy Leader of the Opposition (Dr. Evatt) in saying, they will have an opportunity later to reply to him.

Dr. EVATT.—The situation in respect of inflation has changed so rapidly since December last, when the Government assumed office, that what the present Leader of the Opposition (Mr. Chifley) said on the 14th September last is now demonstrably true. On that occasion he said—

The problem is not merely to put value back into the £1 but to keep it from depreciating still further.

This matter is one of the greatest national tragedies this country has ever known.

I realized when I was Prime Minister that high world prices would make the task of maintaining economic security in Australia very hard. But the Labour Government was sensible enough not to make foolish and completely dishonest promises.

Mr. SPEAKER.—Order! No mention is made in the right honorable gentleman's submission about a referendum on prices control.

Dr. EVATT.—I was quoting from a speech that the Leader of the Opposition made with respect to inflation, and one of the by-products of inflation is the problem to which the right honorable gentleman referred. The problem of inflation as a whole has been made extremely difficult by the fact that during the last general election campaign the present Government parties made definite promises that if returned to office they would solve it. I shall not quote the promises that the Prime Minister (Mr. Menzies) made on their behalf. Those promises have been so frequently referred to in this House that the words in which they were made must be engraven on the hearts of supporters of the present Government. Assuming that in 1939, prior to the outbreak of the recent war, the purchasing power of the Australian £1 was 20s., at the 31st December last, taking the “C” series index as the measure—although it is not completely satisfactory for the purpose because the changes have been even more considerable than it shows—the purchasing power of the £1 was only 12s. 10d., whilst in September last it had decreased to 11s. 1d., and, assuming that that retrogression continues at the same rate, the value of the £1 will be only 10s. 6d. by the end of the present year. That is a catastrophic fall in the purchasing power of the Australian £1.

I do not suggest for one moment that that trend had not begun before the last general election campaign. It had commenced at that time, and the Prime Minister, as Leader of the Opposition party, frankly approached the problem and pointed out the difficulties. He said that the problem presented features of a national tragedy unless strong measures were taken to deal with it. However, the Government parties, which were then in Opposition, were ready to give certain undertakings to the people on this matter. They claimed that they had practical plans to increase the purchasing power of wages and to reduce the cost of living and they made promises to that effect over and over again during the last general

election campaign. Since those parties assumed office, however, the Government has shifted its position with respect to the problem of inflation. As early as April this year a representative of the Government said—

I am happy to say that considerable progress has been made in restoring the purchasing value of the Australian £1.

That statement was made on the 19th April last in this House. However, during the same month, the Prime Minister began to face up to this extremely difficult problem and said, in effect, that it was not a matter that could be lightheartedly and cavalierly dealt with as an election promise. He said—

Putting value back into the £1 was not a government responsibility. It was the people's.

That statement was attributed to the right honorable gentleman in a report that was published in the *Adelaide Advertiser*.

Mr. MENZIES.—Does the right honorable gentleman believe that that is what I actually said?

Dr. EVATT.—The Prime Minister was reported in the *Adelaide Advertiser* as having made that statement. In any event, the right honorable gentleman has certainly recognized his obligation as the head of the Government to carry out the promise that its parties made to the people. Immediately following the last general election he made a statement in which he said—

The greatest task will be to arrest the present alarming rise in costs and prices, and so put value back into the money you earn and spend. However, complications have entered into the situation. Now, it is not merely a question of increasing wages and salaries or merely a question that involves the "C" series index. About the middle of the current year, and subsequently, certain concerns reported enormous increases of their profits, so much so that the Premier of Victoria, Mr. McDonald, was moved to comment. The Melbourne *Sun News-Pictorial* published the following report in its issue on the 19th September, last:—

The Commonwealth Government should hold an inquiry into profits made by motor companies, the Premier (Mr. McDonald) said yesterday.

The profits of some companies appeared huge.

"I see that the Commonwealth is trying to cut down farming profits", Mr. McDonald said.

"I don't think it would be out of place if it applied the company tax to big motor car profits".

The newspaper itself published the following comment on Mr. McDonald's statement:—

Only two of Melbourne's car distributing houses are public companies, with shares listed on the Stock Exchange. They are Austin Distributors and Standard Cars.

Austin Distributors' profit rose during the year from £73,833 to £250,000 and dividend was up from 25 per cent. to 35 per cent.

Standard Cars showed a profit jump from £251,224 to £495,774 and a dividend lift from 32½ per cent. to 60 per cent.

Both companies also made bonus share issues during the year.

In Sydney, York Motors, distributors of Chrysler and Morris vehicles, showed a profit rise from £253,259 to £292,042 while dividend was raised from 15 per cent. to 20 per cent.

Those are illustrations of facts to which attention is drawn by the leading newspapers of Australia. Profits and dividends have increased tremendously during the last nine or twelve months, and that factor has an important bearing on the statements made by the Prime Minister on this problem. I say that there has been rampant profiteering in some respects. We do not know the details of the profits of the companies to which I have referred, but, *prima facie*, profiteering is taking place on a large scale. The press of Australia, which generally gives support to the Government, has been emphasizing that aspect. The *Sun News-Pictorial* published the following statement about the imposition of a 10 per cent. freight surcharge on cargoes:—

In the face of this new threat it is difficult to believe that a Government pledged to restore value to the pound will attempt nothing more realistic than the lamentably inadequate devices it has so far approved. Discriminatory taxation of wool-growers will in no way abate this latest dangerous contribution to inflation.

The facts are clear, and have been subject to criticism, and the Prime Minister, on behalf of the Government, has made two important broadcast addresses on that subject. The first, which was delivered on the 5th October last, was entitled "Rising Prices—Why?", and the second, which was made on the following day, was called "Rising Prices—The Answer". I desire to say only one thing about the first broadcast, which dealt with the trend

of increases of prices during the last few years. The Prime Minister said—

I mention these interesting figures to you, not because I want to wash my hands of the prices problem, but because I want to make it clear to you that it is not a new problem. All that can be said against the present Government by its political opponents is that we have not so far, that is in nine months, arrested a process which went on at approximately the same rate during the last two or three years of Labor rule.

The criticism which can be levelled against the Government is far more serious. It is that the Government, instead of studying the problem in an objective way, has given an undertaking, without qualification, to the people of Australia to put value back into the £1, and has not studied the problem as one to be tackled in the way in which the Prime Minister has discussed it in his broadcast address entitled "Rising Prices—The Answer". I shall make specific reference to certain parts of that address which must be regarded as the Government's plan for solving the problem of inflation. The right honorable gentleman said—

As, in the period of inflation and rising prices, profits tend to rise and, in particular, there are certain businesses in which the acute scarcity of the commodity sold enables the sellers to obtain extravagant profits, we propose to present to Parliament a bill to impose an excess profits tax. This is a novelty, in time of peace.

Government supporters on the back benches indicated by interjections their disagreement a few minutes ago when I said that profiteering had occurred. I point out to them that the Prime Minister has made exactly the same statement. He also said, in his second broadcast address—

We propose to reinstitute Capital Issues control. We think this should be done so that absorption of capital and therefore of labour and materials into industries of minor importance, at the expense of those of major importance, may be restrained.

But that was not the end of the programme, for the Prime Minister stated—

We propose to institute a control over basic materials, our plan being that until certain grave shortages in Australia have been repaired, vital materials, which many people now need for essential purposes, should not be allowed to be diverted to less important uses. So that the problems underlying both Capital Issues control and materials control may be properly studied and a reasonable balance

established between our total supply on the one hand and our civil and military demand on the other we are, as I indicated a few days ago, setting up a National Security Resources Board, one of whose principal functions will be to advise the Government upon the subject of priorities, carefully studying our resources and needs so as to avoid waste and provide the necessary materials for a sensible control of both capital and materials.

The Prime Minister, after having announced those plans, said—

We shall watch the effects of those measures and early in 1951, we shall review the economic and financial position. If necessary, we shall not hesitate to introduce a supplementary budget.

The Prime Minister informed his listeners, in conclusion, that he believed that if the programme which he had indicated was earnestly applied, and the facts were faced, the dangerous inflationary trends could be averted, and the price rises steadily but certainly brought to an end. So far as the Parliament is aware, no action has been taken to control excess profits, to reconstitute the proposed advisory board on capital issues and to appoint the proposed national security resources board. Yet the whole plan that has been promised to us is dependent upon the adoption of those measures. [*Extension of time granted.*] I am obliged to the House for its indulgence. The whole point of the programme enunciated by the Prime Minister was that it would be brought into operation forthwith, that the whole economic and financial position would be re-examined early in 1951, in the light of the experience with those measures and that, if necessary, a supplementary budget would be introduced. An answer given to the honorable member for Melbourne (Mr. Calwell) a few days ago makes it clear that those measures have been postponed. Why? The plans are in the discard, temporarily at any rate, but the inflationary conditions are becoming worse. The Prime Minister's proposals produced prompt reactions in certain quarters. Bitter attacks were made upon the proposal to control profits by taxing excess profits. On the 6th October, the *Sydney Morning Herald* stated—

Reports that the Federal Government intends to introduce an excess profits tax indicate a persistent and disturbing refusal to face the facts of inflation.

Dr. Evatt.

There was the strongest opposition, by vested interests of another kind, to the plan for capital issues control. Mr. Latham Withall, of the Associated Chamber of Manufactures, said on the 9th October that the re-imposition of capital issues control would be "a great disappointment". Some newspapers supported parts of the Prime Minister's proposals. For instance, the *Age* of the 13th October gave strong support to the announced plan to control materials through the medium of a special resources board. It stated in a leading article on that date—

To control scarce materials may seem a contradiction of free enterprise concepts. But the purpose will be recognized as valid, when the security of the country is involved.

The fact is that attempts were made to deal with the problem of inflation in the ways that were announced by the Prime Minister. But opposition suddenly arose in many quarters, and the Government's efforts ceased. The result has been that at the end of the year, two months after the broadcasts were made, nothing has been achieved. Dealing with this matter, the *Argus* stated on the 13th October—

The extent of these anti-inflationary measures is not yet known. Mr. Fadden's excess profits tax is being kept up his sleeve as a last weapon to slay the giant of inflation in case it should survive his earlier blows. Unless it is heavier than the rest of his armoury, its chance of success does not seem impressive. One cannot kill giants with a thousand assorted feather dusters.

The situation is becoming worse. The value of the £1 is further decreasing. The prices authorities of the States have acknowledged that they cannot hold inflation in check with their limited powers. In this situation, there should be co-operation between the Commonwealth and the States. I submit that, in these circumstances, the conclusions which I shall enumerate should be drawn by the House. First, the present Government parties made a definite pledge to the electors before the general election with regard to inflation generally and the value of the £1. Secondly, the facts and figures show that the pledge has not been honoured. Thirdly, the inflationary processes are still strong, and everything indicates that the situation during the

current quarter of the year is even worse than it was in the preceding quarters. Members of the Opposition agree that there can be no immediate solution of the problem of inflation. An effective solution will be difficult of achievement. Increased production will be an essential part of such a solution. But we cannot expect the workers of Australia to support a plan for increased production while their wages and salaries are not providing them with enough foodstuffs and other necessary commodities and while the Government fails to do anything about the profiteering that is rampant and continues to let slide its plans for the control of resources. That should be obvious. What has caused the deferment of the Prime Minister's plans, which he told the people that he considered to be urgent? Whatever the Minister for National Development may say, the Opposition contends that inflation is the prime internal problem of the nation to-day. The people who are the hardest hit by inflation are not the workers who receive salaries and wages that are fixed by arbitration tribunals, but pensioners and others who have no redress. But even the wage and salary earners are not free to fix their incomes. They must apply to the arbitration authorities when they want higher rates. Yet there is no limit on profits. We regarded the Prime Minister's promises in his broadcasts as being an earnest of the Government's intention to carry out the undertakings that honorable gentlemen opposite gave to the electors. But now it appears that the plans are not to be carried out. The Prime Minister has no answer to rising prices.

Mr. MENZIES (Kooyong — Prime Minister) [3.50].—The speech that has just been delivered by the Deputy Leader of the Opposition (Dr. Evatt) was, I suppose, the most pitiful speech ever made by any prospective leader of a political party. The right honorable gentleman indicated, when he gave notice of this special adjournment motion, that it related to a definite matter of urgent public importance. Then he treated the House to a remarkable utterance which fell into two parts. In one part, he quoted passages from a speech that I

had made, and in the other part he regaled us with tidbits from the *Argus*. That is a very remarkable way of establishing that the Opposition feels deeply on a certain matter! Let me examine the subject that has been referred to by the right honorable gentleman. I shall not take too much time in the process. All that I propose to do is expose the most arrant piece of political humbug that I have listened to in a long time. The right honorable gentleman began his rather depressing utterance by making a few quotations from a speech that I had made. Good! I, too, shall refer to it. Though it is an ill business to quote oneself, in this instance it is necessary. In the course of a broadcast speech on inflation, I referred to a series of matters which had already been put in hand by the Government, but the Deputy Leader of the Opposition has not referred to one of them to-day. He has said nothing, because he cannot afford to do so, about the fact that the Government has dealt with one of the basic elements of inflation by increasing the supply of coal. Its first complete year of office will be one in which the production of coal will amount to an all-time record for Australia. Furthermore, it has increased the supply of coal by importation. He has said nothing whatever about the fact that the Government, with a realistic approach to the shortage of goods in Australia, has assisted in the importation of steel on the grand scale. He has said nothing about the various devices that have been employed by the Government to stimulate the importation of prefabricated houses, although he must know that this has had an important bearing on inflation by increasing the supply of homes. The right honorable gentleman has ignored all those facts.

Perhaps he is postponing until later this week anything that he may have to say about the Government facilitating the increased supply of capital goods in Australia by securing a dollar loan, which the former Labour Government said either could not or should not be secured. He has said nothing—and I realize that this is a delicate matter—about the significance of communism in relation to inflation or about the noteworthy fact that, when my broadcast speeches were delivered, the anti-Communist legislation,

which has since become bogged down somewhere or other, still had not been passed by his colleagues in the Senate. At that time the right honorable gentleman, who knew so well that the Government had been given a mandate about the £1, did not realize that it had also been given a mandate to clean up his Communists! Only after those broadcast speeches had been delivered did the bold Opposition, which is now trying to deck itself out in a few rags of courage as the session ends, discover suddenly—in the twinkling of an eye at the sounding of the last trump by twelve men outside the Parliament—that the anti-Communist legislation ought to go through. Yet, if I were to take honorable members of the Opposition aside individually and ask them whether they thought that the banning of the Communist party would result in better production and, therefore, in a lower price level, I venture to say that 90 per cent. of them would agree that no single action could be more effective. But the right honorable gentleman has said nothing on that matter. One appreciates why. He went on to select two or three matters of prospect.

It is a great pity that he did not select every point that I mentioned, because, on behalf of the Government, I recited seven or eight proposals to which the Government intended to give effect in addition to those matters that were already receiving attention. The first proposal concerned the action that would be taken to reduce prices. I do not remember that the right honorable gentleman or those who spoke in favour of the motion were very eloquent in support of the wool proposals which the Government has introduced. On the contrary, they forgot for the moment all their anxiety about the price level and appeared in the novel and refreshing role of the defenders of the wool-growers. They said, in effect, "Oh, dear me, you must not touch wool! It is true that it is £160 a bale, but you must not touch it. The *Argus* or some other eminent newspaper says that you should do something about some one who sells a particular brand of motor car so we shall all get on to that; but, so far as wool is concerned, oh, dear no!" Honorable members opposite became the friends of the wool-growers. They must believe that

a high degree of insanity has broken out among wool-growers if they consider that they will believe that. Honorable members opposite are not concerned with the price level. They are only concerned with trying to do a little catch-penny stuff at the end of the most disastrous political year that the bedraggled Labour party has ever suffered.

The next item mentioned by the right honorable gentleman was an excess profits tax. Unlike some of his colleagues who have interjected, the right honorable member, who has been Attorney-General must be considered to have some close acquaintance with the history of legislation. He knows better than anybody else that his own Government imposed a war-time company tax which was designed for the very purpose of reducing excess profits. That tax commenced to operate in 1940. At the end of the financial year 1946-47 the Labour party which now pretends that its only concern is that a tax of this kind should be imposed, deliberately allowed the war-time profits tax to expire. In other words, the great Australian Labour party, the enemy of the profiteer, by deliberate determination, decided three years ago that it would allow that legislation to lapse.

Mr. POLLARD.—Is that how the right honorable gentleman will wriggle out of it?

Mr. SPEAKER.—Order!

Mr. MENZIES.—I am not very conscious of doing any wriggling. The only wriggles I find necessary in this debate are those which have been forced upon me in my attempt to follow the convolutions engaged in by honorable members opposite. Now that the Government has resurrected this question which was dropped so carefully by honorable members opposite about three years ago, we find them howling although they know that the computation of an appropriate rate of excise profits tax is an extremely difficult matter. Nobody knows that better than the right honorable member for Barton.

Mr. CALWELL.—Why did the Prime Minister promise to introduce such legislation

Mr. MENZIES.—Because the Government intends to introduce it. All

this excitement on the Opposition side of the House is premature. The Deputy Leader of the Opposition can tell his colleagues that it does not matter a scrap whether this legislation goes on to the statute-book, this day, next week or next month because it will operate on the results of the whole year. Therefore, all this criticism is mere flim-flam, aimed to distract attention from the fact that the Labour party which now says, on the advice of some newspapers, "Down with the profiteer", was the very party that eliminated a provision of this kind which had been on the statute-book for a number of years.

The next matter to which I referred in my broadcast was the adoption of a selective credit policy. I have not heard honorable members opposite say very much in approval of the restrictions upon credit which were announced by the Commonwealth Bank. Do they approve of them? Or shall I hear them on the hustings next week, as usual, seeking to criticize what the Government has done in the hope that by so doing they may pick up a few odd votes? Selective credit is a part of the announced policy of the Government which has been put into operation. The next subject to which I referred in my broadcast was that of capital issues control. Honorable members opposite have become excited too early concerning this matter. The bill in relation to capital issues control will have been passed before this House rises unless it is rejected in another place.

Mr. CALWELL.—When will it be introduced?

Mr. MENZIES.—Notice of its introduction was given to-day. Honorable members opposite will have every opportunity of ensuring that it is placed on the statute-book by Friday night. The honorable member referred to the exercise of control over materials and the establishment of a national security resources board. During the course of my broadcast I said that a national security resources board was necessary in order that capital issues and material controls could be properly studied and a reasonable balance established. The Government does not propose hurriedly to introduce a

series of controls without having an adequate study made of the availability of the basic materials involved. The Government is, therefore, in the course of setting up a national security resources board. I trust that the Deputy Leader of the Opposition does not suppose that one can sit down during a morning, write a few names and a few lines on a sheet of paper, and have a board in the afternoon. The right honorable member will be pleased and disappointed when I tell him that all invitations to accept membership on this board, have been issued, that a number of persons have expressed their willingness to become members and that the terms of reference to the board have been approved. I hope to announce both the membership and the terms of the reference before the House rises at the end of this sessional period. If the right honorable gentleman wanted to criticize the Government on this issue before the end of the week he just succeeded in doing so in time. I have not heard honorable members of the Opposition support the proposals of the Government to impose a tax on luxuries. I have heard a lot of them howling about lipstick but I have not heard them say very much that might be regarded as support for a tax on luxuries. The proposals of the Government to impose such a tax have been embodied in legislation.

Mr. BREYSON.—A queer job the Government did of it.

Mr. MENZIES.—If I were putting a tax on noise instead of luxuries I should know exactly where to apply it. The next item related to the reduction in the works programme. [*Extension of time granted.*] All I need say about that is that the reductions that we said we would make we have made.

Mr. POLLARD.—What are they?

Mr. MENZIES.—They all appear in the budget and the honorable member has had ample time to discuss the budget. If he has any particular questions to ask about any particular items no doubt he will ask them during the course of the discussion of the Estimates. It is noticeable that one of the great pressures on public works programmes in Australia

is that which comes from State governments, in particular from those governments which are controlled by the Labour party.

Mr. CALWELL.—Not Victoria.

Mr. MENZIES.—Not Victoria! As the Christmas season approaches the honorable member becomes quite light-hearted. I must tell Mr. Cain what the honorable member has to say about Victoria. Then we said, and I admit that in this we were optimistic—

We shall immediately, upon the passing into law of the Communist legislation, set about destroying the influence of the Communists in key industries.

There I confess that we were wrong, because although the legislation has been passed we are not yet able to set about destroying the influence of the Communists in key industries. But we certainly shall do so, and it will be very interesting then at long last to discover which side some honorable members opposite are on. We then said that we would establish a special drive for production. Nobody knows better than the right honorable member for Barton (Dr. Evatt) that there is at the present time some difficulty about securing a co-operative drive to raise production. He probably knows why. He probably knows that there are internal problems connected with this matter. We did not talk about a production drive just to make a noise about it. We want the production drive and we know that we cannot have an effective drive for production in Australia unless we have the whole-hearted willing co-operation of organized labour in this country. Just so soon as we find ourselves in the position of having that co-operation then this particular part of our programme will be put into operation. Then I made a reference to the elimination of overlapping of Commonwealth and State functions and between Commonwealth and State departments.

Mr. WARD.—What has happened to profit-sharing?

Mr. MENZIES.—Let us stick to the subject under discussion. The honorable member for East Sydney (Mr. Ward)

keeps harking back to profits, although he was dismally silent on the subject, as I pointed out, from 1947 until after polling day in 1949. At present I am referring to the overlapping of functions. On that matter all that I can say is that for the last four weeks I have been endeavouring to secure the concurrence of one State government to the making available of one vital person for the conducting of this inquiry, and up to date I have not been able to get from the government an answer good, bad or indifferent.

The next item on the list related to subsidies. I said something about subsidies, but I have not heard anything to-day about that subject. Honorable members opposite, when they abandoned suddenly and deliberately their powers of prices control, devoted most of their efforts to ensuring that the whole thing would fall as a dead amorphous heap into the laps of the States. For good measure they wiped out subsidies. I have said repeatedly, and I hope that it is becoming increasingly well known, that while we do not believe that subsidies in general are an answer to price increases, this Government is, in this very budget, providing nearly £45,000,000 by way of subsidies. That is a very, very much greater sum than was in the contemplation of honorable members opposite when they went out of office. It is very interesting to read pungent paragraphs from newspapers, fair play or otherwise, in which the Government is criticized for what it does or does not do. The right honorable gentleman knows, nobody better, that practically every one of our critics believes that the major remedy for inflation is the revaluation of the Australian £1. He cannot have it both ways. He cannot seek to cash in on their criticisms unless he is prepared also to adopt the remedy that they propose. Yet, there is one thing only on which this poor bedraggled collection of honorable members opposite have been able to agree upon in the course of twelve months, and that is that there must be no revaluation of the £1. Therefore, this high watermark is established of the right honorable gentleman coming back to his place in the House and standing in that

place and saying, "I am against any alteration of the exchange rate. During the last two and a half years that I was in office I was against an excess profits tax. I am opposed to your provision for taking £100,000,000 out of the wool cheque. I shall criticize whatever you do in the way of bank credit. I am against you in every action that you take. But having established that attitude, I am prepared to say that it is high time that you did something to arrest the process of inflation". The right honorable member adopts that attitude in face of the fact that inflation is something for which he is probably more responsible than any other man in Australia.

The CHAIRMAN.—Order! The Prime Minister's extended time has expired.

Motion (by Mr. SPENDER) put—
That the question be now put.

The House divided.

(MR. SPEAKER—HON. ARCHIE CAMERON).

Ayes	62
Noes	34
Majority	28

AYES.

Adermann, C. F.	Kent Hughes, W. S.
Anderson, Charles	Lawrence, W. R.
Anthony, H. L.	Leslie, H. A.
Beale, Howard	Mackinnon, E. D.
Berry, D. R.	McBride, P. A.
Bostock, W. D.	McColm, M. L.
Brown, G. W.	McDonald, A. M.
Cameron, Dr. Donald	McEwen, J.
Casey, R. G.	McLeay, J.
Cramer, J. O.	McMahon, W.
Davis, F. J.	Menzies, R. G.
Dean, R. L.	Opperman, H. F.
Downer, A. R.	Page, Sir Earle
Drummond, D. H.	Pearce, H. G.
Drury, E. N.	Pittard, A. C.
Eggins, E. J.	Roberton, H. S.
Fadden, A. W.	Russell, Charles
Failes, L. J.	Spender, P. C.
Fairhall, A.	Swartz, R. W. C.
Gilmore, T. V.	Timson, T. F.
Graham, B. W.	Townley, A. G.
Grayden, W. L.	Treloar, T. J.
Hamilton, L. W.	Turnbull, W. G.
Handby, H. H.	Wentworth, W. C.
Hasluck, P. M.	Wheeler, R. C.
Haworth, W. C.	White, T. W.
Holt, H. E.	Wight, B. M.
Howse, J. B.	Wilson, K. C.
Hughes, W. M.	
Hulme, A. S.	
Jack, W. M.	
Kekwick, B. H.	

Tellers:

Davidson, C. W.
Gullett, H. B. S.

NOES.

Anderson, Gordon
 Andrews, T. W.
 Bird, A. C.
 Bourke, W. M.
 Bryson, W. G.
 Burke, Tom
 Calwell, A. A.
 Cameron, Clyde
 Chambers, C.
 Clark, J. J.
 Costa, D. E.
 Cremean, J. L.
 Curtin, D. J.
 Davies, W.
 Drakeford, A. S.
 Duthie, G. W. A.
 Evatt, Dr. H. V.
 Fraser, A. D.

Griffiths, C. E.
 Haylen, L. C.
 Keon, S. M.
 Lawson, George
 Morgan, C. A. A.
 Mulcahy, D.
 Mullens, J. M.
 O'Connor, W. P.
 Peters, E. W.
 Pollard, R. T.
 Riordan, W. J. F.
 Rosevear, J. S.
 Thompson, A. V.
 Ward, E. J.

Tellers:
 Daly, F. M.
 Sheehan, T.

PAIRS.

Bowden, G. J.
 Falkinder, C. W. J.
 Francis, J.
 Freeth, G.
 Harrison, Eric J.
 Lyons, Dame Enid
 Ryan, R. S.
 Bate, Jeff
 Corser, Bernard

Chifley, J. B.
 Lazzarini, H. P.
 Russell, Edgar
 Edmonds, W. F.
 Watkins, D. O.
 Fitzgerald, J. F.
 Holloway, E. J.
 Clarey, P. J.
 Beazley, K. E.

Adermann, C. F.
 Anderson, Charles
 Anthony, H. L.
 Beale, Howard
 Berry, D. R.
 Bostock, W. D.
 Brown, G. W.
 Cameron, Dr. Donald
 Casey, R. G.
 Cramer, J. O.
 Davis, F. J.
 Dean, R. L.
 Downer, A. R.
 Drummond, D. H.
 Drury, E. N.
 Egging, E. J.
 Fadden, A. W.
 Failes, L. J.
 Fairhall, A.
 Gilmore, T. V.
 Graham, B. W.
 Grayden, W. L.
 Hamilton, L. W.
 Handby, H. H.
 Hasluck, P. M.
 Haworth, W. C.
 Holt, H. E.
 Howse, J. B.
 Hughes, W. M.
 Hulme, A. S.
 Jack, W. M.

Tellers:
 Daly, F. M.
 Sheehan, T.

NOES.

Kekwick, B. H.
 Kent Hughes, W. S.
 Lawrence, W. R.
 Leslie, H. A.
 Mackinnon, E. D.
 McBride, P. A.
 McColm, M. L.
 McDonald, A. M.
 McEwen, J.
 McLeay, J.
 McMahon, W.
 Opperman, H. F.
 Page, Sir Earle
 Pearce, H. G.
 Pittard, A. C.
 Robertson, H. S.
 Russell, Charles
 Spender, P. C.
 Swartz, R. W. C.
 Timson, T. F.
 Townley, A. G.
 Treloar, T. J.
 Turnbull, W. G.
 Wentworth, W. C.
 Wheeler, R. C.
 White, T. W.
 Wight, B. M.
 Wilson, K. C.

Tellers:
 Davidson, C. W.
 Gullett, H. B. S.

Question so resolved in the affirmative.

Mr. MENZIES.—By way of explanation of my having taken part in the division, I wish to say that I have just realized that by remaining in the chamber after the division bells had ceased to ring I contravened my standing pair with the Leader of the Opposition (Mr. Chifley). I express my regret to honorable gentlemen for my oversight.

Question put—

That the House do now adjourn.

The House divided.

(**MR. SPEAKER**—HON. ARCHIE CAMERON.)

Ayes	35
Noes	61
Majority	26

AYES.

Anderson, Gordon
 Andrews, T. W.
 Bird, A. C.
 Bourke, W. M.
 Bryson, W. G.
 Burke, Tom
 Calwell, A. A.
 Cameron, Clyde
 Chambers, C.
 Clark, J. J.
 Costa, D. E.
 Cremean, J. L.
 Curtin, D. J.
 Davies, W.
 Drakeford, A. S.
 Duthie, G. W. A.
 Evatt, Dr. H. V.
 Fraser, A. D.

Griffiths, C. E.
 Haylen, L. C.
 Keon, S. M.
 Lawson, George
 Morgan, C. A. A.
 Mulcahy, D.
 Mullens, J. M.
 O'Connor, W. P.
 Peters, E. W.
 Pollard, R. T.
 Riordan, W. J. F.
 Rosevear, J. S.
 Thompson, A. V.
 Ward, E. J.

Tellers:
 Daly, F. M.
 Sheehan, T.

PAIRS.

Chifley, J. B.
 Edmonds, W. F.
 Fitzgerald, J. F.
 Lazzarini, H. P.
 Russell, Edgar
 Watkins, D. O.
 Holloway, E. J.
 Clarey, P. J.
 Beazley, K. E.
 Johnson, H. V.

Menzies, R. G.
 Bowden, G. J.
 Falkinder, C. W. J.
 Freeth, G.
 Francis, J.
 Harrison, Eric J.
 Lyons, Dame Enid
 Bate, Jeff
 Corser, Bernard
 Ryan, R. S.

Question so resolved in the negative.

AUSTRALIAN SOLDIERS' REPATRIATION BILL 1950.

Message received from the Senate intimating that it had agreed to the amendments made by the House of Representatives in this bill.

DEFENCE FORCES RETIREMENT BENEFITS BILL 1950.

Motion (by Mr. FADDEN) agreed to—

That leave be given to bring in a bill for an act to amend the Defence Forces Retirement Benefits Act 1948-49.

SUPERANNUATION BILL 1950.

Motion (by Mr. FADDEN) agreed to—

That leave be given to bring in a bill for an act to amend the Superannuation Act 1922-48 and for other purposes.

LIFE INSURANCE BILL 1950.

Motion (by Mr. FADDEN) agreed to—
That leave be given to bring in a bill for an
act to amend the Life Insurance Act 1945.

Bill presented, and read a first time.

SECOND READING.

Mr. FADDEN (McPherson—Treasurer) [4.29].—*by leave—I move—*

That the bill be now read a second time.

The purpose of this bill is to amend section 19 of the Life Insurance Act 1945. Under the provisions of that act a company is not permitted to carry on any class of life insurance business unless it has first been registered by the Insurance Commissioner. Although, as yet, registration has not been refused to any company, section 19 of the act empowers the Insurance Commissioner, with the approval of the Treasurer, to refuse to register a company that was not carrying on life insurance business in Australia when the act came into force on the 20th June, 1946. The section does not, however, specify the grounds on which registration may be refused, and, in the opinion of the Government, it is desirable that, for the guidance of the Insurance Commissioner, it should do so. Accordingly, this short amending bill has been prepared. The bill enumerates five grounds on which the commissioner may, with the approval of the Treasurer, refuse to register a new company. All the grounds for refusal, in conformity with the general intentions of the act, relate to the better protection of the insuring public. In particular, a company must satisfy the commissioner that it is likely to be able to meet its obligations, that its name does not resemble too closely that of another life insurance company and that the association of insurance business with other forms of business which the company proposes to conduct, is not contrary to the public interest. Subject to the five grounds enumerated in the bill, registration of a company will be granted by the commissioner. In order to avoid complications with the Statute Law Revision Act, which will come into force on the 31st December, 1950, the date of commencement of the proposed act is to be the 1st January, 1951. I commend the

bill for the favorable consideration of the House.

Debate (on motion by Mr. TOM BURKE) adjourned.

SERVICES TRUST FUNDS BILL 1950.

Motion (by Mr. FRANCIS, through Mr. McBRIDE) agreed to—

That leave be given to bring in a bill for an act to amend the Services Trust Funds Act 1947.

Bill presented by Mr. McBRIDE, and read a first time.

SECOND READING.

Mr. McBRIDE (Wakefield—Minister for Defence) [4.32].—*by leave—I move—*

That the bill be now read a second time.

The purpose of this bill is to amend the Services Trust Funds Act 1947 so as to overcome certain administrative difficulties that have arisen since that legislation came into force. Most honorable members will recollect that the main provision of the principal act was to establish a trust to administer war-time canteen profits and other assets that had accumulated during World War II. for the benefit of members of the Navy, Army and Air Force who had served in that war. The third annual report of the trustees will be available to honorable members shortly, so that it is not necessary for me to enter into details of what the trust has done since it was established, and I need merely remind honorable members that the responsibilities of the trustees are considerable, since they are handling a fund amounting to approximately £5,200,000. Their task is to administer it in the best interests of ex-servicemen and their dependants. Under the provisions of the act, £2,500,000 has been earmarked for education of children, and a comprehensive educational plan is well under way. The remainder of the fund is to relieve distress among ex-servicemen and their families.

The principal act prescribed that it should deal with funds which had accrued during the war which commenced on the 3rd September, 1939, but since, under international law,

the war which commenced on that date has not officially terminated, the act is legally applicable to canteen profits that have accrued since the cessation of hostilities and are continuing to accrue. This, of course, was not intended, and one of the proposed amendments is that the terminating date of the war for the purpose of the act shall be the 30th June, 1947. That is the date which has been prescribed by the Governor-General as the date on which the Services Canteens Trust should commence, and it also became the last date of eligibility of ex-servicemen for benefits under the act—that is to say, those who enlisted after that date are not eligible to benefit from this particular fund. The 30th June, 1947, is also the date from which all persons subject to military law serving in the Commonwealth and its territories ceased to be "on active service".

Another administrative difficulty which the bill seeks to remove concerns the canteens administered in Japan by the Australian Army Canteens Service for the benefit of the British Commonwealth Occupation Force. The agreement with the member countries was that the profits of the canteens should be distributed for the benefit of the components of that force in the United Kingdom, India, New Zealand and Australia. Legal opinion indicates that the provisions of the principal act do not permit of that distribution. Accordingly, the bill excludes the canteens administered in Japan on behalf of the British Commonwealth Occupation Force and enables such profits to be distributed as directed by the Military Board, subject to the approval of the Minister.

As honorable members know, the trustees of this fund give their services in an honorary capacity, and provision was made in section 11 of the principal act for payment of out-of-pocket expenses reasonably incurred in the exercise of their powers or functions under the act. This has been interpreted literally to mean that the trustees cannot be paid a fixed travelling allowance in the same way as are other persons who render services to the Commonwealth, but so as to obtain reimbursement they must furnish details

Mr. McBride.

of every particular item of expense that they incur. This, of course, was not intended; consequently the bill provides that the principal act shall be amended so as to enable a scale of travelling allowances to be fixed by the Minister. As the bill is a machinery measure only and does not alter in any way the spirit and intention of the principal act, I commend it to the House for a speedy passage.

Debate (on motion by Mr. CHAMBERS) adjourned.

WOOL (CONTRIBUTORY CHARGE) ASSESSMENT BILL (No. 2) 1950.

Motion (by Mr. McEWEN) agreed to—
That leave be given to bring in a bill for an act to amend the Wool (Contributory Charge) Assessment Act 1945 as amended by the Wool (Contributory Charge) Assessment Act 1950.

WOOL (CONTRIBUTORY CHARGE) BILL (No. 1A) 1950.

Bill presented by Mr. McEWEN, and read a first time.

SECOND READING.

Mr. McEWEN (Murray—Minister for Commerce and Agriculture) [4.42].—*by leave—I move—*

That the bill be now read a second time. The purpose of this bill and of another that I shall introduce shortly, is to give effect to the Government's decision to exempt skin wools from the wool levy of 7½ per cent. from the 26th August. Honorable members will recall that in June last I introduced into this House legislation to impose a levy on wool to provide funds for a post-Joint Organization plan of reserve prices for wool. It was then made clear, not only in my statement to this House, but also in the Wool (Reserve Prices) Trust Fund Bill that if, by the 30th September, 1951, there was not in existence a plan of reserve prices which had the general approval of wool-growers in Australia, money collected by way of levy would be repaid. The levy was imposed not only on greasy wool, but also on skin, or fellmongered, wool and on the wool on sheepskins when exported. Wool normally becomes subject to levy or contributory

charge at the point of auction, but if it is sold in any form by a grower before it reaches that point the buyer makes a deduction, equal to his assessment of what the levy will be, from the amount that he pays to the grower. When, therefore, a buyer purchases sheep he allows in his price for the levy that will have to be paid on the wool when it is removed from those sheep—in other words, the grower pays the levy indirectly at the time at which the sheep are sold. At this time, of course, the buyer does not know whether the levy will or will not be refunded. As the sheepskins and the skin wools removed from them pass through successive hands to and through the fellmongery, they lose their identity. By the time the skin wool arrives in the hands of a broker the grower of any particular lot of skin wool is untraceable. If, at a later stage, the levy payable on such skin wools had to be repaid it would, under the terms of the Wool (Reserve Prices) Trust Fund Act, be paid to the person who had officially paid the levy in the first place—that is, in most cases, to the fellmonger. But because the skin wool had lost its identity and the grower was untraceable the refunded levy could not be passed on to the grower who had originally, although indirectly, borne the charge.

The Government considers that there should be no room for doubt of its firm intention to repay the money collected from the levy if the growers do not approve a post-Joint Organization plan. Moreover the problem of repayment could arise, in a somewhat similar form, if it should later be decided that the fund of growers' capital to operate a post-Joint Organization scheme should be a revolving fund. This would involve repayment of levy collections to growers from time to time. In these circumstances it would be undesirable that growers should be obliged to pay levy that could not be refunded to them as occasion arose. The Government, therefore, decided that levy should not be charged on skin wool and arranged with the Commissioner of Taxation not to collect levy of $\frac{1}{4}$ per cent. on such wool from the 26th August, the commencing date of the levy, pending an amendment of the law authorizing exemption. The

present measure proposes validation of that administrative exemption. Skin wools will continue to bear the charge of $\frac{1}{4}$ per cent. which the Wool (Contributory Charge) Act (No. 1) at present imposes for the purposes of wool use promotion and the wool disposals plan. There is no refund complication in this case and, therefore, no change is contemplated.

Debate (on motion by Mr. POLLARD) adjourned.

WOOL (CONTRIBUTORY CHARGE) BILL (No. 2A) 1950.

Bill presented by Mr. McEWEN, and read a first time.

SECOND READING.

Mr. McEWEN (Murray—Minister for Commerce and Agriculture) [4.44].—*by leave—I move—*

That the bill be now read a second time.

In my remarks on the Wool (Contributory Charge) Bill (No. 1A) I explained the reason why the Government had decided to exempt sheepskins and skin wools from the levy of $7\frac{1}{4}$ per cent. Under the legislation as it now stands, skin wools are subject to contributory charge, or levy, irrespective of whether they were sold locally or exported, but sheepskins are liable to the charge only when exported. If skins are treated locally, the wool removed from the skin becomes subject to levy as skin wool. The purpose of this bill is to validate the administrative exemption that the Commissioner of Taxation, at the request of the Government, has been according to exported skin wools and sheepskins since the 26th August—the date on which the $7\frac{1}{4}$ per cent. levy became operative. As with skin wool sold locally, sheepskins and skin wool exported will continue to bear the charge of $\frac{1}{4}$ per cent. imposed for the purpose of wool use promotion and the wool disposals plan.

Debate (on motion by Mr. POLLARD) adjourned.

WOOL (CONTRIBUTORY CHARGE) ASSESSMENT BILL (No. 2) 1950.

Bill presented by Mr. McEWEN, and read a first time.

SECOND READING.

Mr. McEWEN (Murray—Minister for Commerce and Agriculture) [4.46].—*by leave—I move—*

That the bill be now read a second time.

The Wool (Contributory Charge) Assessment Act is the machinery act which regulates the collection of the contributory charge or levy on wool. The charge is imposed by virtue of the Wool (Contributory Charge) Act (No. 1) and the Wool (Contributory Charge) Act (No. 2), which were passed by the Parliament in June last, and at present the rate of charge is $7\frac{1}{2}$ per cent. Of this, $7\frac{1}{2}$ per cent. is for building up growers' capital for a post-Joint Organization plan of reserve prices for wool, whilst $\frac{1}{2}$ per cent. is for the purpose of wool use promotion and the wool disposals plan for which Joint Organization is responsible. At present there is no provision under either of those acts or of the assessment act for any exemption to be made from the incidence of the contributory charge.

The absence of power to make an exemption can produce inequities and anomalies in an industry that has such wide ramifications as has the wool industry. As one illustration I mention the exemption of skin wool and sheepskins. This exemption has had to be granted administratively in circumstances that I have explained to the House. Perhaps an even better illustration and, incidentally, the one that immediately gave rise to the amendment now proposed, occurs in the case of growers who have been obliged, through circumstances beyond their control, to market their 1949-50 wool clips this season. The same growers have already sold, or will soon be selling, their 1950-51 clips and will, therefore, become liable for levy on both clips at a rate of $7\frac{1}{2}$ per cent. Had they sold their 1949-50 clips last season their liability for contributory charge would have been only $\frac{1}{2}$ per cent.

Among the circumstances responsible for this occurrence were floods in various parts of the country, and the Government is at present considering whether it would be practicable to exempt growers who have been so affected. These two

examples indicate the kind of problem that unexpectedly arises and which it is not reasonably possible to anticipate by a specific section in the act except by some general provision such as is now proposed. Under this bill the Governor-General will be empowered to make regulations granting total or partial exemption from levy or making refunds of levy. The regulations will prescribe the cases in which exemptions or refunds will be made.

Debate (on motion by Mr. POLLARD) adjourned.

**BRACHINA TO LEIGH CREEK
NORTH COALFIELD RAILWAY
BILL 1950.**

Bill presented by Mr. McBRIDE, and read a first time.

SECOND READING.

Mr. McBRIDE (Wakefield—Minister for Defence) [4.50].—*by leave—I move—*

That the bill be now read a second time.

The object of this bill is to authorize the execution of an agreement between the Commonwealth and the State of South Australia, relating to the construction of a 4-ft. 8½-in. gauge railway from Brachina to Leigh Creek North coalfield; and to provide for the construction of that railway by the Commonwealth Railways Commissioner. The existing agreement between the Commonwealth and the State of South Australia, authorized by the Railway Standardization (South Australia) Agreement Act 1949, provides, among other things, for the conversion to 4-ft. 8½-in. gauge of the Port Augusta to Alice Springs railway. As honorable members are aware, the South Australian Government has expended, with the assistance of the Commonwealth, a considerable amount of money in the development of the Leigh Creek coalfield. The object has been to utilize the South Australian coal resources to the utmost limit; and a new regional power station, designed to burn Leigh Creek coal, is now under construction at Port Augusta. When this power station is in full operation, the State of South Australia will require very little, if any, coal from the present source of supply, which is New South Wales. This in turn will be of

vital assistance to the whole of Australia, because the lack of sufficient coal has been one of the most serious limiting factors in the development of this country.

The existing railway between Port Augusta and the Leigh Creek coalfield is of 3-ft. 6-in. gauge, and is operated over heavy grades and sharp curvature which limit the tonnage of coal that can be hauled. The quantity being conveyed over this railway at present is about 300,000 tons per annum which, with cattle and other traffic, is about the limit of the capacity of the railway. South Australia estimates that when the Port Augusta power station comes into operation, the quantity of coal which will have to be hauled from the Leigh Creek coalfield will be over 1,000,000 tons per annum to provide for the requirements of that power station, of Adelaide, and of other State users. The ultimate production objective recently advised by the Premier of South Australia is to be 2,000,000 tons yearly. In view of the disabilities from which industry is suffering throughout Australia to-day as a result of the shortage of coal, what a vast contribution the use in South Australia of 2,000,000 tons of Leigh Creek coal per annum will make to the nation's economy will be appreciated. In order to provide for the quantities of coal required by the State, it is essential to have a high class 4-ft. 8½-in. gauge railway between Leigh Creek coalfield and the Port Augusta power station. The State of South Australia, by passing the Brachina to Leigh Creek North Coalfield Railway Agreement Act of 1950, has already authorized the execution of an agreement for the construction of the railway, and, as is required by the Constitution, has given its consent to such construction. With respect to that portion of the railway between Stirling North and Brachina, a difference of opinion has occurred between the Commonwealth and the State of South Australia on the matter of the route, and in view of this a separate bill is being introduced to provide that it shall be referred to a royal commission. That bill will be entitled the "Port Augusta to Alice Springs (Alteration of Route) Bill 1950". However, the Commonwealth and the State of South Australia are in

agreement in regard to the route between Brachina and Leigh Creek North coalfield, consequently it is desirable that the construction of this section shall begin as soon as possible.

This bill provides for an appropriation from the Consolidated Revenue Fund, or out of the proceeds of any loan raised under the authority of an act, of the sum of £5,400,000 to provide for the construction of the Brachina to Leigh Creek North coalfield section of the railway, and also for the provision of rolling-stock for that section of the railway. Considered in relation to the expenditure by the South Australian Government of capital funds in the Leigh Creek coal project and the regional electric power station at Port Augusta, together with the contribution which the project will make to the nation's economy, the appropriation is reasonable. However, as the bill stipulates a permissible maximum expenditure on the railway, it has been necessary to provide for every possible contingency. Due to the recent Commonwealth Arbitration Court award of an additional £1 a week, provision has been made in the Estimates to cover the probability of still further increases of labour costs which will result from increases of the cost of living. This, in turn, will probably have the effect of increasing further the cost of labour during the construction period. Proportionate allowances have also been made for material costs. Allowance has been made to provide for the purchase, if such should prove to be necessary, of imported cement, steel rails, and timber, or, alternatively, steel sleepers. However, every possible endeavour will be made to purchase materials of Australian manufacture, and to the extent that these will be available when required, the cost of construction of the railway will decrease proportionately.

Debate (on motion by Mr. CHAMBERS) adjourned.

PORT AUGUSTA TO ALICE
SPRINGS RAILWAY
(ALTERATION OF ROUTE)
BILL 1950.

Bill presented by Mr. McBRIDE, and read a first time.

SECOND READING.

Mr. McBRIDE (Wakefield—Minister for Defence) [4.58].—*by leave—I move—*

That the bill be now read a second time.

The purposes of this bill are to authorize the appointment of a royal commission to examine, inquire into and report upon the question of which of two routes is more suitable for the construction of a standard gauge railway from Stirling North to Brachina in the State of South Australia; and to authorize the construction of the railway on the route recommended by the commission. Honorable members are already aware of the necessity for early consideration of the construction of a 4-ft. 8½-in. gauge railway from Stirling North to Leigh Creek coal-field, for the reasons already given in my second-reading speech on the subject of the Brachina to Leigh Creek North Coalfield Railway Bill. This bill concerns the southern section of the railway which lies between Stirling North, near Port Augusta, and Brachina.

By an agreement, the execution of which was authorized by the Railway Standardization (South Australia) Agreement Act 1949, the Commonwealth undertook, among other things, the conversion to standard gauge of the 3-ft. 6-in. gauge line of the Commonwealth Railways from Port Augusta to Alice Springs. Since that act was enacted a question has arisen about the most suitable route for that part of the proposed 4-ft. 8½-in. gauge railway line which will lie between Stirling North and Brachina, and it has been agreed between the Commonwealth and the State of South Australia that that question shall be referred to a royal commission. The consent of the State of South Australia to the construction of the railway, as is required by the Constitution, on the route to be recommended by the royal commission, has now been given by the Northern Railway (Alteration of Route) Act, 1950, of the State of South Australia. That act also provides that the construction of the railway shall be deemed to be a partial discharge of the obligation of the Commonwealth under the agreement previously mentioned to convert to standard gauge the Port Augusta to Alice Springs railway, to the

extent of that section which lies between Stirling North and Brachina.

The instrument, the form of which is included as a schedule to this bill, provides that the royal commission shall determine which of two routes is the more suitable for the construction of the railway. The route recommended by the Commonwealth Railways Commissioner, which is known as the "C" route, or western route, follows for the most part the line surveyed by Goyder in 1870, and deviates from the existing 3-ft. 6-in. gauge railway. The route recommended by the South Australian Railways Commissioner follows with minor deviations and regrading, the existing 3-ft. 6-in. gauge route through Quorn. As soon as the route recommended by the royal commission for that portion of the railway between Stirling North and Brachina is decided, it will be necessary for a further bill to be submitted to the Parliament to authorize the construction by the Commonwealth of that section of the railway.

Debate (on motion by Mr. CHAMBERS) adjourned.

STATES GRANTS (MILK FOR SCHOOL CHILDREN) BILL 1950.

Bill presented by Sir EARLE PAGE, and read a first time.

SECOND READING.

Sir EARLE PAGE (Cowper—Minister for Health) [5.3].—*by leave—I move—*

That the bill be now read a second time.

This bill is introduced for the purpose of enabling the Commonwealth to grant financial assistance to the States in connexion with the provision by them of milk for school children. The Government's proposal is that all children under thirteen years of age who attend public or private primary schools, including kindergartens, crèches and nursery schools, shall be supplied each school day with a quantity of milk not exceeding one-half pint, preferably one-third pint, when practicable. It is intended that the scheme shall be administered by the States on behalf of the Commonwealth and that the Commonwealth shall reimburse them for the costs incurred. An arrangement will be entered into with each State.

Milk for school children is not a new idea. Schemes are in operation in Great Britain, New Zealand and other countries. New South Wales has had a limited scheme for some years. It was introduced by the honorable member for New England (Mr. Drummond), when he was the Minister for Education, and it has been extended by the present Minister for Education, Mr. Heffron.

Mr. KENT HUGHES.—A scheme is operating in Victoria.

Sir EARLE PAGE. — Yes, it is operated in conjunction with the Milk Board, and supplies of milk are issued to between 50,000 and 60,000 school children.

Mr. KENT HUGHES.—That scheme was introduced by the Hollway Liberal Government.

Sir EARLE PAGE.—That is so. There is general agreement on the advantages to be gained from the scheme proposed under this bill and it has been found that children who take the milk that is supplied to them at schools benefit not only physically but also in their school work. During World War II, when housing conditions in the United Kingdom became bad as a result of heavy bombing attacks, the fact that the children had ample supplies of milk caused them to develop more rapidly than had children of a similar age and training before the outbreak of war. In fact, a ten year old child was two inches taller and several pounds heavier than had been a child of the same age before the war. It was disquieting to read in the report on the survey carried out in 1944 by the Australian Institute of Anatomy under the direction of the Nutrition Committee of the National Health and Medical Research Council, that the calcium intake in the average Australian diet is at a low level, and that, in all areas, a high percentage of households consumed considerably less calcium than the recommended allowance. Milk is the most important source of this nutrient and the scheme that is now envisaged will go a long way towards remedying that defect, and thereby improving the health of the community.

Of course, numerous difficulties must be overcome before all school children under thirteen years of age can be

brought within the scope of the proposed scheme. The distribution of milk to school children in New South Wales began in a small way, but approximately one-third of them are now being supplied. The scheme began in Victoria only a few years ago and between 50,000 and 60,000 children are now being given milk daily. In some areas milk supplies are not available, whilst in others, climatic conditions will make it difficult to arrange for suitable supplies in the absence of refrigeration, &c. In addition, the handling of bulk milk, in itself, presents numerous problems. These matters have been discussed with the States, at both departmental and ministerial levels, and the State Premiers are prepared to co-operate in implementing the scheme provided it does not involve them in any financial commitments, and place an onerous burden on the teachers.

An illustration of the co-operation that is being received is shown by the following letter, dated the 23rd November last, from the Premier of South Australia, Mr. Playford:—

DISTRIBUTION OF MILK IN SCHOOLS.

At a Conference between Dr. Metcalfe, Commonwealth Director-General of Public Health, and my Director of Education on 13th November, 1950, Dr. Metcalfe explained that the Commonwealth proposals in relation to the distribution of milk in schools, which were outlined in Canberra on 14/15 August last, have now been substantially modified and that the main points of the present proposals are as follows:—

- (a) The scheme at present will be limited to schools to which milk can be supplied in bottles of appropriate size. Straws will be provided. The scheme will also apply to Kindergartens and Creches and to non-Departmental Schools as long as milk can be supplied to them in bottles of appropriate size.

That is being done in New South Wales. It is expected that, when we have gained more experience of handling the milk, the scheme will be expanded.

Mr. KENT HUGHES.—Has the extra quantity of milk which will be required for the scheme been computed?

Sir EARLE PAGE.—Approximately 6,000,000 gallons of milk will be needed for the 1,000,000 school children who will be eligible to receive it. According

to to-day's issue of the *Sydney Morning Herald*, the production of milk last year was the second highest in the history of Australia, being approximately 1,253,000,000 gallons. The additional requirements for school children under the scheme now under consideration will not take a heavy toll of the milk supply. The difficulty in that matter was recognized in our discussions with the States. The preliminary arrangements provide for the inauguration of the scheme at the beginning of the flush season in each State, so that the distribution will be under way before difficulties arise from shortages of supplies. For example, the scheme will commence in New South Wales on the 1st February, in Victoria on the 1st April, and in Western Australia on the 1st May.

Mr. WARD.—Have all the States agreed to the scheme?

Sir EARLE PAGE.—To date, four of the States have agreed to it. We have not yet had an opportunity, because of geographical distances and the fact that the respective Parliaments have been in session, to discuss the matter fully with the governments of Queensland and Tasmania. We hope to have those discussions during the parliamentary recess, Mr. Playford's letter continues—

- (b) The scheme will apply only to those schools where no large capital costs are involved. For example, it would only apply where milk can be delivered at a time close to the time of consumption. In this way, it is thought that refrigeration will not be necessary.
- (c) The Commonwealth will meet the actual cost of the milk delivered up to the schools plus the cost of the bottles and straws and any breakages.
- (d) The Commonwealth is prepared to share the cost of any small equipment that may be required at a fifty-fifty basis with the State. For example, it is thought that it may be sufficient to provide a gauze wire safe to protect the milk before use, and the empty bottles after use. It was emphasized, however, that any such capital expenditure must first be approved in Canberra.

On this basis, my Government will be prepared to co-operate in the Scheme. It will be administered by the Department of Education in this State.

Any extension of this scheme involving the use of milk delivered in bulk will have to be the subject of future negotiations.

It has been decided, therefore, that the scheme shall be begun in the first instance in areas where bottled pasteurized milk is available, that is, in capital cities and large country towns, and that it shall be gradually extended to cover other areas when satisfactory arrangements can be made for supplies, and their distribution. Thus no large capital expenditure on equipment will be necessary in any one year and, in fact, there will probably be very little for five years. The total number of children under thirteen years of age who will be eligible to participate in the scheme is approximately 900,000. It is estimated that, initially, about 65 per cent. of those children can be supplied. This percentage will be progressively increased from time to time. We expect that, in five years, between 90 per cent. and 95 per cent. of the school children will be receiving supplies of milk. In some States milk will be available for the full school year, whilst in other States it may at first be withheld during the hotter months, because of the supply position, the re-arrangement of classes at the beginning of the school year, &c. I point out that when I say that milk will be supplied for the full school year in some States, I refer to those States in which supplies are abundant throughout the year, such as New South Wales and Queensland. There may be some difficulty in supplying milk to school children in Victoria during the summer, because the bulk of the supplies in that State are obtained during the winter months. The scheme will be entirely voluntary and, in times of shortages, distribution may have to be curtailed or temporarily suspended if other satisfactory arrangements cannot be made. We have ascertained, from discussions with the Director of Education in New South Wales, that the companies that supply milk to the schools are extraordinarily helpful and co-operative. Their practice, particularly in supplying the larger schools, is to bring the milk in bottles shortly before the recess at 10.30 or 11 a.m. The kiddies drink the milk, and the bottles are then taken away by the suppliers. Teachers in New South Wales say that the effect of the milk on the kiddies is to stimulate them to an extraordinary degree for the next one and a

half hours of tuition. They are as bright as new pins. The milk helps them to "get through" the day more easily than they would if it was not supplied to them.

The cost of the scheme for a full year, embracing most areas, is estimated at £1,500,000 based on present milk prices, but it is not expected that this position will be reached for several years. I believe that this measure will appeal to all honorable members who are interested in national health. Its importance is emphasized by reports from the highest authorities. In 1944, an Australia-wide dietary survey, carried out by the Nutrition Committee of the National Health and Medical Research Council of Australia, found that—

In all areas a high percentage of households consumed less calcium than the recommended allowance. Not only did a large number of households fail to meet the recommended allowance of calcium intake, but the amounts by which many of them fell short were so great as to call for special comment. Some households consumed 20 per cent. of their requirements of calcium

The low intake of calcium undoubtedly has its origin in the low milk consumption which is found throughout all areas

A number of households consuming no fresh milk at all were found in almost every area. The percentage was consistently higher in country areas than in metropolitan areas, the highest being about 9 per cent. of all households in Queensland and Western Australian country areas and 13 per cent. of the Tasmanian country households. Substitutes, such as powdered milk, were used, but rarely in sufficient quantities to make good the equivalent loss of nutrients.

Two of the recommendations of that committee were—

(i) In view of the low calcium intake generally found, a special investigation of all the factors connected with the intake and absorption of these nutrients in Australian diets should be undertaken.

(iv) That the requirements of vulnerable groups be given greater attention in the distribution of milk and that nutritional factors generally be considered in economic planning for the production and distribution of other protective foods.

The following are extracts from *Diet and Nutrition for the Australian People* 1945—Nutrition Committee of the National Health and Medical Research Council :—

Page 46.—Foods which are sometimes considered expensive may be very economical as

regards food value. Milk, for example, is the most economical of foods because it is such an "all round" food. It contains protein, fat, carbohydrate, minerals (most important of all being calcium) and vitamins A, B1, B complex, and a little C and D. Looked at in this way, 3d. worth of milk provides more than 3d. worth of any other food

Page 47.—The recommended allowance of 1 pint of milk per person presents a problem for the large family where the food budget is limited.

The nutritive value of powdered whole milk is equal to that of fresh whole milk except for one vitamin (vitamin C) which is absent from powdered milk, but is not present in any great quantities even in fresh whole milk. The slightly caramelized flavour of dried milk is objected to by some people.

I next read an extract from a paper—*Nutrition Problems in Tasmania*—read by Dr. F. W. Clements to the Royal Society of Tasmania in 1945—

The results of the Food Survey (1944) and the analysis of other data revealed that the milk consumption in Tasmania is appreciably lower than in the mainland States. The findings of the survey demonstrated that the milk consumption in most of the households surveyed in Tasmania with an expectant or nursing mother was below desirable level. The consumption in the majority of the households in this group in Tasmania was below that in households in the same group in mainland States.

Comment by the Nutrition Committee of the National Health and Medical Research Council, 1943 reads—

Milk is a commodity of particular importance in the diet of children and nursing and pregnant women, and cannot be replaced by any other food.

In Great Britain, the Ministry of Food, acting on the principle that these groups should be able to obtain cheap milk in order to prevent any diminution in the milk consumption of this group on account of rising prices, introduced one of the most important social measures developed in Great Britain since the Great War (Second World War). The national milk scheme was adopted on the 1st July, 1940, under which 1 pint of liquid milk at 2d. a pint is supplied daily to each child under five and each nursing and pregnant mother applying under scheme.

By adopting this scheme, the Government accepted, in principle, responsibility for the nutritional condition of mothers and children of the nation and subsidizes their milk consumption irrespective of income.

Extracts from the 1938 Final Report of the Advisory Council on Nutrition are—

Dr. Clements (in discussing the nutrition of the pre-school child) from a consideration of

the evidence, again emphasizes a point that has been many times stated—

"It may be concluded that the amount of milk available in a household is a most important factor in determining satisfactory nutrition."

The experience gained during this investigation led to some curious sidelights on this question.

"As has been stated in a previous section, children whose family receive the dole receive automatically one pint of milk per day. Unfortunately, under the existing conditions, there is no guarantee that this milk is reserved for the child for whom the Government intended. In scores of instances the Social Investigator was informed by mothers that, when a pint of milk was allowed for a child, this was used for general purposes and that no other milk was taken.

"Many mothers undoubtedly require education in the multiple uses of milk. Whilst conducting this survey, I heard of households in which the extra supplies of milk allowed to the children under the Government relief scheme were discharged down the drain, because the mother could not use the surplus and the members of the households were unaccustomed to drink milk.

"It is felt that, in order to ensure that children will get the milk, some system is necessary whereby an organization is responsible for the consumption by the child of its pint. In the congested areas the kindergartens undoubtedly would serve this purpose admirably, provided there were enough of them."

We commend Dr. Clements' suggestions to serious consideration—

"To ensure satisfactory nutrition in the kindergarten group it will be necessary to ensure that each child receives at least one pint of milk per day.

"To distribute this milk an organization is desirable; if the present free kindergarten movement could be extended to cover all children it would be an excellent medium for this distribution.

"Intense propaganda is necessary to educate the public upon the value and uses of milk."

The greatest problem in Australia to-day arises from the shortage of hospital beds. Healthy children will become healthy adults, who will not need hospital beds. In fact, the whole of the Government's health plan is directed towards that end. Healthy children and healthy adults mean less sickness, less hospitalization and greater happiness, progress and prosperity. This bill is a fundamental step towards that objective.

Debate (on motion by Mr. CHAMBERS) adjourned.

Sir Earle Page.

TARIFF PROPOSALS 1950.

CUSTOMS TARIFF AMENDMENT (No. 3).

In Committee of Ways and Means: Consideration resumed from the 30th November (*vide page 3437*), on motion by Mr. McBRIDE—

That the Schedule to the Customs Tariff 1933-1949, as proposed to be amended . . . (*vide page 1506*).

Question resolved in the affirmative.

Resolution reported.

Standing Orders suspended; resolution adopted.

Ordered—

That Mr. McBride and Mr. Beale do prepare and bring in a bill to carry out the foregoing resolution.

CUSTOMS TARIFF BILL (No. 3) 1950.

Bill presented by Mr. McBRIDE, and read a first time.

SECOND READING.

Motion (by Mr. McBRIDE) proposed— That the bill be now read a second time.

Debate (on motion by Mr. CALWELL) adjourned.

TARIFF PROPOSALS 1950.

EXCISE TARIFF AMENDMENT (No. 1).

In Committee of Ways and Means: Consideration resumed from the 30th November (*vide page 3437*), on motion by Mr. McBRIDE—

That the Schedule to the Excise Tariff 1921-1949 be amended. . . (*vide page 1507*).

Mr. McBRIDE (Wakefield—Minister for Defence) [5.25].—This proposed resolution, which relates to excise duties on matches, is complementary to the legislation concerning customs duties on imported matches which honorable members considered earlier to-day. The resolution proposes a reduction of 9d. on 8,640 matches, which is the equivalent of a gross of boxes, each containing 60 matches. The reduction will operate from the beginning of the present financial year, and arrangements have been made to refund the excess collections which have been made. The variation will not affect the present retail price of matches, its purpose being to

offset increased costs in the industry and to obviate an increase of the present price.

Question resolved in the affirmative.

Resolution reported.

Standing Orders suspended; resolution adopted.

Ordered—

That Mr. McBride and Mr. Beale do prepare and bring in a bill to carry out the foregoing resolution.

EXCISE TARIFF BILL 1950.

Bill presented by Mr. McBRIDE, and read a first time.

SECOND READING.

Motion (by Mr. McBRIDE) proposed—
That the bill be now read a second time.

Debate (on motion by Mr. CALWELL) adjourned.

ESTIMATES 1950-51.

In Committee of Supply: Consideration resumed from the 29th November (*vide page 3309*).

DEPARTMENT OF EXTERNAL AFFAIRS.

Proposed vote, £1,315,000.

Mr. CALWELL (Melbourne) [5.30].—The Minister for External Affairs (Mr. Spender) hinted darkly last week that, as a result of his visit abroad, he proposed to report to the Prime Minister (Mr. Menzies) on two of our most important diplomatic posts abroad, namely, those at Washington and Ottawa. He said that he would make an announcement in about a fortnight in regard to these positions. I thought that something terrible was probably going to happen to the Right Honorable Norman J. O. Makin and the Right Honorable Francis M. Forde. I thought that, in continuation of this Government's vindictive attitude to Labour appointees, these two distinguished Australians were to be removed from office. During the general election campaign the present Treasurer (Mr. Fadden) threatened to sack Mr. A. W. Coles and the Administrator of Norfolk Island. The Prime Minister (Mr. Menzies) said that he would remove Dr. A. W. Burton from the secretaryship of the Department of External Affairs because he was a Labour man and because in his view

any person who belonged to a political party should not hold that position. Dr. Burton applied for six months' leave of absence and was told when the leave was granted, that his successor had been appointed and that at the end of six months he would be relieved of his post. This Government has already removed Mr. C. W. Frost from his position as Commissioner to Ceylon and has paid him compensation. It recalled Mr. W. J. Dignam from the position of High Commissioner in Eire. It recalled the first secretary to the Irish Embassy in Dublin. It has generally indicated that there is no place for a Labour man in the diplomatic world while it is in office and that a Labour man may not hold any high administrative office in the Department of External Affairs.

I contrast that attitude with that of the Chifley and Curtin Governments during their years of office. The Right Honorable Stanley Melbourne Bruce retained his position as High Commissioner for Australia in the United Kingdom for four years after a Labour government took office. The Labour Government allowed Sir William Glasgow, a former Queensland Nationalist senator, to continue in office as High Commissioner in Canada until the term of his appointment had expired. Sir Bertram Stevens was permitted to conclude his term of office as Australian representative on the Eastern Group Supply Council at Delhi. Sir Charles Rosenthal, a former Nationalist member of the New South Wales Legislative Assembly, not only was allowed to conclude his term of office as Administrator of Norfolk Island, but thereafter his services were retained in that capacity until the end of the war. This Government has adopted a policy of "spoils to the victors". It has introduced a new principle into the administration of the Department of External Affairs. It would be honest if the Government would adopt the American system whereby every Minister and ambassador in the service of the United States hands his resignation to the President after the presidential election. If that system were introduced it would be right of the government of the day to appoint

its diplomats. But simply to dismiss men who have been appointed by a Labour government invites reprisals and those reprisals may occur. Labour governments have never taken advantage of their position to discriminate against people because of their political views. The Labour Government considered that Viscount Bruce served Australia in a very distinguished manner. It had no difficulty in working with him nor with any other gentleman who had been appointed by an anti-Labour government. Members of the Government threatened before gaining office that they would act in the way in which they have acted.

This Government abolished the Department of Information and claimed that, in doing so, it saved a lot of money. A number of its officers was transferred to the Department of External Affairs. Honorable members have no knowledge of the number of officers so transferred nor of the additional cost of their salaries to the Department of External Affairs, but the proposed vote for that department has been increased from £1,005,000 to £1,315,000, an increase of 33 per cent. The Minister should state the sum of money that has been saved by the transfer of these officers if he considers that a saving has been made. I do not believe that any saving has been effected. The Department of Information has been dismembered. Some of its officers have gone to the Department of External Affairs, some to Radio Australia, and others to the Department of the Interior, but the overall cost of their services to the Government is as great as when the Department of Information was an entity. I should like the Minister to inform the House of how many officers have been transferred to the Department of External Affairs from the Department of Information, how much it has cost Australia to employ these officers in the Department of External Affairs, and the amount which it would have cost to employ them in the Department of Information had that department been maintained. I should also like the Minister to state definitely whether he proposes to remove Messrs. Forde and Makin from their posts. They will be the last Labour appointees whom he will have the right to remove. Unfortunately, one such

appointee died. The late Mr. Beasley died a month or so before the last general election. Had the previous Government adopted a policy of "spoils to the victors" it could have filled the vacancy caused by his death but it allowed the position to remain vacant. It hoped that it would be re-elected as a government and decided to take the democratic attitude that if a post had to be filled on the eve of an election, the Government should wait until the people had given their verdict so that the incoming government should have the right and responsibility of filling the position. This Government, in pursuance of its policy of giving everything to its own friends, appointed the then Minister for Defence, now Minister for the Interior (Mr. Eric J. Harrison) to that post. I cannot discuss that matter now because the office of the High Commissioner in London is dealt with under the Prime Minister's proposed vote, but I protest against the policy of vindictiveness towards Labour appointees who are distinguished Australians and have served Australia well in peace and in war. I ask the Government to reverse this policy which it has applied in relation to Dr. Burton, Mr. Frost and Mr. Dignam, all of whom are members of the Labour party, a policy which I believe it proposes to adopt in relation to the remaining occupants of diplomatic positions who are members of the Labour party and who have been appointed to these posts by Labour governments.

Mr. TOM BURKE (Perth) [5.39].—The Minister for External Affairs (Mr. Spender) said some time ago that the increased amount necessary for the upkeep of the Australian Embassy in the Soviet Union was due largely to a devaluation of the rouble and the increased exchange payable on salaries. The alteration of the rate of exchange necessitated an increase of only £21,000. The increase of the proposed vote amounts to about £300,000.

Mr. SPENDER.—In respect of the Soviet Union?

Mr. TOM BURKE.—No. There is a total of approximately £40,000. The alteration of the exchange rate has necessitated an increase of £21,000, but the

estimated expenditure is £102,000 although the actual expenditure for the last financial year was only £62,000. That represents an increase of about £40,000.

Mr. SPENDER.—The rent of the embassy also has been increased.

Mr. TOM BURKE.—That may explain the matter but honorable members have not yet received a definite reply to their questions on this subject.

Mr. SPENDER.—I have supplied the facts.

Mr. TOM BURKE.—The Minister has not supplied the facts. Except by means of disorderly interjections he has contributed little to the debate.

I do not agree with those who consider that Australia should not have a representative in Moscow. I consider that it is important that this country should have a representative there.

Mr. WARD.—The Minister himself should go.

Mr. TOM BURKE.—I should not oppose that suggestion. I think that the Government should send a Minister who could negotiate with the Soviet Union if negotiation were possible. The world faces a situation which has in it the germs of terrifying possibilities. Under these conditions Australia should have an ambassador in Moscow. The position should be filled. I think it might well be filled on the highest governmental level. A Minister might well be spared for this purpose or the most qualified and responsible representative of this country should be sent to Moscow as ambassador, because it is vital that we should take advantage of all prospects of negotiation before, by any act of commission or omission, we allowed the world to drift down the slippery-slide to a third world conflict. This post should be filled and all possible negotiations should be attempted by the Government in order to bring about some conciliation between the democratic and the non-democratic worlds. The Minister has announced so many plans and carried out so few that I now ignore all statements that he makes. I support the remarks of the honorable member for Melbourne (Mr. Calwell) concerning Dr. Burton. The system of removing the appointees of previous governments is a bad one. The last Government carried on the term of

many appointees of the previous non-Labour Government. In a number of instances, when their terms expired, their positions were filled by other men, but the positions were filled in accordance with the practice that had been followed from the beginning of federation, with men who had served in this Parliament or who had taken a part in the public life of Australia. The fact that an honorable member has served his country in the National Parliament should not debar him from holding any government office. Honorable members should be the last to claim that it should do so. Dr. Burton was a very talented member of the diplomatic service and when he had the effrontery, in the view of honorable members opposite, to stand for selection as a Labour candidate he aroused the ire of this Government. The Prime Minister (Mr. Menzies) regarded his action as scandalous. I do not believe that it was. Surely members of the Public Service should have all the rights that are enjoyed by other members of the community. Dr. Burton's removal from his office is a standing disgrace.

Mr. WHEELER.—He is in better pastures now.

Mr. TOM BURKE.—That is attributable only to his own ability. The Minister announced that Dr. Burton had sought leave of absence for six months, which he had sought also from the previous Government but could not be given because of pressure of work. He said that this Government had acceded to his request in view of the pressure under which he had been working and the valuable services that he had rendered. Then the Minister said that at the expiration of his leave of absence his position would not be available to him because it would have been filled.

Mr. SPENDER.—Dr. Burton agreed that that was the right thing to do.

Mr. TOM BURKE.—I have not discussed the matter with Dr. Burton.

Mr. SPENDER.—It would perhaps be a good thing if the honorable member did discuss this matter with Dr. Burton in order to learn the facts.

Mr. TOM BURKE.—I say that it is wrong to treat Dr. Burton as this Government has treated him. I advance his

case not as a case, but as an illustration of the Government's attitude generally. Had the Government been honest it would have terminated his appointment and filled the position. It should not have said that in consideration of his long service under arduous conditions he would be granted leave of absence, upon the expiration of which there would be no position for him to return to. This case is the highlight of the Government's general attitude towards public servants who were appointed by the previous Government.

Mr. SPENDER (Warringah—Minister for External Affairs and Minister for External Territories) [5.47].—I desire briefly to reply to the allegations made, which upon examination will be found to be groundless. It is unfortunate that Dr. Burton's name has been dragged into this debate because he is still a permanent official of the Department of External Affairs. I shall recite briefly the circumstances under which he left his position as head of the department. He made a request to me in writing that he should be granted leave of absence. He signed that document, in which he indicated two things: first, that the request was made by him; and secondly, the realization that if the request was granted, the position that he left would have to be filled. His position was not one that could be left vacant. So much for that part of the honorable member's argument. When I made my statement to the House previously I made that quite plain. The truth of the matter is that two previous speakers were prepared to drag this officer's name into the debate only for a party political purpose. They wanted to suggest vindictiveness on the part of the Government. I am not concerned about what has been said in the past, I am answering the allegations made to-day. The facts that I have given to the House can be verified in two ways. I am prepared to table Dr. Burton's own document, although I do not want to do that, or a direct approach may be made to Dr. Burton himself. If honorable members opposite take the latter course, they will find that he has nothing to complain about in my treatment of him.

I shall now deal with Mr. Frost. He is a man of considerable years, and the conclusion that I reached was arrived at after some period of time had elapsed. Had I been vindictive I could have discharged Mr. Frost immediately upon this Government's assumption of office. I could also have said that he was not entitled to any compensation. I know that he was appointed by executive minute for a term of years but, as the Deputy Leader of the Opposition will agree, that agreement was subject to an overriding power on the part of the Government to terminate his appointment at the King's pleasure.

Mr. CALWELL.—Why?

Mr. SPENDER.—That is the law. We did not take the attitude that we wanted to terminate his appointment without compensation at the King's pleasure, but when I visited Colombo I came to the conclusion that Mr. Frost, particularly in view of his age, was not in a position to discharge the duties that his position entailed. I had a perfectly amicable discussion with him about that. He came to my rooms in Sydney and we discussed the matter in a perfectly friendly fashion. I have not gone into what took place subsequently to that discussion; perhaps it is better that I should not.

Mr. WARD.—Tell us about it!

Mr. SPENDER.—Very well, I shall tell honorable members. Having agreed on what was a fair thing, he later came back to me and told me that he had consulted members of the Labour party about what terms he should accept. That strikes me as extraordinary in a man who, by his acceptance of a certain position, removed himself from the sphere of politics. However, I treated Mr. Frost reasonably and fairly by paying him the whole of his salary up to the time when his appointment would normally have been determined. I did that although I had the right to determine his appointment at any time without paying any compensation.

Mr. McDONALD.—What is wrong with that?

Mr. SPENDER.—Nothing at all. I almost fell over backwards in my attempt to be fair to Mr. Frost.

The third gentleman referred to is Mr. Dignam. He was recalled. We did not think that there were sufficient functions being discharged in Eire at that time which called for the appointment of a Minister. Mr. Dignam's position has not since been filled. It cannot be said that our policy is one of "spoils to the victors", because there are no spoils. No appointment has been made by me which can be classed as spoils to any one.

It is regrettable that the matter of the two appointees in Washington and Ottawa has been dragged into open debate. If I had desired to be vindictive I could have dismissed both of those gentlemen immediately. I did not do that and the facts speak for themselves. The honorable member for Melbourne (Mr. Calwell) will recall that this matter was raised before. I then hoped that we had heard the last of it. But now it is pulled into the ring again for party political purposes. Both those men are my friends, and, in fact, I served with them on the Australian Advisory War Council during the whole period of the war. If I had been vindictive I could have emptied them out as soon as this Government took office.

Mr. CALWELL.—The honorable gentleman said that he intended to be objective.

Mr. SPENDER.—I shall be objective. That does not mean that my association with any individual is to dominate my judgment. When I returned from overseas I said that I did not intend to discuss these posts individually but that I intended to discuss our overseas representation generally. In discussing our overseas representation generally these posts will come under observation. I said that I would make an announcement at a later date, and I have nothing further to add at the moment.

Mr. WARD (East Sydney) [5.52].—There are still one or two questions that remain unanswered by the Minister for External Affairs (Mr. Spender). The Minister said a great deal in an attempt to demonstrate that he has been in no way actuated by vindictiveness in effecting changes in the personnel of his department, but he has not given us a great deal of information. There are other interests

to be considered apart from the Minister's assessment of Mr. Frost's capacity and effective working age. The Minister maintains that because he paid Mr. Frost's salary to the time that his appointment would normally have been terminated he has done the proper thing. I do not know whether that is a fair proposition from the aspect of the public interest.

Mr. SPENDER.—I shall not do such a thing in the future if that is the attitude of the Opposition.

Mr. WARD.—The question is whether Mr. Frost was incapable of carrying out the duties entrusted to him. The Minister did not suggest that he had reached an age at which he was incapable of discharging his duties. I know Mr. Frost well, and if I am any judge of a man he is far from having reached the time when he would normally be asked to retire from such a position as that of Australian representative in Ceylon. If he was capable of properly carrying out the duties of his office he should not have been retired. An examination of the departmental records will disclose many instances of men much older than Mr. Frost having been allowed to continue in their positions. The public desires to know from the Minister, not whether he has treated Mr. Frost generously, but what was his particular reason for removing Mr. Frost from his office. Mr. Frost's age could not be the reason because he is well preserved physically, and is mentally alert. The only other reason must be that the Minister did act vindictively because he disagreed with Mr. Frost's politics.

Mr. SPENDER.—Then why did I not dismiss him earlier?

Mr. WARD.—My opinion is that the Minister did not do it immediately he assumed office because, regarding himself as he does as a good political tactician, he probably thought that if he did it immediately there would be a great deal more public criticism than would be if he allowed Mr. Frost to remain in office for some time after the Government had assumed office. That is the reason why this Government is staggering its retirement from office of Labour appointees. The Minister now says that the Labour appointees to posts in Ottawa and Washington are his

friends. But that is not going to save them, because if the Minister has no intention of removing Mr. Makin and Mr. Forde he should be frank and say that there is no such intention. The Minister knows that the Government has already determined to remove these men. He cannot use the argument of age in the case of Mr. Makin or Mr. Forde because they have not reached an advanced age and they are still physically well preserved and mentally alert. Moreover, there is no honorable member of this House, including the Minister, who can point to any instance in the work of Mr. Makin or Mr. Forde which indicates that either has not carried out his duties in a manner befitting the positions that they occupy.

I am well aware that the Minister is stalling in the matter of making a further statement because he hopes that the Parliament will rise at the end of the week. If that occurs he will then hope that before the Parliament re-assembles in March next the matter will have been forgotten or will not be so fresh in the minds of the public and that consequently there will be not so much criticism of him.

There is a rumour abroad of the kind that usually has some foundation, that the Minister has already selected and has ready for appointment to these positions two prominent members of the Liberal party. I assure honorable members on the Government side that I am not complaining; I am only attempting to expose the reasons why the Minister will act as I claim that he will act in these cases and why he removed other Labour appointees from the positions that they held. I hope that my colleagues, when they again occupy the treasury bench, will not be so considerate in dealing with appointees of this Government as they have been in the past. The Government must recognize that the Labour party appreciates how its appointees are being removed from their positions. I believe that anti-Labour governments, be they Nationalist, Australian Country party, Liberal coalition or anything else, have always acted in a similar way. They will not leave Labour appointees alone because they hate Labour in politics. The Government may have some case if it

is able to point to any instance of any of these men having failed to carry out his duties in a proper manner. If it cannot do that there is only one conclusion to which we may come, and that is that it is actuated by party political vindictiveness.

Consider again the matter raised by the Minister when he was dealing with the termination of Mr. Dignam's appointment as Australia's representative in Dublin. The Minister stated that he could see no purpose in continuing that office.

Sitting suspended from 6 to 8 p.m.

Progress reported.

DECLARATION OF URGENCY.

Mr. FADDEN (McPherson—Treasurer).—I declare (a) That the Estimates of Expenditure are of an urgent nature; (b) that the resolutions preliminary to the introduction of the Appropriation Bill are urgent resolutions; and (c) that the Appropriation Bill is an urgent bill.

Question put—

That the Estimates of Expenditure be considered of an urgent nature; that the resolutions be considered urgent resolutions; and that the Appropriation Bill be considered an urgent bill.

The House divided:

(MR. SPEAKER—HON. ARCHIE CAMERON.)

Ayes	62
Noes	33
Majority	29

AYES.
Kent Hughes, W. S.
Lawrence, W. R.
Leslie, H. A.
Mackinnon, E. D.
McBride, P. A.
McColm, M. L.
McDonald, A. M.
McEwen, J.
McLeay, J.
McMahon, W.
Opperman, H. F.
Oshorne, F. M.
Page, Sir Earle
Pearce, H. G.
Pittard, A. C.
Robertson, H. S.
Russell, Charles
Ryan, R. S.
Swartz, R. W. C.
Timson, T. F.
Townley, A. G.
Trelcar, T. J.
Turnbull, W. G.
Wentworth, W. C.
Wheeler, R. C.
White, T. W.
Wright, R. M.
Wilson, K. C.

Tellers:
Davidson, C. W.
Gullett, H. B. S.

ATTORNEY-GENERAL'S DEPARTMENT.

Proposed vote, £760,000.

DEPARTMENT OF THE INTERIOR.

Proposed vote, £2,307,000.

DEPARTMENT OF WORKS AND HOUSING.

Proposed vote, £1,231,000.

DEPARTMENT OF CIVIL AVIATION.

Proposed vote, £6,946,000.

DEPARTMENT OF TRADE AND CUSTOMS.

Proposed vote, £2,000,000.

(Ordered to be considered together.)

Mr. THOMPSON (Port Adelaide)

[8.10].—The committee has now been called upon to deal concurrently with the proposed votes of seven departments, and it is, of course, impossible to do that adequately in the limited time allotted for their consideration. I shall, therefore, confine myself to matters of importance which concern only one or two of those departments.

The first department to which I shall refer is the Department of External Affairs. On the 29th November I asked the Minister for External Affairs (Mr. Spender) about the position of our diplomatic representatives in Canada and in the United States of America and although the Minister undertook to furnish a reply to me concerning the matter he has not yet done so. The point that I particularly desire to mention now is that after I had spoken the honorable member for Bennelong (Mr. Cramer), who followed me in the debate on that occasion, made an astonishing reference to the capacity and fitness for office of our Ambassador to the United States, Mr. Makin. Although the attack made on the ambassador by the honorable gentleman was quite unjustified, it has been given prominence in the press, and I therefore feel impelled to mention one or two matters within my own knowledge in order to refute his unfounded criticism. The first occasion on which I had occasion to form an opinion of the impression that the Australian Ambassador had made in New York occurred about four years ago, when I attended in the United States of America a luncheon given to him by Mr. Olrick, the head of

the Chase National Bank of New York. Mr. Olrick referred to the wonderful qualities which Mr. Makin had displayed, and commended particularly the manner in which he had conducted the affairs of the United Nations at the inaugural meeting of that body in London. Shortly after the occasion to which Mr. Chase referred, Mr. Makin was again called upon to take the chair at another meeting of the United Nations. Mr. Olrick also paid public tribute to the way in which our Ambassador carried out his duties on that occasion. He also said, amongst other things, that he regarded Mr. Makin as one of the finest men in public life. On a number of occasions during my stay in the United States of America I had an opportunity to meet members of the diplomatic corps, and the conversations that I had with those gentlemen made it clear to me that they held Mr. Makin in high esteem. I hope that Australia will not be deprived of his services as Ambassador to that country merely because there has been a change of government since he was appointed to his present post. On the contrary, I hope that he will be permitted to continue to represent Australia with so much honour to us and credit to himself. Before leaving the subject I add that a high diplomatic official in Washington told me that our present Ambassador had done more to acquire a good reputation for Australia in the United States than had any previous holder of the office. I mention these matters not to gild the lily, because Mr. Makin does not need any commendation from me, but in order to refute the unfair and unjust reflection which the honorable member for Bennelong made upon him.

I propose to deal now with the proposed vote for the Department of the Interior. In doing so I take the opportunity to bring before the committee one aspect of the department's activities that should interest all honorable gentlemen. I refer to the Electoral Branch of the Department of the Interior. Although the general election was held almost a year ago I have not yet received statistics that I have sought to obtain. A few weeks ago I asked the Chief Commonwealth Electoral Officer to find out whether they were ready so that we could have an official analysis of the voting

figures, and he informed me that he had placed the matter before the Government Printer early this year and could do nothing further about it. It is a grave reflection upon government departments that after nearly twelve months honorable members cannot obtain statistical information for which they have asked.

Because of the allotment of time in relation to the consideration of the Estimates I am unable to refer to other matters in connexion with several departments with which I should like to deal. I hope that the Minister for External Affairs will pay regard to my views regarding our ambassadors in Canada and America and not make political cockshies of their offices, because no political party that happens to be in office should turn adrift men who are well fitted for the positions that they occupy.

Mr. HASLUCK (Curtin) [8.16].—I direct the committee's attention to an item in division 62 of the Estimates for the Department of the Interior, which shows that an estimated total of £504,000 is to be expended by the Commonwealth for the rent of buildings for various departments in the present financial year. The estimated expenditure upon rented accommodation becomes even more remarkable when we look further into the matter and find that Defence Services and the Department of Supply are estimated to pay an amount of £149,000 for the rent of buildings in the year, and that the Postmaster-General's Department and the Australian Broadcasting Commission are expected to pay £196,000 for a similar purpose. Those figures total an estimated expenditure of about £850,000. The expenditure of so large a sum on the rent of buildings has its economic aspect, but at the moment I am concerned not so much with that side of the matter as with the fact, to which attention has previously been directed in this chamber, that the occupation of so much rented space by Commonwealth departments at the present time deprives ordinary commercial activities in this country of space that they require to carry on the business life of our capital cities. The total estimated expenditure on rented accommodation represents command over an

enormous amount of floor space in business premises. If we also take into consideration the fact that other governmental instrumentalities, such as the Commonwealth Bank and Trans-Australia Airlines, also are occupying city space, it is obvious that at the present time a great deal of space that would normally be available for ordinary commercial activities is occupied by government instrumentalities of various kinds.

Mr. CALWELL.—And necessarily so.

Mr. HASLUCK.—I agree with the honorable member's interjection that that space is being occupied unnecessarily.

Mr. CALWELL.—I said "and necessarily so".

Mr. HASLUCK.—I speak from first-hand observation when I say that the space provided in the rented premises occupied by the Government and its agencies is much more lavish than is customary to-day in connexion with office space occupied by private industries. There seems to be a rule in the Public Service, which is a good rule if the Public Service is occupying its own premises, that men on various levels of income should have tables of sizes commensurate with their incomes. A man with a small income has a little table and a man with a big income has a large table. It seems to go further than that, and to be assumed that a man with a big table requires a lot of office space for his work. It would be easy to find in any of our cities today people who direct big commercial enterprises who are cramped for space and are forced to accommodate their secretarial staff in corridors. Yet, public servants occupy rooms of a size that is usually associated with dictators. They have enormous floor space and table space and the most desirable seclusion. I do not wish to criticize the Public Service in any way, but It suggest that, at present, when we are trying to reconstruct the whole economy of our country, some special consideration should be given to private business activities, and that the Government should set itself out to make space available for the conduct of the normal commercial life of our great cities. The

carrying on of our commercial life is impeded by the fact that the Government is occupying an enormous volume of space in rented buildings. The extent of that occupancy is to some degree disguised by the fact that, since the war, the Government has also seen fit to acquire commercial buildings for its own purposes and by so doing has displaced private tenants. I recognize that we are living in a time of exceptional difficulties in relation to building construction, and I know that it is probably impracticable, when houses, hospitals and schools are so urgently needed, to erect all the permanent buildings to provide the space needed for government offices; but I submit the suggestion that instead of continuing the tendency to rent accommodation that has grown in the last four or five years, the Government should make an earnest attempt to provide other space for its departments and to release for the use of commercial activities in our cities an increasing volume of the space that it now occupies. A great deal has been done, especially in Canberra, in the building of temporary office accommodation. I also commend to the Government the possibility of the erection of permanent buildings by making use of imported materials in a way which would not mean the withdrawal of any materials from the normal housing programme and thus limit its use of existing city office space. The construction of great steel and concrete city blocks involves the use of materials and, to a certain degree, building skills that are not used in the construction of dwelling-houses. I hope that during this year that course will be followed, to the definite advantage of the Government itself, as well as to the advantage of the commercial community through the liberation of office space that is now occupied by the Government. That would also cut down the enormous expenditure now incurred on rented premises.

Mr. ROSEVEAR (Dalley) [8.23].—I refer first to the proposed vote for the Department of Works and Housing. My principal reason for doing so is that I have experienced difficulty in obtaining a plain, straight answer from the Minister for Works and Housing (Mr. Casey) in relation to the transport,

storage and erection of prefabricated cottages that are being imported. The honorable member for Curtin (Mr. Hasluck) has laid a great deal of stress on the need for office accommodation, and has pointed out that steel and concrete are required to erect office buildings. That is true, but the erection of such buildings also requires the employment of building operatives, who are just as scarce to-day as are building materials. I should very much regret further expenditure by the Government of money, man-power and materials on office accommodation for the Public Service at a time when tens of thousands of people are unable to obtain proper home accommodation. As a matter of fact, according to the authority that controls housing accommodation in New South Wales, some years will have elapsed before it will be possible to even hope to reduce the number of people in that State who still require homes. Yet the honorable member for Curtin has talked about using building materials in the construction of office accommodation. He entirely overlooked that exactly the same labour is required to build government offices as is required to build homes.

I have asked a number of questions concerning the importation of prefabricated houses. In one of the early questions that I asked in connexion with that matter I stated that I had a vivid recollection that during the war, when we were asked to construct Beaufort bombers in this country, we found, when the parts of the bombers arrived, that 25 per cent. was missing despite the fact that we were in the midst of war. I do not wish the same kind of thing to happen with regard to imported prefabricated houses, because housing is so vital to the people of Australia. What I wish to know and have been unable to discover from the Minister up to date, is where the parts of the 2,582 prefabricated houses which have been ordered overseas by the Commonwealth are to be taken to, in order that a check may be made to ascertain whether they are complete or whether the same kind of thing that happened in the case of the Beaufort bombers in the midst of war has happened in the case of prefabricated

houses in the midst of a housing problem. The only information I have been able to get from the Minister is that he will let me know later by letter.

I am not the only honorable member who is interested in the matter of prefabricated houses. Letters in which Ministers reply to questions are not incorporated in *Hansard*, so that although quite a number of honorable members may be interested in prefabricated houses the only one who obtains information about them is the questioner who receives such information by medium of a letter. Such letters are far from being informative. According to a letter that I received from the Minister on the 23rd November, 2,582 prefabricated houses are being purchased by the Commonwealth. The States are purchasing an almost equal number. The letter also gave the information that two of the contractors have asked that storage space be made available for them in Australia. I have asked where this space is to be provided for the storage of the materials until they are required so that a check may be made to ascertain whether the vendors have fulfilled their liability, that is to say, whether all the parts ordered have been delivered. I have not yet been able to obtain a definite answer from the Minister upon the latter point. I point out to honorable members also that, regardless of how complete these prefabricated houses may be, they will be built on land of all shapes and sizes. Perhaps the land on which one of them will be erected will slope towards the street, away from the street, or parallel with the street. It is necessary to provide varying types of foundations on the proposed sites, and if the Minister is intent on pushing on with the job of having the houses erected, a very large gang of bricklayers should now be making the piers that will be necessary if they are to be pierced, or the foundations laid if they are to have solid foundations in brick. Those foundations should be prepared now. I am unable to obtain from the Minister even now any information about where it is proposed to erect these houses.

Mr. WHEELER.—From where can the requisite bricklayers be obtained?

Mr. ROSEVEAR.—If the Government is unable now to engage sufficient bricklayers, where does it propose to get them when these 2,582 prefabricated houses are landed in Australia? Apparently, no attempt is being made to obtain the requisite labour or to prepare the foundation for these houses, or, what is still more important, to make proper provision for the storage and checking of the components of the houses when they are landed. It is easy to dismiss these matters by saying that the contractors will provide all the components. In the middle of the recent war, as I have already said, it was found that 25 per cent. of the parts for Beaufort bombers that were sent here dismantled, as these houses will be landed, was missing. Therefore, I urge the Minister to give a specific undertaking to the committee that he has received from overseas contractors ground plans of these houses. Those plans will be sufficient to enable the Government to get on with the work that I suggest should now be done. Further, I should like to know where land has been resumed for sites for the erection of these houses. Assuming that the ground plans of the houses have been received, what preparations have been made for the building of the foundations upon which the structures will be erected? I trust that the Minister will not treat these questions lightly. As we were deceived in the middle of the recent war in respect of the supply of components of aeroplanes that were sent here dismantled I can see no reason why building contractors would not deceive the Government in a time of peace. Unless these houses are erected expeditiously, the whole scheme will break down. Assuming that the houses are supplied complete with parts there is nothing to prevent the Government from preparing foundations for their erection. I hope that the Minister will be able to give to the committee definite information on the points that I have raised.

Mr. TURNBULL (Mallee) [8.33].—The honorable member for Dalley (Mr. Rosevear) is apprehensive that when the prefabricated houses that are to be imported are landed it will be found that some parts have not been supplied. I have sufficient confidence in the Minister

for Works and Housing (Mr. Casey), who has always been active in the interests of the community, not to worry about that point. On previous occasions I have inquired about where the Government proposes to erect these prefabricated houses. Of the houses now being erected 35 per cent. are in country areas. That means that the balance of 65 per cent are being erected in city areas. Such an arrangement is to be deplored because our primary purpose should be to provide the greatest possible number of houses in country districts. Members of the Opposition object to that view because most of them represent city electorates. Yet, on various occasions they have deplored the fact that so great a proportion of our population is centred in Melbourne and Sydney and in the other capital cities. In this age of atomic warfare, we should endeavour to decentralize our population as much as possible. Not only our safety but also natural economic considerations dictate such a policy because we must obtain the greatest production possible. The Minister in reply to a question on housing said—

We are doing all these things. If the honorable member can make any suggestions I would be pleased to have them.

I can make many suggestions with respect to the provision of houses in country districts and I shall do my utmost to persuade the Government to implement them. I have received a letter from the town clerk of the Borough of Swan Hill in which he states—

The position as far as the Swan Hill Borough Council is concerned, is that the town of Swan Hill is in urgent need of sixty or seventy homes immediately to meet the housing shortage.

Whilst there is no unemployment in the town, more labour could be absorbed, but a large-scale increase in employment would come with the establishment of new industries. Ample land is available for building.

A similar position exists in my electorate in the shires of Birchip, Swan Hill, Kerang, Wycheproof, Karkarooc, Gordon, and Walpeup and in the city and shire of Mildura. Some honorable members smile at my mention of those boroughs but each of them is urgently in need of additional houses.

I notice that the Postmaster-General (Mr. Anthony) is at the table. The *Mr. Turnbull.*

Postal Department is buying houses in many towns in my electorate in order to house its employees. In some respects that action is commendable, but whenever a house is acquired by the department one less is available to meet the needs of employees in private industry. The Postal Department and public utilities, such as the railways, should construct houses for their employees and should not compete with private industry for the houses that are available or for those that are provided under housing schemes for the community generally. I do not suppose that honorable members who represent city electorates will support my suggestion.

Mr. Rosevear.—I do so.

Mr. TURNBULL.—Then it is the first occasion on which the honorable member has supported me.

The CHAIRMAN.—Order! Honorable members must cease interjecting.

Mr. TURNBULL.—The Murray Valley runs through my electorate for a considerable distance, and the Murray Valley Developmental League is doing excellent work. The secretary of that body in a letter that he has written to me has urged that there should be a "no more" policy in respect of homes for Sydney and Melbourne. Honorable members who represent city electorates will not support that policy. However, every one must agree that nothing should be done that would encourage an increase of the population of those cities. The shortage of houses can be utilized to discourage overcentralization of population in the capital cities. So long as more houses are provided in the cities, people will not be willing to leave the city lights. On the other hand, the provision of additional homes in country areas will act as a magnet to draw population from the cities. Unless honorable members actively support such a policy, it is useless for them to go round the country preaching decentralization. To-day, when a politician speaks about decentralization at any public meeting his audience takes no notice whatever of him. The Government now has an excellent opportunity to take action.

One honorable member has spoken about the provision of office space for

government departments. When the honorable member for Kalgoorlie (Mr. Johnson) was Minister for the Interior in the Chifley Government, I protested against that Government's proposal to resume an area of 9½ acres in the City of Melbourne as a site for the erection of government offices. Apparently, the present Government has not countermanded that proposal. However, my attitude towards it has not changed. I should like to know whether the Government proposes to proceed with that proposal.

Mr. POLLARD.—I hope so.

Mr. TURNBULL.—Apparently, the honorable member for Lalor (Mr. Pollard) has not the interests of the country at heart. The honorable member for Melbourne (Mr. Calwell) urged the Government to provide more office space for departments in the capital cities. He argued that should another war occur the existence of such buildings in capital cities would be of considerable value from an administrative stand-point. Does he not realize that if another war should occur such buildings would probably be among the first to be blown to pieces? I urge the Government to decentralize departmental activities by conducting them wherever possible in country districts. Although it was said that all government departments would be transferred to Canberra as soon as possible, the fact remains that more and more government buildings are being erected in Melbourne and Sydney. Much of the administrative work of departments could be done far more effectively if the requisite office buildings were provided in less populous areas. I urge the Minister for Works and Housing that as many houses as possible should be built in country areas. Undoubtedly, metropolitan interests will bring pressure to bear upon him in order to discourage that policy. That pressure is becoming increasingly stronger as more and more city electorates are brought into existence. As the cities provide more and more politicians increasing numbers of houses will be provided in the areas which they represent.

Mr. LESLIE.—That will cause more and more trouble.

Mr. TURNBULL.—As the honorable member who has just interjected represents Moore he should know. I urge the Government to take a firm stand in this matter. A policy of decentralization of housing will not be popular with honorable members who represent city electorates, but if the Government implements such a policy future generations will honour it and remember its leaders as statesmen. I again urge the Government to refrain from doing anything that would encourage an increase of the population of our capital cities but, on the contrary, to provide as many houses as possible in country areas and thus bring real prosperity to the nation.

Mr. NELSON (Northern Territory) [8.44].—I wish to deal with the proposed vote for the Department of the Interior. First, I protest against the failure of the Government to give any indication of the date on which the Minister for the Interior (Mr. Eric J. Harrison) is likely to return from London, where he is Resident Minister. I am concerned about his appointment as Minister for the Interior while, at the same time, he is continuing his duties as Resident Minister at London. Such an arrangement will seriously retard the development of the Northern Territory. I have no criticism to make of the Postmaster-General (Mr. Anthony) who is acting for the Minister for the Interior. I protest solely against the arrangement under which the department is now being administered. The Postmaster-General already has a large and important department to administer. It is not logical to assume that he can devote much attention to the administration of the Department of the Interior. This virtual combining of the Postmaster-General's Department and the Department of the Interior under one Minister must, of necessity, throw great responsibility for the formation of policy, and for administration, upon the shoulders of departmental officers, whereas it should rest largely with the Minister himself. It should be obvious to all honorable

members that a Minister, if he is to present and fight for issues within the Cabinet, must certainly realize the implications that may be involved. Several weeks ago, I raised this matter on the adjournment of the House, pointing out the disadvantages of constantly changing the Minister for the Interior. The Minister who was in charge of the house on that occasion was the present Minister for Defence (Mr. McBride) who, shortly before, had been the Minister for the Interior. He said, in answer to my protest, that such a system of changing Ministers for the Interior had its advantages, insofar as the greater the number of Ministers who had experience of that department, the more intelligent would be the attention given to matters affecting the Northern Territory as they came before the Cabinet. That might be so, were the Ministers left long enough in the charge of the Department of the Interior to acquire a thorough knowledge of the requirements of the Northern Territory. But I remind honorable members that the previous Minister for the Interior was allowed to remain in charge of that department for only nine months, and although he devoted to the affairs of the Northern Territory as much attention as his numerous other duties permitted, I think that he would be the last person to claim that the experience that he gained as the Minister for the Interior qualified him to speak at all times with certainty about whether a particular course of action was in the best interests of the Northern Territory. I make these comments, not in any disparaging manner, but only to point out the difficulties with which a Minister has to contend when he is confronted with the problems involved in the administration of an area of approximately 250,000 square miles. It is a most complex and difficult task under the best conditions, and a challenge to the best brains in the Government.

I was sorry when the former Minister for the Interior became the Minister for Defence, and I am entitled to know when the practice of frequently changing the occupant of the office will cease. I have said that the Minister for Defence expressed the opinion that such a system had its advantages. Can any honorable mem-

ber honestly say that the advantages outweigh the disadvantages, especially when I tell the chamber that the Department of the Interior has had no fewer than four Ministers within a period of twelve months? I shall name them in order. The first was the honorable member for Kalgoorlie (Mr. Johnston), who was Minister for the Interior in the Chifley Government. When the change of Government occurred last December, the honorable member for Wakefield (Mr. McBride) was allotted the portfolio of Minister for the Interior. On the 25th October last, he became Minister for Defence. The Postmaster-General is now the Minister acting for the Minister for the Interior. Last, but not least, is the former Minister for Defence, Mr. Eric J. Harrison, who is Resident Minister in London. He was appointed Minister for the Interior a few weeks ago. I also recall that the Minister for Commerce and Agriculture (Mr. McEwen) was Minister for the Interior in the Lyons Government. A stage could be reached at which all the members of the Cabinet could be former Ministers for the Interior. I do not think that any honorable member can deny that, under such conditions, progress in developing the Northern Territory must slow down. As the administration of the north is in the hands of the Department of the Interior, it is logical to assume that progress in that direction is not so rapid as we have every right to expect it to be. I point out that progress is slowed down at a time when it is vital to the security of Australia that it should be speeded up with the least possible delay. I realize that the Department of the Interior is not idle, because of the absence of its Minister, and that planning is proceeding in accordance with government policy, but that is not the issue involved in my submissions. Undoubtedly, progress would be ever so much more rapid if there were some degree of permanency in the ministerial direction of that department.

All the present activities of the Government seem to focus attention on the fact that, in some shape or form, the safety of Australia is menaced. The defence plans call for placing more men under arms, and, with that objective in view, recruiting campaigns are in progress throughout

the country. I say to the Government, in all earnestness, that a Minister's attention should be directed to the task of placing a few divisions of civilians around our northern coastline, and to populating the interior. No greater contribution than that could be made to the security of Australia. Has any serious attempt been made to divert some of the hundreds of thousands of migrants to those parts, so that they may be able to make such a desirable state of affairs possible? Much work must be done in those parts of Australia, and it is not unreasonable to ask that, when an honorable member is appointed to such an important office as that of Minister for the Interior, he should take up his duties at the earliest possible moment. What is more important, such an appointment should have some degree of permanency. So seriously do the residents of the Northern Territory view the practice of frequently changing the identity of the Minister for the Interior, with the consequent lack of continuity of policy, that they ask that the control of the north be divorced completely from the Department of the Interior, and that a separate department be established, with a Minister at its head, who can concentrate on its problems. I remind honorable members that the Minister for Commerce and Agriculture, who, as a former Minister for the Interior, should have a knowledge of the problems of the north, advocated such a course of action in a special article that he wrote for the *Melbourne Herald* as recently as in 1947. The Minister for Supply (Mr. Beale), when in Opposition last year, spoke in strong terms in this chamber on the same subject on his return from a visit to the north as a member of the Public Works Committee. I need quote only a few of his words, as follows:—

There is an urgent need for single control of the Northern Territory by a courageous Minister, who is prepared to say to the Government "This is what should be done. If you do not like it, I shall resign".

That would be fairly strong language in any circumstances. He concluded his remarks on that occasion with the words of the great Australian explorer, Stuart—

Properly administered, this territory will some day become one of the finest colonies under the Crown.

The present Minister for Trade and Customs (Senator O'Sullivan), on his return from the north as a member of the Public Works Committee, also offered strong criticism of the existing system of administration, when he spoke on that subject in the Senate. Therefore, I suggest that the Government should take certain steps in the best interests of the Northern Territory and of Australia as a whole. I submit them in all earnestness, and ask the Government to explore them fully. The first is that a Minister of State for the Northern Territory should be appointed. The second is that the Government should appoint an all-party committee to decide on a basic policy of development for the north over a long period of years. The second suggestion is most important in respect of the administrative problems of the north, because every change of government, and often changes of Ministers for the Interior, mean a change of policy. That has been the unhappy experience in the past, and I make such a suggestion as a means of overcoming those drastic right-about turns when changes of governments occur. If my proposal were adopted, basic policy only would be affected. Some of the matters that I have in mind include administration—such as pastoral and agricultural policy—mining, communications such as roads, railways, air services and shipping, water conservation, industrial arbitration machinery, health and native welfare.

The CHAIRMAN (Mr. Adermann).—Order! I have allowed the honorable gentleman plenty of latitude, but I remind him that policy in respect of the Northern Territory may be discussed when another proposed vote is under consideration.

Mr. NELSON.—I have concluded what I wished to say about those matters. I am sure that agreement could be reached on those basic matters, leaving other matters to be worked out according to the various policies of successive governments. I do not think that any honorable member will disagree with me when I say that the development of the north is a national responsibility, and that all political parties represented in this Parliament should co-operate to treat it as such. Therefore, I urge the

Government to take such action as I have briefly outlined, so that the Northern Territory may render to the rest of Australia the degree of security to which it is entitled.

Mr. ANTHONY (Richmond—Postmaster-General) [8.56].—The honorable member for the Northern Territory (Mr. Nelson) suggests that a Minister for the Interior, who is in charge of the affairs of the Northern Territory, should have some degree of permanency of tenure of office. I remind him that no honorable member has any permanency of tenure as a member of this chamber. Indeed, any honorable gentleman who even imagines that he is permanently here is “on the way out”. There has been only one real change of Minister for the Interior since this Government assumed office last December. The first Minister for the Interior was the honorable member for Wakefield (Mr. McBride), who became Minister for Defence recently. The former Minister for Defence (Mr. Eric J. Harrison), has been Australian Resident Minister in London for some months. He is still a member of the House of Representatives, and it is necessary, while he is Resident Minister in London, that he shall hold a portfolio. The Prime Minister (Mr. Menzies), when he asked me to take over the administration of the Department of the Interior, instructed me to act with the full authority of a Minister completely in charge of that department, and I have been doing so. One of my first actions when I became the Minister acting for the Minister for the Interior, was to visit Darwin. Actually, that was only a week after my appointment to the office, and I arrived in Darwin in the heat of summer. My visit made such an impression on that town that the earth trembled and Government House rocked as a result of an earthquake on the night of my arrival. The inference that I drew from those happenings was that, even if others did not take notice of my visit, the elements did.

The honorable member for the Northern Territory referred to the need for continuity of policy for the north. I wonder whether he really spoke for the people of Darwin when he made such a submission. Does he advocate continuity

of the policy which has “land-locked” Darwin, and prevented business people from purchasing an allotment, buying their own business premises, or adding a wing to a building? Yet that was the policy of the preceding Labour Government. One of the first determinations that I made after visiting Darwin was that the policy should be altered in order to give people an opportunity to acquire their own business premises. At present, not a business man in Darwin has one shilling’s worth of interest in a building in that town. The Government owns all of them, and the tenures for them range from twelve months to a maximum of five years. The commercial community approached me, and pleaded that a decision be made by the Government on the future of that town. A beautiful blue-print for a Darwin of the future was left by my predecessors, but the Government would be almost obliged to run bulldozers over the old town, and virtually to destroy the existing premises, in order to bring such a city into being, when there are not sufficient bricks, mortar, timber or roofing materials for the requirements of those parts of Australia in which they are produced, let alone of Darwin. I have directed the Administrator of the Northern Territory to change the former Labour Government’s policy as quickly as possible and to confer with residents of Darwin in order to evolve the best means of enabling them to re-acquire premises that were acquired from them. As the honorable member has said, the Northern Territory covers an area of hundreds of thousands of square miles, but a person who wants to build a home within that area cannot even buy a block of ground 40 feet square under the policy that was instituted by the previous Government. That is another aspect of Labour policy and practice that I have determined to alter promptly, and I have already issued instructions accordingly. Another purpose that I had in mind when I visited Darwin was to expedite the construction of a wharf, which is a crying need for the territory. For a long time nothing was done about providing a new wharf. Blue prints again! I am studying the blue prints that were prepared for the work

and I am hopeful that construction work will commence soon.

My actions are in accordance with the best interests and the wishes of residents of the Northern Territory. I do not know what else the honorable member expects. I have not received any proposition from the honorable member about the administrative policy of the Northern Territory. The speech that he has just made contained the first suggestions that I have heard from him on the subject. I told him in advance of my intention to visit Darwin, and I expected that he would communicate with me during my tour and make any suggestions that he had in mind. But he failed to do so. Now he complains that the Minister for the Interior is in London. I am doing the work of the Minister in his absence and I intend to take all the steps which he, I am sure, would wish to take if he were in Australia. The honorable gentleman cannot be in two places at the one time, and it is necessary for him, as Resident Minister, to hold a portfolio. Whenever a Minister goes abroad, it is customary for one of his colleagues to take over his duties and responsibilities until he returns. It is true that the administration of two departments is an onerous task, but I am confident that the Northern Territory is not suffering as the result of the present arrangement and I shall do everything that lies within my power to ensure that it shall not suffer.

Mr. KEON (Yarra) [9.3].—I share the alarm and consternation of the honorable member for Mallee (Mr. Turnbull), who spoke of the failure of the Government to allot to country districts a sufficiently large percentage of the houses that it is importing. I agree with all that the honorable member has said. The housing shortage has provided us with a wonderful opportunity to apply a policy of decentralization. If we can offer people houses as well as jobs in the country, they can be induced to leave the cities. I also agree, as must all honorable members, that defence necessities demand decentralization whether we favour it or not. Having said that, I express my astonishment that the honorable member and his colleagues, knowing that only 35 per

cent. of imported houses was being directed to the country, should sit dumb and glum until the Estimates were presented for our consideration and then should make only a mild protest. The honorable member for Mallee, apparently feeling that he had gone too far in his criticism of the Government, ended by saying to the Minister for Works and Housing (Mr. Casey), in effect, "I know that you have neglected the country and failed to give it a fair percentage of homes. But never mind! I know that you are a good Minister. But won't you please let us have even one extra house somewhere in the country?" If, in the words of the honorable member for Mallee, the Government has dismally failed to provide a fair quota of imported houses for country districts, why do the honorable member and his colleagues continue to sit cheek by jowl with members of the Liberal party in this chamber?

We can reach one of two conclusions on the basis of the honorable gentleman's statements. The first conclusion is that the Australian Country party's representation of rural interests is so ineffective that the Government, dominated by city interests, is, in the words of the honorable member for Mallee, able to do as it wishes in allocating houses. The alternative conclusion is that members of the Australian Country party have their tongues in their cheeks when they talk about decentralization and the allocation of houses to country districts.

Mr. EGGENS.—Why does not the honorable member do something about the country interests?

Mr. KEON.—The Opposition will be delighted to support any motion of want of confidence in the Government that the honorable member for Lyne (Mr. Eggen) or the honorable member for Mallee may submit. I assure members of the Australian Country party that there will be complete unity on this side of the chamber if a vote is taken on any such motion. Having stated the alternatives, I ask honorable members and the general public to decide what is the true explanation of the ineffectiveness of the Australian Country party representatives in this chamber. I am inclined to favour the

second conclusion. I believe that members of the Australian Country party have their tongues in their cheeks when they talk about decentralization and the provision of houses for country districts because they know very well that if they bring workers to the country, they will bring Labour voters to the country. They always put party political considerations before national considerations.

The CHAIRMAN.—Order! With what department does the honorable member link his remarks?

Mr. KEON.—Perhaps I should have linked them with the vote for the Parliament.

The CHAIRMAN.—Order! The committee is not discussing that vote.

Mr. KEON.—I have been referring to the proposed vote for the Department of the Interior, with particular reference to the Government's housing plans.

The Government has failed dismally to provide sufficient houses for country districts. I suggest to the honorable member for Mallee that, if he sincerely wants to get results and make the Government expend housing funds in the country, he will not succeed if he tells Ministers what good boys they are. He will obtain more satisfaction if he firmly tells the Treasurer (Mr. Fadden), who is the leader of his party in this chamber, that it is time he obtained results from the Government. It is not good enough that members of the Australian Country party should be dragooned by the Liberal party and dragged along at its political coat-tails. They should vote in this Parliament according to their convictions and exert to the utmost the influence which they are capable of applying in Cabinet deliberations. It is about time they started to earn their money as partners in the present Government.

The CHAIRMAN.—Order! It is time the honorable member connected his remarks with the proposed votes that are under discussion.

Mr. KEON.—I shall not stress the point further. I merely commend my comments to members of the Australian Country party for their deep and earnest consideration.

Another matter that arises from the consideration of the group of proposed votes now before the committee is the expenditure that is provided for the Commonwealth Court of Conciliation and Arbitration. I shall refer first to the good effects of our arbitration system and perhaps, if time permits, point out where we are not obtaining the best possible results from the court in relation to the settlement of industrial disputes. The statistics of the percentage increases of the hourly wage rates of all adult males show that those groups of trade unions in which the workers have depended primarily upon arbitration and have rejected the strike weapon have obtained not only the greatest gains but also the most expeditious results. The figures that have been prepared by the Commonwealth Statistician show that the hourly wage rate of adult males employed in the pastoral and agricultural industries has increased by 126 per cent. since 1939. Those industries, of course, have been more free of strikes than have been any other industries in Australia. Hourly rates in the miscellaneous group of industries listed in the statistics have increased by 113 per cent. over the same period. A similar advance has been gained by workers in the clothing industry and the general manufacturing industries which produce such commodities as hats, boots, and shoes. The fourth group on the list embraces railway and tramway employees, whose hourly wage rates have increased by only 106 per cent. since 1939, a gain which must be offset by the loss of almost £1,000,000 in wages as the result of strikes in which they were involved during that period. The wage rates of workers in the building industries have increased by 97 per cent., and those of workers in the engineering and metal trades have increased by only 97 per cent. The lowest figure is that for men engaged in the mining and quarrying industries, for whom the increase has been only 89 per cent. That list shows clearly that unions that have been under sane, sound Labour control and have depended upon the Labour party's policy of arbitration and conciliation have secured much better results than have been obtained by Communist-controlled

unions, which go on strike at the drop of a hat.

All honorable members, and particularly members of the Opposition, have often heard unionists say, "Oh well, we do not like so and so being in charge of our union, but, after all, he is a good militant unionist and he gets results". The facts that I have just stated expose the fallacy of such a belief. I repeat that the unions which rely upon arbitration, though they reserve the right to go on strike if the occasion requires such action, have made the greatest gains in recent years and furthermore have obtained quicker results than have those unions that are dominated by so-called militant Communist leaders. I commend the figures that I have cited to the trade unionists of Australia because, in season and out of season, they have been deluged with propaganda to the effect that it is the militant, not the good Labourite, who always gets results. If we also take into account the actual losses of wages that have been suffered by strikers, the situation appears even more favorable to those unions that rely upon the arbitration policy of the Labour party. The average increase of the hourly wage rate of all adult males since 1948 has been 74 per cent. The relevant figure for railway and tramway employees is 73 per cent, but, since 1948, those workers have lost £1,236,000 in forfeited wages as the result of strikes and stoppages. That loss has greatly reduced their actual wage increases. Engineering and metal trade employees, who unfortunately are under "red" influence, have gained an average wage increase since 1948 of only 70 per cent, which is four points below the general average. Their losses of wages as a result of strikes have amounted to £1,100,000. The miners, who deserve much more than they have received, are regrettably suffering from the effects of militant Communist leadership. Their average increase lags twelve points behind the general average, at 62 per cent. During the period to which the figures apply, they have lost £1,082,000 in wages as the result of strikes. Building workers, who have gained only 71 per cent since 1948, have also lost many hundreds of thousands of pounds because of strikes. The members of the Australian Workers Union who are

employed in the pastoral and agricultural industries, by contrast, benefited from the highest average increase of 78 per cent, and over the same period lost only £1,600 as a result of strikes. The workers of Australia can see by whom they are best served in industrial leadership. Quite obviously, from the official figures of the Commonwealth Statistician, they are best served by those competent union leaders who follow the traditional Labour party policy of conciliation and arbitration. Those leaders have not bothered about talk of militant leadership. They have gone quietly and steadily ahead and got results. The workers in the various unions should take these statistics to heart. Instead of taking notice of some loud-mouthed tub-thumping Communist who may tell them about the results he will get by a militant policy they should examine these figures, which indicate what sane leadership will accomplish for them without loss of wages on account of strikes.

Despite these figures, I believe that the arbitration system, or the machinery of arbitration, is not functioning as well as it should function. Often, it seems to cause disputes. Primarily the function of the Arbitration Court is that of conciliation and arbitration. I do not think that this Government should adopt any hard and fast view on the retention of the present legalistic machinery when it introduces legislation in relation to arbitration. I do not want to enter into a controversy about the Victorian railways dispute but I take it for granted that the arbitration system is considered to be most successful when it avoids disputes instead of waiting until they have lasted for some time and have caused millions of pounds to be lost by the community, all sorts of action to be threatened and turmoil and bitterness to be engendered. Disputes cannot be prevented by starting in the atmosphere of legality that seems to exist in the Arbitration Court at the present time. The Labour government tried to overcome the difficulty that I have mentioned, but the reforms which it effected have not been so effective as they were expected to be. Surely it should be possible, in the light of past experience, for us to evolve a system to

prevent disputes. I suggest the adoption of the system of arbitration used in Victoria. That State has a system of wages boards under which employer and employee come together under an independent chairman. They know what they are talking about and are able to prevent strikes from starting.

THE CHAIRMAN.—Order! The honorable member's time has expired.

MR. CASEY (La Trobe—Minister for National Development and Minister for Works and Housing) [9.18].—The honorable member for Yarra (Mr. Keon) dealt with the subject of prefabricated houses. His was an interesting speech, but it had the demerit of being based on an entire ignorance of the facts. The honorable member, I am sure, stirred all who did not happen to know the facts by alleging that the Government was not building enough houses in the country. The simple fact, which the honorable member might have checked before he started to speak, is that, apart from the prefabricated houses that are to be erected in Canberra, over 90 per cent. of the prefabricated houses which the Government will import are to be erected outside metropolitan areas. I think that the honorable member for Yarra should check his facts a little more carefully before making statements to honorable members and the people of Australia which are based on a complete misapprehension. Not 30 per cent., but probably 95 per cent. of these prefabricated houses are intended for erection in the country. The committee has the right to demand of honorable members of the Opposition a little more checking of the factual basis of their arguments when they speak on measures that have been introduced by the Government.

MR. ROSEVEAR.—It was the honorable member for the Mallee (Mr. Turnbull) who made the statement originally.

MR. CASEY.—I listened to the honorable member for Yarra. I do not know what source he made the basis of his speech. The honorable member for Dalley (Mr. Rosevear) asked a series of questions on this subject which I should like to answer. He asked, in effect, what

precautions were taken to ensure that these prefabricated houses should be complete and that no parts would be missing. He referred to aircraft which were imported during the war and were found to be incomplete. These houses will be checked in their country of origin by Commonwealth officers or by organizations approved by the Commonwealth.

MR. ROSEVEAR.—The Beaufort bombers were checked in England.

MR. CASEY.—That occurred in wartime, when anything could happen. The erection of these houses will be undertaken by erecting contractors in Australia under the supervision of the Department of Works and Housing. I am referring now to houses which will be brought to Australia and erected on behalf of the Government. Prototype houses will be erected in Australia and the imported houses will have to correspond precisely with the prototypes or they will not be accepted. Contracts are being entered into in Melbourne and Sydney, the principal ports of entry, for the storage of the component parts of the houses. Houses intended for the Australian Capital Territory will be brought direct to Canberra upon their arrival in Sydney either by road or rail transport, whichever may be found to be the more satisfactory. Tenders are now being called for in order to ascertain which is the cheapest and most satisfactory method of transport.

MR. ROSEVEAR.—In view of the fact that the Minister knew the type of house that would be erected, I asked what had been done to prepare the foundations.

MR. CASEY.—As I said earlier to-day, the houses were designed in the first place by the Department of Works and Housing. They have been built by their manufacturers overseas to the department's own designs and the "on-site" work has been proceeding for a number of months. Five or six hundred houses will be erected in Canberra.

MR. ROSEVEAR.—Not a foundation for these houses has been laid in Canberra.

MR. CASEY.—I am talking about the "on-site" work.

MR. WARD.—What does that mean?

The CHAIRMAN.—Order! Honorable members must let the Minister make his speech in his own way.

Mr. CASEY.—All the work that has to be done apart from the erection of the components of the houses will be done well in advance of the arrival of the houses. I can give that assurance.

Mr. GEORGE LAWSON (Brisbane) [9.23].—I desire to make a few comments concerning division 55 of the Attorney-General's Department, which deals with allowances for peace officers. Questions have been directed to the Prime Minister (Mr. Menzies) in this chamber and to the Attorney-General (Senator Spicer) in another place in connexion with the dismissal of peace officers in Queensland. I understand that peace officers in other parts of Australia are similarly affected. Forty-nine members of the peace guard in Queensland have received notice of dismissal. Some of them had been employed in that capacity for eleven years and a number of them had been employed for the last three years. Those who had been employed during the last three years were given to understand when they accepted their positions that their engagement would be permanent. Many of them left other good jobs in order to take up the duties of peace officers. The work of the peace guards is very important. Those of them who were employed during the war period did a magnificent job for the war effort. Members of the peace guard who have received notices of dismissal are very upset over the matter. Every one of them is an ex-serviceman and many of them were decorated. Unfortunately, a number of them will not be able to go into another department of the Public Service. For these reasons I enter my protest against the action of the Government in dismissing these men, who have done such a good job. There is still quite a lot of work for them to do. I am wondering, they are wondering and many of the people of Brisbane are wondering who will be appointed to take the places of these 49 men who have been guarding various defence stores and other Commonwealth buildings. I should like to know whether another body of men will be employed in their place or whether all

these establishments will be left unguarded. If so, I regard the position as being very serious. When this matter was raised in this chamber and in another place I had hoped that the decision would be reconsidered and that a big majority of the men would be retained in their positions. I am informed that every one of those who received notice of dismissal was given an excellent character reference. I hope that, even at this eleventh hour, these men will at least be given work in some other Commonwealth department. Many of them are not able to accept heavy work in outside industry because of war injuries.

I desire also to speak on division 57 of the Department of the Interior, which deals with electoral matters. For a number of years, I have advocated the alteration of polling hours. I endeavoured to have such a change made some years ago, but was unsuccessful in that attempt. I believe that voters would favour my suggestion, which is that polling hours should be from 8 a.m. until 6 p.m. In my opinion no good purpose is served by carrying on polling up to such a late hour as 8 o'clock at night. In the Queensland State elections polling booths have been closed at 6 o'clock for the last 35 years. I have never yet heard of any elector who was disfranchised because he had been unable to get to the polling booth before 6 o'clock. I take it that every honorable member has spent some time about polling booths between 6 and 8 p.m., particularly on late winter evenings and wet nights. Those honorable members know what happens between 6 and 8 o'clock. Very few electors attend the booths between those hours. If the booths were open until 10 o'clock those people would still not attend until nearly closing time. They are the chronic late-goers. If it is good enough for a large State like Queensland to have its voting hours between 8 o'clock in the morning and 6 o'clock in the evening, then polling for federal elections should also be between those hours.

We have come a long way since the horse and buggy days, and country people to-day have transport which is just as good as that of the city people. They can travel to the polling booths with just as

much facility as can the city voters. The great majority of the people in the cities are free from work on Saturdays, and are able to attend the polls during the daytime. I believe that such an alteration would be very acceptable to the voters and also to the unfortunate electoral officers who at present are forced to work much later than 11 p.m. while counting votes. If the Minister in charge of the committee would discuss this matter with the electoral officers in the various States he would find that I am expressing their opinions. I believe that the majority of the electors would welcome the change and that polling hours between 8 a.m. and 6 p.m. would afford quite sufficient time to allow every elector to record his vote.

Dr. NOTT (Australian Capital Territory) [9.33].—I desire briefly to refer to several items connected with the Department of the Interior. It is the fashion to consider the portfolio of that department as the junior portfolio in the Cabinet, but unfortunately the administration of the Australian Capital Territory constitutes the chief activity of the department. The Government, quite apart from the Minister for the Interior, has a peculiar and unending responsibility to develop the Australian Capital Territory. In a certain measure it tries to meet its obligations in certain directions, but it also fails in some of those directions. I was interested to hear the Minister acting for the Minister for the Interior, who also is the Postmaster-General (Mr. Anthony), reply to the honorable member for the Northern Territory (Mr. Nelson). The Minister said that it was essential that the Resident Minister in London should hold a portfolio. That may be so in the opinion of some people, but I do not know the authority upon which such a statement is based. I remember Ministers, resident in London on behalf of previous governments, so acting without holding a portfolio. Viscount Bruce, who was Australian High Commissioner in London, also acted as Resident Minister there for some time. He did not have a portfolio.

I have no objection to a Minister with a portfolio being appointed Resident

Minister in London, but I am concerned about the very active Minister for the Interior (Mr. Eric J. Harrison) holding such a position. That is because I believe that a great number of inequalities and irregularities that are to be found in the Australian Capital Territory would be completely ironed out through the activities of a Minister who was interested in the development of this portion of Australia, which is a peculiar responsibility of the Commonwealth. I am not disappointed in the activities of the present Minister, who is bringing to bear on many of our problems the powers of his executive mind and considerable enthusiasm. He is in fact cutting through red tape to gain his very desirable ends. Nevertheless, the Australian Capital Territory should be represented by a Minister who is resident in Australia and not outside of it.

I was interested in the remarks of the Minister for National Development (Mr. Casey) about the prefabricated houses which it is proposed shall be set up in the Australian Capital Territory. He indicated to the committee, as he has indicated to me on previous occasions, that 500 or 600 were to be erected here. Although I have asked the Minister on numerous occasions to say where the houses are to be erected and when the foundations are to be laid, I have not yet been informed of where one prefabricated house is to be built. I know nothing about the matter except that two experimental houses have already been erected and are under test in the Australian Capital Territory.

That brings me to the matter of housing generally in the Australian Capital Territory. This Government has a responsibility in regard to housing in the Australian Capital Territory, and a much greater one in ensuring that there shall be a progressive development of the housing scheme here. That is because the majority of people who come to live in the Australian Capital Territory are brought here compulsorily in order to work for the Government. Up to the present the Government has more or less met its housing responsibility, but its efforts to house the people in Canberra, many of whom are living in deplorable conditions, are thwarted to a certain degree because there is an inexplicable

overlap of the functions of the Department of Works and Housing and of the Department of the Interior. That leads to conflict and inter-departmental delay in getting housing matters brought to finality on many occasions.

I could cite instances in which I have been informed by the Department of Works and Housing that a certain community centre was in the blue-print stage and was ready to be built. When I have pressed further inquiries I have been told that the Department of the Interior has not yet met the request for land or has not submitted a suitable block of land. That is not an isolated example, but one that I could multiply many times. I believe that there is an overlapping of those departments which is not conducive to the rapid development of this Territory. That overlapping should be eliminated as soon as possible. The Government should not be completely wedded to prefabricated houses as well as to brick houses, because throughout the next three or four years there will be a very definite shortage of bricks. A warning has been sounded for years, to all governments, about the low production of bricks in the Australian Capital Territory. The previous Government was warned that the present ramshackle brickworks was unable to cope with the demands made on it, and a complete re-organization of the industry was asked for. It has been stated recently that it is the intention of the Government to introduce a brick kiln of a tunnel type, which will give greater continuity of brick production and will ensure greater progress in the Australian Capital Territory housing scheme. However, I am assured by those who know that two years at least will have elapsed before that tunnel kiln can be brought into operation. I cannot understand why the Government will not in the meantime commit itself to a programme of building hardwood houses with tiled roofs, similar to those in Ainslie built in the early developmental stages of this Territory by Sir John Butters. To-day they are just as comfortable as is any brick cottage in the Australian Capital Territory. I do not know why the Government should tie itself completely to build-

ing prefabricated houses, which will give the Territory the appearance of a heterogeneous collection of prefabrication, plaster and paint, and which do not for a moment compare with the hardwood houses built in the Ainslie area under the régime of the Federal Capital Commission.

Mr. DAVIDSON.—The prefabricated houses look cheap.

Dr. NOTT.—They may look cheap but they are not cheap. I do not think that they should hold priority over the development of a proper housing scheme which has a relation to the urgent need of houses for the people of the Australian Capital Territory. The honorable member for Curtin (Mr. Hasluck) said that the Government should, as far as possible, have its own independent office accommodation in the Australian Capital Territory, and should make available to others every square foot of such accommodation that it can do without. I agree that this Territory has been handicapped and that the cost of living here has been increased because the Government has occupied as office accommodation much of the ground and other floor space in business centres. That action has precluded the natural competition between businesses which would keep prices down. In one part of this Territory, because of lack of suitable accommodation, 6,000 inhabitants are entirely dependent for their fruit and vegetables on one greengrocer. The result of that is that there is no competition, and prices have been kept at a high level.

I notice that no special estimate has been made in the Estimates for the Department of the Interior for the urgent educational needs of the Australian Capital Territory. The present position is deplorable. The classes in most of our schools are hopelessly overcrowded, from the point of view of both accommodation and the number of children whom teachers are required to instruct. A school teacher cannot give proper attention to a class of more than 35 children—

The CHAIRMAN.—Order! The matter referred to by the honorable gentleman comes under the proposed vote for the Department of Labour and National Service, which is not under discussion in this group of votes.

Dr. NOTT.—I trust that the time is not far distant when the funds for our schools will be included in the expenditure by the Department of the Interior upon the Australian Capital Territory. After all, the Australian Capital Territory contains a very large number of highly intelligent and ambitious children.

I agree with the honorable member for Mallee (Mr. Turnbull) that it is deplorable that only a few houses will be built in the country. The honorable gentleman said that in his opinion the inadequate number of houses in country areas is one reason for the drift of people to the cities. Whilst I agree with him that the drift of people from the country to the cities is opposed to the national interest, I do not think that lack of housing is one of the principal causes of that drift. In support of my contention I mention that I have seen a large number of advertisements offering excellent positions in country towns, and undertaking, in many instances, to provide homes, and even food, for the successful applicants. It is a matter of common knowledge that many of those positions are still unfilled. At the same time, I think that many of the thousands of the prefabricated houses that the Minister for Works and Housing (Mr. Casey) anticipates will arrive next year should be distributed throughout country areas. Furthermore, I think that it would be in the national interest if arrangements were made by which the occupiers of such houses would be enabled to purchase them from the Government. I appreciate the Government's desire to provide more houses for the people by waiving the customs duties on imported prefabricated houses in an effort to reduce building costs. In fact, the only cost incurred on those houses that will be additional to the cost of the houses themselves and their erection will be the cost of transporting them from the seaport to the areas in which they are to be erected.

The CHAIRMAN.—Order! The honorable gentleman's time has expired.

Mr. TURNBULL.—I desire to make a personal explanation, because I have been misrepresented by the honorable member for Yarra (Mr. Keon). The honorable gentleman referred to a question without notice that I directed to the Minister for

Works and Housing on the 26th October last and to the reply made by the Minister to that question. On that occasion the right honorable gentleman said—

About 30 per cent. or more of the houses built under the Commonwealth and State housing agreement are in country areas.

Neither my question nor the reply furnished by the Minister referred to prefabricated houses, and I have no idea of the percentage of prefabricated houses that will be erected in the country.

Mr. DRAKEFORD (Maribyrnong) [9.50].—Although there is a number of subjects with which I should like to deal in the proposed votes of the seven departments listed for discussion now, the allotment of time prevents me from making more than a passing reference to most of them. I realize that it is, unfortunately, customary for administrations to "guillotine" the discussion of the Estimates—

The CHAIRMAN.—Order! The honorable member may not discuss a decision of the House.

Mr. DRAKEFORD.—I realize that we are now in committee, and that I cannot discuss a vote of the House at this stage. I was merely about to suggest that we might do well to adopt the procedure in the Canadian Parliament, under which members of that parliament are permitted many months in which to discuss the proposed votes of the different departments. The system that we follow in this Parliament does not permit of a proper analysis of the large sums proposed to be voted for the departments or, indeed, proper discussion of the activities of those departments.

I support the honorable member for Port Adelaide (Mr. Thompson) very strongly in the remarks that he made about the need to retain the services of our present ambassadors in Washington and Ottawa. I do not think that the Government intends to remove either Mr. Makin or Mr. Forde from his present post, although any one who had read some of the unfounded comments on the future of those two gentlemen that have appeared in the press recently might have gained that impression. However, if the Government should be tempted to consider removing either or

both of those two gentlemen from their positions, I hope that its members will recall the principle laid down by the Curtin Labour Administration, which did not remove Sir Frederic Eggleston, Sir Owen Dixon or Viscount Bruce from the diplomatic posts that they held, although those gentlemen had been appointed to their positions overseas by an earlier administration of opposite political colour. I do not think that diplomatic appointments should be viewed from a party political level. In fairness to Messrs. Makin and Forde, I mention that during the term of office of the last Government I paid two visits overseas, and I know that in the United States of America and in Canada those two gentlemen were spoken of as being very capable representatives of this country. The criticism of them uttered by the honorable member for Bennelong (Mr. Cramer) was completely without foundation. Messrs. Makin and Forde have brought great credit on Australia and have worthily upheld our prestige overseas. I trust that the Government will continue to maintain them in their present positions.

In connexion with the proposed vote for the Department of the Attorney-General, I endorse the protest uttered by the honorable member for Brisbane (Mr. George Lawson) at the proposal to reduce the number of peace guards employed by that department. Since that proposal will be the subject of certain representations to the appropriate member of the Government next Thursday, I shall not deal with it in any detail now. I content myself at the moment with pointing out that I do not think that a reduction of the number of peace officers would even result in a saving of expenditure. Any guards whose services were terminated would have to be replaced by watchmen. As honorable gentlemen are aware, watchmen, in common with all other employees to-day, work only a 40-hour week, and are paid overtime rates for any hours worked in excess of that number. It seems clear, therefore, that any saving effected by reducing the number of guards will probably be more than offset by additional expenditure upon watchmen. The only saving that the Government may achieve will be in respect of the cost of uniforms supplied to the present guards, because

watchmen will not have to be similarly equipped.

Dealing with the proposed vote for the Northern Territory, I propose to say something about the remarks made by the Postmaster-General (Mr. Anthony). In the first place, I was astonished that he should have attacked the honorable member for the Northern Territory (Mr. Nelson), who is a comparatively new member of the Parliament, and was merely doing his parliamentary duty in putting forward the case for the Northern Territory. The Postmaster-General, who is acting for the Minister for the Interior (Mr. Eric J. Harrison), referred to the fact that the honorable member for the Northern Territory did not accompany him on his recent visit to that area. I know of my own knowledge that it was not practicable for the honorable member for the Northern Territory to make arrangements to accompany the Minister in the short notice that he was given of the Minister's visit. In any event, the Minister was in the Northern Territory for only a few days, whereas the honorable gentleman has lived there for many years. On the broad issue of the need for proper attention to be given to the territory by appointing one member of the Government to administer its affairs, I wholeheartedly support the honorable member's contention that there should be some continuity of policy for that area. Continuity of policy cannot be achieved when the responsible Minister is overseas for a very extended period. Whilst I appreciate that the Postmaster-General, who is representing the Minister for the Interior during his absence overseas, is an able man and has applied himself to the solution of the problems of the Northern Territory, I believe it to be obvious that the sooner a permanent appointment is made of a Minister who is not absent from Australia the better.

Dealing with the proposed vote of the Department of Civil Aviation, I take the opportunity to pay tribute to the magnificent work performed in the interests of Australia by the officers and staff generally of that department. I had hoped that an opportunity would be afforded by the Government for the Parliament to discuss the annual report of the

Australian National Airlines Commission before the Christmas recess, and I suggested to the Minister for Civil Aviation (Mr. White) that he should move that the report be printed, in order to enable a debate to take place. Of course, I have realized since that even had the Minister acceded to my request, that would not have helped matters much, because the item could have been placed at the bottom of the notice-paper, and probably would not have been reached before the sessional period had ended. In the limited time available to me I pay tribute to the results achieved by the Department of Civil Aviation over a period of years, which not only have improved the safety of flying in this country and the degree of service provided for our people, but in conjunction with those of our overseas operators also have earned a great reputation for Australian aviation overseas. From my own knowledge as a former Minister for Civil Aviation I can say that Australia's name is second to none in aviation circles overseas. As one who was associated with the administration of the department for some years, and particularly with the establishment of the Australian National Airlines Commission, I take great pride in the continued efficiency of the department and in the extension of the local and overseas flying facilities provided by that commission. I do not criticize the present Minister for Civil Aviation for the part that he has played in the continued smooth functioning of civil aviation, and I want to make it clear that at the moment I am paying tribute to him. I point out that the Minister is carrying out Labour's policy magnificently.

Mr. WHITE.—Perhaps it would be more correct to say that I am carrying on the good work of the previous administration with this important exception, that I am not endeavouring to socialize our airlines.

Mr. DRAKEFORD.—Supporters of the Government, and particularly members of the Australian Country party in this chamber, are continually criticizing socialism while taking the fullest advantage of it, but I take this opportunity to

point out to them that the outstanding successes of Qantas Empire Airways Limited and Trans-Australia Airlines are examples of successful socialist policy, and that not the least of the merits of those two undertakings is that they are now showing a profit on their operations. After all, the legislation to establish Trans-Australia Airlines, the first of those two undertakings was passed only as recently as August, 1945, and in the four years in which they have been operating they have passed through the difficult preliminary stages of the establishment of any great undertaking, and are already returning a dividend of more than 4 per cent. to the Government, which supplied the capital in the first place. I know that those two airlines have often been bitterly criticized on the ground that the money to establish them was provided by the people. They should not be criticized on that account. I take pride and pleasure in the knowledge that the people of Australia are the real shareholders in those magnificent concerns. When Labour established them it had to do so in the face of the most bitter opposition and hostility from many honorable gentlemen who now sit opposite to me. Labour was accused of endeavouring to establish a monopoly of air transport. It is a fact, of course, that Labour did set out to establish such a monopoly. Why did Labour adopt that attitude? It was impelled to do so because determined efforts were already being made by Australian National Airways Proprietary Limited to become a giant monopoly. As I pointed out when the measure to establish Trans-Australia Airlines was introduced to the Parliament, Australian National Airways Proprietary Limited had at that time already absorbed eight competing airlines. Had we not intervened, it would have continued to absorb its remaining competitors, and would have established a gigantic air monopoly by private enterprise. Labour took the view that since civil aviation in this country apparently lent itself to the development of a monopoly, the monopoly should be a government one. I have no doubt whatever that, if members of the public had to choose freely between a private monopoly and a government-controlled monopoly, as

the result of their experience before and after the establishment of Trans-Australia Airlines they would choose the latter.

I have already referred to the extraordinary and almost unprecedented success of the two government-controlled airlines during the last four years. I pay a special tribute to the work done for Qantas Empire Airways Limited by Mr. Hudson Fysh, who manages that magnificent service, and is largely responsible for the fact that the name "Qantas" has become synonymous overseas, as well as in Australia, with service and safety. Many honorable gentlemen opposite who bitterly criticized Labour for establishing an overseas air service had a great deal to say at that time about the fact that British Overseas Airways Corporation lost heavily for some time. I pointed out then, and I repeat now, that the payment of a government subsidy to assist an airline was not confined to the British Labour Government's subsidy of British Overseas Airways Corporation. A Conservative British Government found it necessary for many years to pay a substantial subsidy to Imperial Airways Limited, which was a huge concern founded by private interests in Great Britain. There was nothing improper, therefore, in the decision of the Chifley Labour Government to give to Qantas Empire Airways Limited the sole right to carry airmail on certain overseas routes. The carriage of that mail by the airline enabled it to make a profit of 7 per cent. on that freight, which was most useful in the early stages of the airline, when expenditure was, quite naturally, unduly high. That aspect of the operation of government aircraft corporations is most important, but unfortunately I have not sufficient time to deal with it now. Before leaving the subject, however, I express my agreement with the view enunciated by the Postmaster-General in the course of an answer to a question without notice that he delivered a few days ago. He said then that the making of contracts with airlines for the carriage of airmail upon payment of a surcharge was primarily a matter for determination by the Department of Civil Aviation. I am also pre-

vented by shortage of time from paying the tribute that is properly due to Mr. Fysh and his assistants for their outstanding efforts in establishing such a magnificent reputation for Qantas Empire Airways Limited in so short a time. For the same reason I regret that I am unable to make more than a passing reference to the splendid initiative and zeal displayed by the officials responsible for the outstandingly successful operation of Trans-Australia Airlines. Australia was fortunate in obtaining the services of Mr. A. W. Coles to direct the establishment and activities of that concern. He had been a most successful businessman and he had a special flair for knowing what was required for the successful commercial operation of an airline. The people can be grateful to the Chifley Government not only for having recognized Mr. Coles's outstanding ability but also for having given him a completely free hand to conduct Trans-Australia Airlines. Of course, that Administration deserves credit for the sound attitude that it displayed towards the requests made by Mr. Coles for funds for various purposes connected with the airline. The Government's national policy of conserving dollar expenditure was not sacrificed, but, at the same time, the necessary plant, equipment and aircraft were obtained to enable Trans-Australia Airlines to fulfil its function of rendering the best internal air service of any country in the world.

Only one minute now remains of my time, but I think that I should use it to point out to those honorable gentlemen opposite who entered this Parliament for the first time after the last general election that the establishment of Qantas Empire Airways Limited and Trans-Australia Airlines was achieved by Labour in the teeth of the most bitter opposition of the anti-Labour parties. In making that statement I regret that the operation of the "guillotine" will not permit the Minister for Civil Aviation to reply to my criticism of his political party, but, after all, as a member of the Government that decided to introduce the "guillotine", he cannot fairly complain that he will be denied an opportunity to express his views. I also remind

honorable gentlemen opposite that the two airlines that I have mentioned are socialist enterprises, and I suggest to them that the successful operation of those enterprises should dispose, once and for all, of the stupid contention that socialist enterprises cannot be operated without loss.

The CHAIRMAN.—Order! The time allotted for the consideration of the proposed votes for the Department of External Affairs, the Department of the Treasury, the Attorney-General's Department, the Department of the Interior, the Department of Works and Housing, the Department of Civil Aviation, and the Department of Trade and Customs, has expired.

Proposed votes agreed to.

DEPARTMENT OF HEALTH.

Proposed vote, £656,000.

DEPARTMENT OF COMMERCE AND
AGRICULTURE.

Proposed vote, £1,055,000.

DEPARTMENT OF SOCIAL SERVICES.

Proposed vote, £1,400,000.

DEPARTMENT OF SUPPLY.

Proposed vote, £439,000.

(Ordered to be considered together.)

Mr. RYAN (Flinders) [10.1].—I direct the attention of the committee to the present state of the Australian poultry industry. The facts of the case are well known to the Minister for Commerce and Agriculture (Mr. McEwen) who recently has been overseas, where he has been engaged in many important negotiations connected with different branches of our primary industry, including the poultry industry. Some producers in the poultry industry believe that the interests of that industry have fallen into the background and have not received as much attention from the Government as the interests of some other primary industries have received. As the committee knows well, the majority of our primary industries are enjoying a period of great prosperity. The poultry industry, however, is not prosperous to anything like the same degree as are other primary industries. In fact, it is very notable that a distinct decline of egg production and a

deterioration of the outlook of the people engaged in the poultry industry have occurred in recent times. After the war our poultry industry made great strides, and a large number of new producers entered the industry. In the four years up to the end of last year egg production in Victoria declined by 10,000,000 dozen eggs. It is estimated that in the coming year another decline of production amounting to 5,000,000 dozen eggs will occur in Victoria. I have every reason to believe that the position in other States is substantially the same. The main reason for the decline of production is that unremunerative prices are received for eggs exported to the United Kingdom under contract. Time will not permit me to discuss that matter in detail, but it is quite clear that our export of eggs plays a considerable part in the prosperity of the poultry industry. About 225,000 cases out of 1,000,000 cases of eggs produced in Victoria last year were exported. The United Kingdom contract price is 2s. 7d. a dozen, which is equivalent to 2s. 2.145d. a dozen to the Victorian Egg Board. If the full amount received by the board was paid to producers they would receive 2s. 2.145d. a dozen, less 4d. a dozen handling charges, or 1s. 10.145d. a dozen net. As the committee will remember, that figure is well below the cost of production which, as long ago as the 1st January, 1949, was approximately 2s. 8d. a dozen. Since that date, increases of various costs including the increase of the basic wage and of the cost of poultry feed, have resulted in increased costs of production in the poultry industry. The Victorian Egg Board is paying 2s. 3d. a dozen as a net return to producers. In order to do so, it is drawing on the equalization fund to the amount of 5d. a dozen. That fund is maintained by the home-consumption price of eggs, which is well above the price that is paid for export eggs. The most recent wholesale price, which is the price up to two days ago for home-consumption eggs, was 2s. 9d. a dozen. The producer receives from that amount 2s. 4d. a dozen less 4d. a dozen handling charges. In other words, his return is 2s. a dozen. That return means that producers are operating at a loss, and as a result are giving up their farms in large numbers.

What are we to do to put the industry on a stable footing? Three courses are open to us. The most obvious one is a revision of the contract price received for export eggs. That matter is now the subject of negotiation in London, but, according to the remarks of the Minister for Commerce and Agriculture in this chamber recently, it does not appear that the prospects of obtaining an appreciable increase of the export price are very good. The second course, which has been suggested to the Minister by deputations, is to pay a subsidy. I do not wish to enlarge on that matter, except to say that the payment of a subsidy would require the subsidizing of the producer by the difference between the 1s. 10d. a dozen received for export eggs, and the 2s. 8d. a dozen which is the cost of production. In other words, the subsidy would have to make up a deficiency of 10d. a dozen. Spread over the whole of the Australian poultry industry the subsidy would have to be large. In Victoria, at least, producers are being subsidized in respect of export eggs because consumers have to pay an increased price for home-consumption eggs. This subsidy therefore is a concealed one paid by the consumer.

The third means of tackling the problem would require careful consideration on the part of the committee. It is an increase of the consumption of eggs in this country. Our egg consumption is low compared with that of other countries such as the United States of America and Canada.

Mr. WARD.—Bring the price of eggs down and people will consume more of them.

Mr. RYAN.—The price of eggs is much lower than are the prices of other foodstuffs produced and consumed here. The increase of egg prices since 1939 is less than the increase of the price of any other food commodity. I have been told that the *per capita* yearly consumption of eggs in Sydney is 20 dozen, whilst the comparative rate of consumption in Melbourne is only 8½ dozen. There may or may not be good reasons for that difference. I have not been able to verify the information, but I have been told on very good authority that the reason for the higher rate of consumption of eggs in Sydney is that Sydney eggs are of better

quality and are better marketed and serviced than are Melbourne eggs. It is clear that the home market offers the best hope of increasing the prosperity of our poultry industry. It is reckoned that a 25 per cent. increase of the rate of home consumption of our eggs would mean that we should have no eggs available for export. In other words, our industry could be well based on the home market.

Mr. HAYLEN.—Hens do not have a 40-hour week.

The CHAIRMAN.—Order!

Mr. RYAN.—If we expended £20,000 a year upon a publicity campaign designed to increase home consumption, it is likely that the necessity to pay a subsidy of about £1,000,000 a year would be obviated. I hope that my suggestions will be given due consideration by the Government. The poultry industry is important, because a large number of people is employed in it. I believe that there are no fewer than 30,000 individual egg producers in Victoria, many of whom are ex-servicemen who have entered the industry since the war ended. The industry deserves to be supported.

I shall now deal briefly with two other matters. There is a widespread belief that the existence of the Australian Egg Board is unnecessary. It meets seldom, and it is reckoned that each meeting costs about £400. It has been suggested that the Government might abolish the Australian Egg Board and that, if it still wished that there should be a degree of centralized marketing control for the industry, it could establish an *ad hoc* board composed of representatives of each of the State egg boards, which would meet once a month or every six weeks and do the work that is now being done by the Australian Egg Board. Such a board would be more efficient than the present board is, because it would be more closely connected with the poultry industry in the various States. It would certainly be cheaper to run than is the present board. The Australian Egg Board, as it exists to-day, was nominated by the former Minister for Commerce and Agriculture (Mr. Pollard) because it was not possible, at the time of its establishment,

to arrange for the preparation of rolls for the election of its members by the producers.

Mr. POLLARD.—The system adopted was for nominations to be made by producer organizations.

Mr. RYAN.—I understand that the membership of the board must be replaced by February of next year, and I believe that it would be very much in the interests of the industry, if the board is to continue to exist, if the new membership, other than those members who are to be actually nominated by the Government, were elected. I spoke to the Minister about this matter and I understand that there is some difficulty regarding the time available for the preparation of rolls. I suggest that it might be possible to use the rolls that are used in connexion with the State egg boards as a basis for election to membership of the Australian Egg Board.

Mr. MORGAN (Reid) [10.13].—I regret that the Government has not brought forward any positive programme in relation to national health. It has made purely a negative approach to that matter. It has practically wiped out the pharmaceutical benefits that were provided for in legislation brought down by the previous Government. That action is in conformity with the attitude of the present Minister for Health (Sir Earle Page), who has repeatedly said in this chamber that people cannot get good health from a bottle of medicine. The Minister claimed that by providing more and more free medicine we should virtually convert our people into a nation of hypochondriacs. Every one accepts the dictum that prevention of disease is better than cure of it. But what is the Government actually doing in the sphere of preventive medicine? It proposes to expend a paltry sum on national fitness. The Treasurer has already indicated that the Government is not prepared to grant financial assistance for the construction of municipal swimming pools. The Minister for Health has consistently stressed the merits of natural juices as a better medium than synthetic medicines for supplying the alkaline content of fruit and vegetables. But in this

field also the Government is not actually doing anything. Whilst thousands of pounds worth of citrus fruits is destroyed annually, or allowed to rot, the Government has not taken any action to store such fruit with a view to making it available free of charge, or at a nominal cost, to the community. The Government would make a practical contribution to the interests of national health if it were to take action along those lines. In that way, the Minister could to some degree practise what he has preached in the past.

The Government should make medicine available free of cost to age, invalid and service pensioners who are not entitled to ordinary repatriation benefits because their disability is deemed to be not attributable to war causes. When replying to questions from time to time in this chamber the Minister has assured honorable members that something would be done in that direction. However, we now learn that that scheme is being held up because the requisite printing cannot be done. In the meantime, many persons who come within those categories are denied the opportunity to obtain the medical treatment that they require. I urge the Minister to do something in their interests in the immediate future. The Government should establish clinics in every city and town in which persons who cannot afford to pay for medical attention could receive requisite treatment and thus be placed on the road to recovery.

The Government has also failed to achieve any worthwhile results in the sphere of medical research. Whilst hospitals are directly the responsibility of the States, medical research is within the province of the Commonwealth. It offers plenty of scope for action. All of us realize that medical science is not an exact but an empirical science. Evidence of that fact is provided in comments that were made recently by Professor F. M. Burnet, of the Walter and Eliza Hall Institute, when he returned recently from a tour abroad. I quote the following from a report that was published in the *Melbourne Herald* last Thursday:—

YOUR COLD IS HERE FOR GOOD, SAYS EXPERT.

Still got that spring cold? Last night the leading world authority on the common cold

Professor F. M. Burnet, of the Walter and Eliza Hall Institute, had bad news for you.

"There appears to be no likelihood of any practical approach ever being found to the common cold," he said.

Professor Burnet returned to Melbourne yesterday after a seven-months lecture tour of England and America under a grant from the Carnegie Corporation.

He explained that he had spent his spare time in seeing how the rest of the world was progressing in its research into the two virus diseases of which he is the acknowledged expert—influenza and the common cold.

"About that cold," Dr. Burnet said last night. "You might say that we have put our foot in the door as a first step towards understanding it."

"But even when we understand it, if ever, we shall be no further advanced towards preventing it. The common cold, we might regrettably say, is here for good."

That opinion was expressed by a world authority on the common cold, which is the most common malady that afflicts humanity. Professor Burnet indicated that medical science had not progressed very far in its efforts to discover the causes of and cures for many diseases. From time to time much publicity is given to discoveries that are claimed to be panaceas, but almost invariably they are shown to be nothing more than nine-day wonders. For instance, it was recently discovered that cortisone and ACTH, which have been used for the treatment of several rheumatic and other conditions and which had been much publicized by the drug combine, can have serious after-effects. Dealing with those drugs the Minister for Health said—

Both of these drugs are at present produced from natural materials—ACTH being extracted from the pituitary bodies of pigs, and Cortisone is obtained on a semi-synthetic basis from mammalian bile, chiefly ox bile. Efforts towards making Cortisone by a process of total synthesis have so far been unsuccessful.

The data available is still incomplete and inconclusive and some potentially harmful effects and reactions have been observed. For example, after cessation of treatment, medical supervision has been found to be most necessary as there is a possibility that the drug may continue to act after discontinuance, and even a recurrence of severe manifestations of the disease has occurred.

Such men as Kendall and Hench of the Mayo Clinic, who have been in the field from the beginning, have expressed the opinion that it may be some considerable time before the

many problems which arise in the use of these potent and potentially harmful hormones can be solved.

The Government has a distinct duty to perform in that matter. During the current year a poliomyelitis epidemic has raged in all States, particularly in New South Wales, where it has reached five times the proportions of the epidemic that was experienced last year. Yet, the Minister merely says that the best medical authorities have been trying for many years and at the cost of millions of pounds to discover a cure for that disease. The Government should set up an all-party parliamentary committee to investigate this problem.

Mr. HAWORTH.—What, another all-party committee!

Mr. MORGAN.—Supporters of the Government laugh at my suggestion, because they are victims of prejudice. The Minister himself has admitted that the orthodox medical approach to this problem has not produced results. An all-party parliamentary committee should be appointed to investigate it. Such a committee would not be influenced by particular interests and would not have any preconceived ideas or be hindered by professional ethics. I do not criticize the members of the medical committee that the Government has set up to inquire into this subject, but merely say that all the members of that committee are orthodox medical men who are to some degree precluded by the ethics of their profession from making an unorthodox approach to the problem. An all-party parliamentary committee would undoubtedly approach the problem from every standpoint. In this matter we should follow the example of the British House of Commons, which appointed an all-party parliamentary committee to examine the position of osteopaths when a move was made by the British medical profession to prevent them from practising. As a result of that committee's examination osteopaths in Great Britain were permitted to practise and thus give the benefit of their skill to the community. Some time ago the Government of British Columbia appointed a royal commission to investigate the status of osteopaths and chiropractors.

The TEMPORARY CHAIRMAN (Mr. Ryan).—Order! The honorable member's time has expired.

Mr. FAILES (Lawson) [10.28].—I wish to refer to the proposed vote for the Department of Commerce and Agriculture. I direct the attention of the committee to the rabbit menace. The rabbit is the greatest scourge of pastoral Australia. To-day more than ever before Australia needs to increase its pastoral and agricultural production, but, unquestionably, will not do so until it deals effectively with the rabbit. I doubt whether this scourge was ever greater than it is at present. All honorable members are aware of the damage that the rabbit causes. It is hardly necessary to point out that it not only eats pastures but also despoils them. It denudes the soil of natural pastures and thus opens the way to soil erosion, because after the pastures have been destroyed, wind and rain cause gullies to form and thus the surface soil is shifted. The rabbit does not eat only grass. He eats the best grass, and destroys pastures in that way. An advertisement that was inserted in a Melbourne newspaper read, "Fat rabbits—fattened on the very best pastures". Is it fair even to advertise the fact that the rabbits are fattened on the very best pastures?

Mr. TURNBULL.—Is it cricket?

Mr. FAILES.—I doubt very much whether it is, but the fact remains that the rabbit is a selective eater, and selects the very best pastures. It has been estimated that one sheep will eat no more grass than eight or ten rabbits will eat, and in view of the rapidity with which these vermin breed it does not require a great deal of thought to realize the number of sheep that is being displaced by the millions of rabbits in Australia to-day. The method of dealing with that vermin is about the same as that used in the old days, when sheep were shorn with blades. We still trap or poison rabbits, and try to control them with wire-netting fences. To-day, the problem of obtaining sufficient wire netting for the adequate control of the vermin is greatly worrying the man on the land. Such shortages are being overtaken, but supplies of netting are not yet sufficient for the purpose.

I understand that considerable research has been conducted by the Commonwealth Scientific and Industrial Research Organization in an endeavour to find a means of completely eradicating the pest, instead of merely reducing its numbers, but, unfortunately, those researches have not yet met with the success that is desired. I have received numerous letters from my constituents, many of whom are not impractical men. Realizing the gravity of the menace, they suggest that the Commonwealth should treat the problem on a national plane and offer a reward—a figure of £1,000,000 has been suggested—for a completely effective method of eradicating rabbits from the pasture lands of Australia. I do not know with what feelings the Minister may regard such a suggestion, but I ask him to consider the advisability of offering a reward that would stimulate research to the very utmost into methods of eradicating the pest. The payment of £1,000,000 for a completely effective remedy would be a cheap price to pay. I leave that thought with the Minister. I commend his efforts in his department and feel sure that no greater contribution to an increase of production could be made than the elimination of the curse of Australia, the rabbit.

Mr. POLLARD (Lalor) [10.34].—I have perused the estimates for the Department of Commerce and Agriculture with considerable interest. I congratulate the Minister for Commerce and Agriculture (Mr. McEwen) upon having inherited a department that is efficiently staffed, and is most competent to deal with unorthodox matters that arise almost daily. As I read the details of the proposed vote for that department, I was most impressed by the fact that its functions are so important that, in approximately twelve months of the honorable gentleman's administration, the staff has increased by approximately 40 officers. I do not criticize such an increase because I believe it to have been absolutely necessary. I made a similar statement when I was Minister for Commerce and Agriculture. But I point out that such an increase has taken place under an administration the members of which, when in Opposition, violently condemned the Chifley Labour Government for having

continually increased the number of public servants, whom they offensively termed "unnecessary bureaucrats". An examination of the Estimates discloses an increase of staff that is startling and general. I do not quarrel with it because, as I said on a previous occasion, an increase of staff in a private enterprise, be it a wholesale or retail business, or primary production, usually indicates an increase of activity and of production. The situation is precisely the same in government administration. However, I believe that I should direct the attention of the people of Australia to the inconsistency and unfairness of members of the present Government who, when in Opposition, criticized the Chifley Government for having permitted increases of the staffs of the Commonwealth departments.

I should like the Minister to inform me of the exact position of the Australian whaling industry, under the administration of the Australian Whaling Commission. For many years, governments considered the advisability of establishing the whaling industry in Australia, because it was known that such sea wealth abounded off the Australian coast, and that many other countries had been exceedingly busy in exploiting it. Therefore, the preceding Labour Government, after having thoroughly examined the possibility of purchasing large capital ships at a cost of between £3,000,000 and £4,000,000, decided to appoint the Australian Whaling Commission and to vest it with authority to establish and operate a whaling base in Western Australia. From press reports, I conclude that such a station has been established after twelve months' work, and that some whales have been caught. I ask the Minister to give me complete details of that industry, because the Estimates under consideration do not contain any information about it. Will the Minister tell me the amount of capital expenditure, how long the station has operated this season, how many whales have been caught, what is the value of the yield, how many months the station will operate in a normal whaling season, and what is the estimated profit of the catch for a full season, particularly next year, and whether it is likely that the station will be ready to commence operations as from the date

permitted under the International Whaling Convention? I hope that, if the operations yield the estimated profit of approximately £500,000 per annum, this Government, in keeping with its decision in respect of Trans-Australia Airlines, will not dispose of such a profitable socialist venture. I believe that, on the basis of the estimates supplied to the Chifley Government, the whaling industry will be successful, and I hope that its success will be followed by the establishment of a similar station at a point on the east coast of Australia, with a view to exploiting the wealth that undoubtedly exists in those waters.

Another part of the Estimates for the Department of Commerce and Agriculture are conspicuous, because they do not give any indication of action by the Minister to honour various promises that he made when he was in Opposition. We were led to believe that one of his first acts, on assuming his present responsible position, would be to establish some form of arbitration tribunal to compute the costs of production in the various primary industries and to assess what growers should receive as guaranteed prices for their products. Twelve months has elapsed since the honorable gentleman became Minister for Commerce and Agriculture, yet no arbitration tribunal, board or any other authority has been established for those purposes. "Divil a word" have we heard of it during that time. I am convinced that the Minister finds that the organization appointed by the Chifley Government which inquires into costs of production in the dairying industry is so efficient and so popular that it is not desirable to disturb it. I believe that the dairymen do not wish it to be altered in any way. They are delighted with its operations. They know that they are receiving the best deal that they have ever had in the history of the dairying industry in this country. But that is not to say that they are receiving a sufficient return. I do not believe that dairymen will ever receive full recognition for working seven days a week.

The Minister, upon assuming office, found that the Division of Agricultural Economics was functioning in a most efficient manner. That

organization was established by the former Minister for Post-war Reconstruction, Mr. Dedman, and was later transferred to the Department of Commerce and Agriculture. The division, as a result of the inquiries that it has conducted into costs of production in various industries, has evoked the admiration of State governments and of primary producers throughout the length and breadth of Australia. The Minister obviously recognizes its efficiency, because he has seen fit to increase its personnel. To-day, that organization, in effect if not in fact, is carrying out all the work of any tribunal that the Minister could appoint, in accordance with his earlier promises, to establish costs of production. The honorable gentleman has found that his own department has an organization that is fully equipped to deal with the various problems which, when in Opposition, he said needed attention. I am gratified to learn that the Minister, in an introductory chapter to a recent issue of the *Quarterly Review* that is issued by the Division of Agricultural Economics, said that the organization would continue to make its investigations and reports as it had done hitherto. That is to say, it will carry on without interference, as it did under the Chifley Labour Government, and will report without bias on various matters.

The Minister also found in existence in the Department of Commerce and Agriculture an efficient and satisfactory system that was established by the preceding Government, under which the variation of the cost of production of wheat in Australia was ascertained annually. The investigations are undertaken by an appropriate committee, and the basis of its findings, as well as its findings themselves, are made available, in accordance with a decision by the Chifley Government, to a representative of the Australian Agricultural Council, who is appointed without any political interference, and to the nominee of the Australian Wheat Growers Federation. That system has worked efficiently for some years. The findings of the committee were adopted by the previous Government, and are being adopted by the present Government. I ask the Minister

to inform me whether the increased cost of production of wheat for the coming season has yet been determined. I cannot refrain from telling the honorable gentleman that the Government, as a result of abolishing the subsidy on superphosphate, will be confronted with a higher cost of production that will effect the guaranteed price to wheat-growers. Farmers will pay an additional £2 10s. a ton for their superphosphate, and this will inevitably increase the cost of production. The State Ministers who administer prices control will not agree to increase the price of wheat, and the Commonwealth is confronted with the necessity to pay a subsidy over and above the found cost of production of wheat. The fact is that an efficient organization was already in existence and the Government found it unnecessary to give effect to its declared intention to appoint a special tribunal. That proposal has met with solid opposition from the primary producers who are satisfied with the administrative machinery that was established by the Labour Government.

The honorable member for Flinders (Mr. Ryan) spoke about eggs. Unfortunately, the egg producer to-day is at a disadvantage compared with other primary producers.

Mr. WHEELER.—As the result of the overseas contract that was negotiated by the Labour Government.

Mr. POLLARD.—If the honorable member for Mitchell (Mr. Wheeler) will consult the Minister for Commerce and Agriculture I am sure that he will obtain from him a frank confession that I, his predecessor, extracted from the United Kingdom representatives who visited this country the last fraction that they were willing to pay for eggs at that time. I also suggest that the honorable member obtain a copy of the latest issue of the official journal of the Victorian Egg and Egg Pulp Marketing Board, a completely conservative organization, under the chairmanship of Mr. Jim Carter, which consists of members elected by the egg producers of Victoria. If he will study the journal with care he will see in it the report of a statement of an official of the Australian Egg Board who said recently, upon his

return from a visit to Great Britain, that Australia was fortunate, in comparison with other countries, in having a long-term contract for the sale of eggs to that country. That statement does not necessarily imply that the price is satisfactory or profitable to the producers. However, the official points out that countries without long-term contracts are battling to obtain remunerative prices from the United Kingdom. The fact is that the capacity of the United Kingdom and adjacent European countries, such as Holland, Denmark, Latvia and Poland, to increase production is so great that the British Ministry of Food is strongly determined not to pay increased prices to countries with which it has not concluded long-term contracts. I emphasize that that is not my assessment of the situation. It is the assessment of an official of the Australian Egg Board.

The TEMPORARY CHAIRMAN (Mr. Ryan).—Order! The honorable member's time has expired.

Mr. McEWEN (Murray—Minister for Commerce and Agriculture) [10.49].—I assure the honorable member for Lawson (Mr. Failes) and other honorable members who have spoken of the undoubtedly seriousness to the pastoral industry of the rabbit menace that the Government is fully aware of the difficulties of the problem. A few months ago I was present at a full discussion of this matter by the Australian Agricultural Council, which is the meeting place for the Minister for Commerce and Agriculture and State Ministers for Agriculture. During that discussion we considered the respective roles of the States and the Commonwealth in combating the rabbit pest. This Government has declared its intention to do all that it can do within its administrative and constitutional limitations to eradicate rabbits. It has endeavoured through the channels of the Department of Immigration and the Department of Labour and National Service to divert additional labour to the work of rabbit destruction; it has allowed poisons, fumigants and wire netting and other fencing materials to enter the country under by-law free of duty, and it has arranged for the whole weight of the scientific knowledge of the Commonwealth Scientific and Industrial Research Organization to be

directed to the problem. I shall not discuss in detail all measures that have been taken, because the time available to the committee for this discussion is limited, but I assure those honorable members who are concerned that the problem is not being overlooked.

The honorable member for Flinders (Mr. Ryan) discussed the egg industry. As eggs that are consumed in Australia are under the control of marketing boards, which have been established in each State under State statutory authority and which in all States except South Australia are controlled by a majority of elected representatives of the producers, the responsibility for administrative action clearly rests with the State governments. In respect of the export of eggs, the powers of the Australian Government are confined mainly to the terms of the contract that was made with the United Kingdom by the previous Labour Government for the sale of eggs over a period of five years. I shall not discuss the details of the contract. However, in order to fortify our negotiators at their annual discussions with representatives of the United Kingdom and in order to obtain a clear picture of the general economic situation of this important industry, I have instructed the Bureau of Agricultural Economics to undertake immediately a new and comprehensive review of the industry. I have asked the bureau to have the inquiry completed as soon as possible, and in any case not later than the middle of February, 1951. The cost of production as disclosed by the investigations, and other relevant facts will be used first in the negotiation of the revised price to be paid under the contract with the United Kingdom and later in the general interests of the industry. The facts will enable the industry to state its position to the Government if the circumstances of the new overseas price are considered to warrant representations of that kind.

Mr. THOMPSON.—How does the mill offal position affect the industry?

Mr. McEWEN.—The shortage of mill offal causes difficulties, but the industry derives advantage from the fact that its price represents only about one-half of what might be regarded as the world parity price for mill offal. I hope to present to the Parliament to-morrow a bill

which will provide for the extension of the period of office of the present representatives of the producers on the Australian Egg Board until the Commonwealth Electoral Office can compile a roll of producers and conduct a nation-wide ballot on a standard franchise for the election of new representatives. The price negotiations in the United Kingdom will be conducted by a senior departmental official, because the discussions will be on a government-to-government basis, but he will be assisted by the chairman of the Australian Egg Board and two representatives of the producers on the board.

I agree with the remark of my predecessor in office, the honorable member for Lalor (Mr. Pollard), that I am fortunate in administering a department that has a very efficient staff. I pay tribute, as he has done, to the earnestness, industry, sincerity and capacity of the members of that staff. Since the Estimates for 1949-50 were considered the former permanent head of the department, Mr. McCarthy, has been appointed Deputy High Commissioner in the United Kingdom. He has been replaced by Mr. Crawford, the former Director of the Bureau of Agricultural Economics. The country, the department, and all the industries that do business with the department are fortunate to have a man of that calibre in the position. Mr. Tonkin, the Director of Marketing, ranks as No. 2 man in the department. He is a man of tremendously wide experience, and we are fortunate also to have the benefit of his services. I am sure that the honorable member for Lalor would not expect me to take very seriously his criticism of the addition to the staff of the department of 40 new officers. I am not sure of the precise number, but I accept the figure that he has stated. Surely in a huge organization like the Department of Commerce and Agriculture, the comment might be that this represents a very small addition over a period of twelve months.

Mr. POLLARD.—I did not criticize the addition. I criticized the Minister's inconsistency.

Mr. McEWEN.—I do not wish to misrepresent the honorable member. Apparently the reminder makes him uncom-

fortable. The work of the department has world-wide ramifications. Surely the fact to which the honorable gentleman referred provided an opportunity for a rebuke on account of economy rather than for criticism on account of extravagance.

I shall refer briefly to certain principles of policy which have been applied in the administration of the Department of Commerce and Agriculture during the term of office of this Government. The Government takes the view, in respect of marketing boards, that the wheat, meat, butter, eggs and other products which come into the possession of the boards should be regarded, not as the property of the Government to deal with as it likes, but as goods held in trust for the producers, who still retain their ownership. Therefore, no ministerial directions in respect of the sale of any primary products have been issued during the period of office of this Government. The Australian Wheat Board has operated, not as an instrument of government policy, but as a commercial realizing authority. The principles of the Wheat Industry Stabilization Act have been observed. The first administrative act of this Government was to proclaim a new cost of production figure for wheat which determined the guaranteed price for that product. I have already received the report of the Bureau of Agricultural Economics and the "Wheat Index Committee" concerning the new increased cost of production of wheat. Having regard to the terms of the act, I am in constant telegraphic communication with the State governments, and at the conclusion of these consultations the Government will proclaim the new and increased guaranteed price for wheat. I hope that it will be possible to do that before the present sittings of the Parliament ends. The Government has announced its intention, in accordance with its election promises, to consult the industry with a view to devising terms upon which the stabilization of the price of wheat in a form acceptable to the industry may be extended to a period of ten years. This is a living example of the present Government's political philosophy and its election undertakings in regard to the wheat industry. It has

carried out the same policy in relation to the wool industry and it has acted, not upon its own initiative, but upon the definite request of three organizations of wool-growers. The Government introduced legislation in order to put into operation a reserve price plan for wool and has imposed a levy upon that product of 7½ per cent. only after it asked the wool-growers' organizations whether they approved of it and after it had received from each a reply in the affirmative. It has been made quite clear that the Government will not take action in respect to the proposed reserved price for wool unless the wool-growers desire it so to act. As soon as conveniently possible a referendum of wool-growers will be held in order that they may make a decision on the proposed plan. If their decision is in the affirmative, the plan will be put into operation. If their decision is in the negative, no plan will be introduced and the levy which they have paid will be returned to them in full.

A similar approach has been applied by the Government to other industries. At present, negotiations are being conducted on behalf of the meat industry for a fifteen-year contract with the United Kingdom on terms which have been discussed frequently with the Australian Meat Board, which includes a majority of producer representatives. The butter price negotiations have been conducted this year for the first time by the representatives of the dairy industry who included the chairman of the Australian Dairy Produce Board and one of the producer members of the board, Mr. Gibson, who is the federal president of the Australian Dairy Farmers Federation. The apple and pear producers have had the future of their industry examined in London, not only by government officials but also by the Parliamentary Secretary for Commerce and Agriculture, the honorable member for Franklin (Mr. Falkinder), who represents the largest apple producing electorate in the country, and by the chairman of the Australian Apple and Pear Board, upon which there is a majority of producers. Representatives of the dried fruits industry have been negotiating a price for the dried fruit crop in London with the representatives of co-

operative factories. Early in the New Year the new egg prices will be negotiated by the chairman of the Australian Egg Board and two of the producer representatives of the egg industry who sit on the board. This is evidence that the Government genuinely intends to put into effect its announced policy and has proceeded to put it into effect whenever it has had the opportunity to do so.

The honorable member for Lalor (Mr. Pollard) said that a higher price for wheat for home consumption would not be approved and had not been approved last year by the State Ministers who administer prices control. Wheat is, perhaps, the one commodity in respect of which the States have transferred price-fixing control to the Commonwealth for a period. Wheat stabilization legislation is embodied not merely in a federal act but in a federal act plus six State acts which decree that the price guaranteed by the Commonwealth shall automatically operate as the price for sales within Australia during the year. This represents a transference of State price-fixing authority to the Commonwealth in respect of this commodity. When this Government came to office it found that within a few days the subsidy of 3d. per lb. on butter which had been guaranteed by the Chifley Government and which had been brought into operation on the day that the previous Parliament was dissolved would operate only until the 31st December. On the first day that the present Cabinet met it was agreed that the 3d. per lb. guarantee should be extended for a further six months. During this time there was a further cost of production inquiry and the increased cost of production of butter subsequent to the 1st July was provided for by the present Government. The dairying industry is receiving the revealed cost of production of its product in accordance with the announced policy of the former Government and of this Government. In effect, the Australian consuming public receive a butter subsidy of 1½d. per lb., which means that they purchase the butter for 1½d. per lb. less than the cost of production of this basic foodstuff.

Mr. CALWELL.—Is that a consumer subsidy?

Mr. McEWEN.—That is a consumer subsidy. I am referring to the commercial pound of butter. The honorable member for Lalor inquired about the present position of the Australian Whaling Commission which he established. The Whaling Commission is operating in Western Australia or was operating during the whaling season. There was an unfortunate delay in commencing operations because the necessary buildings were not completed and the installations were not in place, but I understand that fourteen whales were caught during the short whaling season.

Mr. TOM BURKE.—The commission did a good job.

Mr. McEWEN.—As the honorable member for Perth (Mr. Tom Burke) has said, it did a good job to catch any whales at all. The Government hopes that the commission will have a successful season next year.

Mr. DALY (Grayndler) [11.9].—I notice that an amount of £277,000 has been provided in the Estimates for health services, which includes £51,000 for the administration of the pharmaceutical benefits scheme, an increase of £4,000 on the expenditure of the preceding year. This means that £51,000 is to be spent on the administration of the half-baked pharmaceutical benefits scheme which has been thrown up by the British Medical Association and which will benefit only 5 per cent. of the Australian taxpaying public. The Minister for Health (Sir Earle Page) is in the chamber and I presume that he will endeavour to defend his scheme, which does not provide any benefit for those people who are most in need of assistance—the pensioners. The Government has drawn up a scheme which has not been put into effect and thousands of people who are drawing pensions will be denied its benefits. I consider that the expenditure of this £51,000 will be a waste of money unless the Minister can tell the committee why he will not implement completely the scheme which the previous Government put into effect and which provided for the needs of 95 per cent. of the population. Honorable members want to know what the administrators of this

department are doing, what its officers are doing and what the Minister is doing to police the prescriptions which have been issued by the thousand by every medical practitioner in Australia. If these prescriptions are not necessary the Government should take action against the doctors concerned and if they are necessary in order to benefit people their cost should be provided for under the pharmaceutical benefits scheme. There is no point in the Minister telling honorable members that doctors issue prescriptions unnecessarily. No matter what a patient may, in good faith, complain of, in nine cases out of ten, a medical practitioner will furnish a prescription in order to enable his patient to try to regain his health by way of the medicine bottle. For that reason, these medicines save life in the early or later stages of disease yet the Minister proposes to spend £51,000 on the administration of a scheme which denies to practically all sections of the Australian public the benefits to which they are entitled. It is amazing that £51,000 is to be spent on this scheme although, before one can benefit from it, one must have one foot in the grave and be ready for the undertakers.

How much of the £51,000 will go to members of the British Medical Association who have decided upon the adoption of this scheme? How much will be allocated to people who at least give some thought to providing pensioners with a reasonable share of the free benefits to which they are entitled? Honorable members of the Opposition would like to know, before any more money is spent on this scheme, why the Minister for Health has abandoned the scheme proposed by the Chifley Government which provided for the needs of 95 per cent. of the public. Did the Minister introduce this scheme because he wished to please the British Medical Association and supply only a limited number of drugs? What is the use of the scheme if one must be half dead before he can receive any benefit from it. What action will the Minister take concerning the issue of those prescriptions, which he, as a medical man, said are unnecessary? The whole position is fantastic. The Minister's scheme will not be acceptable to the

Australian public until it provides for the treatment of every one in the community, particularly those people who depend on pensions for their living and who, at present, have to spend their meagre earnings to pay for medicines the cost of which should be met by the Government.

We do not want any more blue-prints on the matter of pensioners. We have all read the regulations and heard the plans of the Government, and we know what the Government intends to do. What honorable members on this side of the chamber want to know now is when the people are to get their proper pensions, and by how much those pensions will be increased next year to give the pensioners an adequate standard of living. Some time ago I raised the matter of the withdrawal of pensions from invalids who had been certified, following a medical examination conducted by a departmental doctor, as fit for work. Following my representations on this matter, similar complaints have been made by other honorable members of the Opposition.

I mentioned three glaring cases in which pensions had been withdrawn. The first was that of a man aged 46 years who had been receiving an invalid pension for 21 years. That was withdrawn and he was certified as fit for work, despite the fact that he was completely paralysed on one side, was unable to read or write, and was generally speaking a complete invalid. The second case was that of a man 26 years of age, who had never been able to work, and who had suffered from glandular deficiency since birth. His eyesight was defective and he was in a poor state of health. Yet he was certified as fit for work. The third case certified fit for work was that of a woman 41 years of age who had been receiving a pension for some considerable time. She had been an invalid practically all her life, and had never been able to work. She was mentally deficient, and was told by the Department of Social Services that she was unemployable. The pensions in those three cases were withdrawn on the recommendation of a medical practitioner who certified those people as 85 per cent. fit.

I raised those matters with the department and had the three people re-examined. After a considerable period of hardship and suffering, all three pensions were restored. I complained about the matter in the Parliament, and offered to submit to the Minister for Social Services the names and addresses of the people concerned, so that he could investigate the qualifications of the medical practitioners who were so stupid and incompetent as to certify the pensioners as fit for work. I offered to bring the people to the Minister's office to prove the incompetence of those medical men. I thought that that would have been enough to start an investigation of some kind, but nothing has happened.

An invalid girl aged 21 or 22 years was recently brought to my office in my electorate. She was mentally deficient, but she had been certified as 85 per cent. fit for work, and had been told to apply for employment.

Mr. CRAMER.—Mentally deficient after seeing the honorable member?

Mr. DALY.—I would not expect anything better than that remark from the honorable member. He does not know what hardship is. He is here by accident, he does not understand these things, and he will probably be gone after the next election. If he does come through that trial, he may learn something. I should have thought that these practices by the department would have stopped, and that some investigation would have been made. But now a further case has come to my notice which is similar in every detail to those that I have mentioned. I ask the Minister to order a complete investigation of the credentials of the doctor or doctors concerned. If only one doctor is involved he should not be allowed to conduct such examinations, and if a number of doctors are involved their credentials should be carefully examined. I am concerned about whether it is Government policy to do these things to the pensioners. Perhaps the Minister wanted certain people to be sent to work, and ultimately sent to their graves. Is it Government or administrative policy to deny these people a pension in order to save a few paltry pounds? Does the Government realize

that when it withholds pensions, even for a day or a week, great hardship is suffered by the persons from whom they are withheld. The pensioners who, when no pension is paid, have to depend on the small earnings of their parents, are in a most unhappy position. I ask the Minister at the table (Mr. McBride) and the Minister for Health to take details of the cases that I have given and to have a complete investigation made. I do not know what the policy of the Government is on social services, but since this Government has assumed office the administration of social services throughout the Commonwealth has hardened. A Government that went to the people pledged to abolish the means test, improve social services benefits, and to do many other things to ease the burden on pensioners, has to-day got the name of being one of the hardest governments that has ever administered social services in this country.

Conversation being audible,

The TEMPORARY CHAIRMAN.—Order! There is too much audible conversation.

Mr. DALY.—Have the Minister for Health and the Minister for Social Services declared war on the sick, the aged and the suffering? Ministers may sit on the front bench and smile, but many pensioners to-night are suffering through their policy. I ask that the Government investigate these matters, and that the Minister for Health investigate the credentials of the doctors concerned.

The TEMPORARY CHAIRMAN.—Order! The honorable member's time has expired.

Mr. HAWORTH (Isaacs) [11.22].—I do not propose to reply to the statements made by the honorable member for Grayndler (Mr. Daly) because they are without substance. The Department of Health has grown enormously during the last few years, largely due to the administration of the new Pharmaceutical Benefits Act which the previous Government was unable to administer because it was unable to get the co-operation of the medical profession. It is to the credit of the Minister for Health (Sir Earle Page) that he

has made available a number of free drugs for the benefit to seriously ill people throughout the Commonwealth, and it is most pleasant to learn that the British Medical Association and the chemists will co-operate in the proposed general practitioner and medicine service for practically 1,000,000 people which will be introduced at the beginning of the new year. All these are very healthy signs that we are moving towards the complete implementation of the type of national health service forecast by the Government parties in the joint policy speech delivered in 1949. That was based on the principle of first things first. Those primary things are, improved nutrition, the prevention of disease and free curative medicine. By and large the free drug system is working smoothly, but there are, to quote the Minister for Health, some "teething pains". One of those difficulties concerns the delayed payments to be made to those people who are providing the services. Without being critical, I say that much of the trouble can be avoided by the creation of a pharmaceutical division of the Department of Health to carry the responsibility of these new schemes. The pharmaceutical section has been the cinderella of the Department of Health compared with the medical division, and the time has come when it should be given its full rights within the department. Many of the delays in introducing the free medical scheme have been caused by an interlocking and, in some cases, failure, of departmental procedures. The statistics show how enormously the pharmaceutical section of the department's work has grown during the last five years. I do not suggest that a new department should be established, but I do suggest that the Minister for Health should consider a complete overhaul of his department in order that it may be enabled to discharge adequately the extra responsibilities that now devolve upon it. I make an appeal for the cutting of red tape and the simplification of procedures within the department. Surely the time has arrived when responsible officers within the department should administer all matters affecting the spheres of public health that appropriately come within the

provinces, instead of one division acting as a bottleneck. Heads of divisions should be competent to give quick decisions, based upon a sound knowledge of the services for which they are responsible.

That would be in conformity with the policy that was enunciated by the present Prime Minister (Mr. Menzies) in the policy speech that he delivered on behalf of the present Government parties in 1949. Dealing with health and medicine, the right honorable gentleman said—

A Commonwealth Government approaching this matter with common sense will work for the co-operation of the States, of the municipalities, of hospital managements, of friendly societies, and of the medical, dental, pharmaceutical and allied professions.

We have staved off the nationalization of health services and are developing such services through private enterprise, but there is far too much red tape and circumlocution in dealing with the bodies to which the Prime Minister referred. The Department of Health should be streamlined to enable it to work more smoothly with private enterprise, upon which it is entirely dependent in connexion with the provision of health services. Each division of the department should, subject to directions from the Minister, be autonomous. That would expedite the provision of the complete health service for which the community has been waiting since 1945. In that connexion, more progress has been made under the present ministry during the last eight or nine months than was made in five years under the previous government. I believe that the additional services that this Government has promised the people could be made available more quickly if within the Department of Health there were directors who were authorized to act on their own initiative and who were responsible only to the Minister, who, in turn, is responsible to the Parliament itself. I congratulate the Government upon the progress that it has made during the last eight or nine months, but I believe that it would make even greater progress if it implemented the suggestions that I have made.

Proposed votes agreed to.

Progress reported.

BILLS RETURNED FROM THE SENATE.

The following bills were returned from the Senate:—

Without amendment—

Income Tax and Social Services Contribution Assessment Bill 1950.
Wheat Industry Stabilization (Refund of Charge) Bill 1950.
Salaries (Statutory Offices) Adjustment Bill 1950.

Without requests—

Income Tax and Social Services Contribution Bill 1950.

TARIFF PROPOSALS 1950.

EXCISE TARIFF AMENDMENT (No. 2).

In Committee of Ways and Means:

Motion (by Mr. McBride) agreed to—

That the Schedule to the Excise Tariff 1921-1949, be amended as hereunder set out, and that, on and after the sixth day of December, One thousand nine hundred and fifty at nine o'clock in the forenoon, reckoned according to standard time in the Australian Capital Territory, Duties of Excise be collected in pursuance of the Excise Tariff 1921-1949 as so amended.

EXCISE DUTIES.

Articles.	Rate of duty
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11. By omitting the whole of paragraph (2) of sub-item (A) and inserting in its stead the following paragraph:—

“(2) N.E.I. ... per gallon 8½d.”

By omitting the whole of paragraph (2) of sub-item (B) and inserting in its stead the following paragraph:—

“(2) N.E.I. ... per gallon 8½d.”

Resolution reported.

Standing Orders suspended; resolution adopted.

Ordered—

That Mr. McBride and Mr. White do prepare and bring in a bill to carry out the foregoing resolution.

EXCISE TARIFF BILL (No. 2) 1950.

Bill presented by Mr. McBride, and read a first time.

SECOND READING.

Mr. McBride (Wakefield—Minister for Defence) [11.30].—I move.—

That the bill be now read a second time.

The object of this bill is to insert the words “per gallon” in two places in item 11 of the schedule to the Excise Tariff.

The item relates to petrol. Those words were inadvertently omitted from the final copy of Act No. 3 of 1948. The bill is designed to re-insert the words and to validate collections since the 15th November, 1946, the date of operation of the 1948 act. The measure is purely of an administrative nature, and does not affect the duties being collected at the present time. I commend the bill to honorable members.

Question resolved in the affirmative.

Bill read a second time, and passed through its remaining stages without amendment or debate.

TARIFF PROPOSALS 1950.

CUSTOMS TARIFF AMENDMENT (No. 2).

In Committee of Ways and Means:
Consideration resumed from the 8th June (*vide* page 4026), on motion by Mr. McBride—

That the Schedule to the Customs Tariff 1933-49, as proposed to be amended by Customs Tariff Proposals introduced into the House of Representatives on the eleventh day of May, 1950, be further amended as hereinafter set out (*vide* page 4020).

Mr. TOM BURKE (Perth) [11.36].—Whilst the Opposition does not oppose the motion, we express our concern, first, at the method by which the Government is seeking to protect the rayon-weaving industry and, secondly at the apparent indecision of the Government since the matter was introduced. In the first place, the present Minister for Defence (Mr. McBride), who introduced the proposal some months ago, pointed out in his second-reading speech on that occasion that the Tariff Board had considered the matter and had made an exhaustive report. The board recommended that an increased duty should be imposed and also that a bounty should be paid in order to protect the industry. On the issue of protection raised by this Minister, the Opposition agrees completely with the Government. Our policy has always been that the country should be made more self-supporting. It is clear that the rayon-weaving industry is important to Australia and that it should be established in this country. At the same time we believe that when the Tariff Board makes a

report that report should be given most serious consideration by the government of the day. Of course, no government should necessarily accept the recommendations made by the Tariff Board, but it is incumbent upon a government to consider most carefully the recommendations made by the board. The Minister said that the reference to the board was made under a section of the Tariff Board Act which provides for the payment of new or higher tariff duties and not for the payment of bounties to manufacturers. However, fortunately, in this instance the board considered the effect upon the community, as well as the effect upon the industry, of both methods of stimulating local industries. It made a very close examination and comparison of the operation of the two methods of affording protection to the new industry, and in consequence of that examination it recommended very definitely that a bounty should be paid to the industry and a small tariff should be imposed on imported rayon woven goods. The statistical comparison furnished by the board shows in detail the estimated cost to the Government of subsidizing the industry by the payment of a bounty, and the influence on the cost of living that would probably follow the imposition of a substantial customs tariff. As I have already said, the board came to the conclusion that a small tariff should be imposed but that a relatively high bounty should be paid by the Government. In submitting that report members of the board had in mind the period during which a bounty would probably require to be paid in order to enable the industry to be established, the limitation of the operation of the bounty system, and the margin of profit which should be allowed to those conducting the industry. The board suggested that the bounty should be limited to three years, and the total output to be subsidized should not exceed 75,000,000 square yards a year. The board also advanced very good reasons why, in its opinion, the payment of a bounty was preferable to the imposition of a higher tariff on rayon goods. However, the Government has apparently decided that the recommendation made by the Tariff Board is not entirely satisfactory. It seems that it is concerned by

the allegedly heavy impost that the payment of a bounty would make upon government funds.

I think that the decision made by the Government reveals a complete misconception on the part of its members of the respective merits and functions of bounties and increased tariff duties. It is true that the revenue from which to pay bounties has to be collected from the taxpayers by taxation or by some other means. However, it is also clear that the payment of a bounty direct to manufacturers enables the Government, through the Tariff Board, to exercise a much more effective scrutiny of the operation of a local industry than is provided by the imposition of a higher customs duty. In other words, much more supervision can be exercised over manufacturers who receive bounties than is the case when the manufacturers are given the benefit of high protective duties. In the next place, the payment of a bounty by the Government enables the people to exercise a more efficient check upon the Government to ensure that it is doing its utmost to keep down the cost of living. Of course, we all realize that even under a system of imposing a high protective tariff, the taxpayers are still called upon, in the long run, to pay for the protection given to the manufacturers concerned. I realize that in this instance the rayon manufacturers assured the Tariff Board that they would not pass on to the community in the form of a higher price for their goods the whole benefit of the protection given to them by a higher protective tariff. Nevertheless, our experience of the operation of protective tariffs in this country has taught us that local manufacturers almost invariably increase their alleged costs of manufacture in order to justify fixing prices for their goods that are very little lower than those of imported goods. In fact, the cost of locally manufactured goods has often been increased considerably by the imposition of added tariff protection.

It is clear, therefore, that the Government's decision to increase inevitably the protective tariff will inevitably increase substantially the price paid by the public for rayon goods. The Government is

merely avoiding the odium of increasing taxation or raising money by some other means to finance the payment of a bounty on the rayon-weaving and other industries. Furthermore, as I have already said, the Government appears to be undecided in its attitude on this matter. The Minister who introduced the proposal began his speech by saying that a higher tariff would apply from a certain date, but that an exemption would be made in respect of materials already ordered and on their way to Australia. The Opposition has no quarrel, of course, with that exemption, which is a reasonable one. However, it has subsequently appeared that the decision of the Government to impose a high tariff on the importation of rayon goods has been substantially varied. In this connexion I draw attention to a report that appeared in the Brisbane *Courier-Mail* of certain statements attributed to the honorable member for Lilley (Mr. Wight), who apparently has received information that has not been vouchsafed to honorable members generally. The statement that appeared in the Brisbane *Courier-Mail* reads, in part, as follows:—

The government has decided to limit the higher duties on imported rayon fabrics to luxury lines only.

Apparently that decision was made by the Government as the result of representations made by the honorable member for Lilley. That may be good politics, but I should imagine that the representatives of the Australian industry and the British trade associations may also believe that they have played a part in this matter. We have been informed that 9,000,000 square yards of rayon is to be admitted under by-law, but it was left to one honorable member opposite, on the basis of information that was not vouchsafed to other honorable members, to tell the people that the Government proposes to permit lower priced rayon to be admitted duty free. Obviously that information was given to him in order to enable him and the party to which he belongs to gain a party political advantage.

Let us consider the motives that actuated the Government in deciding to permit the importation of rayon duty-free under by-law. The Minister, in

introducing these proposals, said that because of the manner in which this matter was referred to the Tariff Board the board had exceeded its duty in making the recommendations which are contained in its report of the 26th August, 1949. All the evidence and all the information contained in the Tariff Board's report appear to contradict that statement. The board heard a great deal of evidence in support of a much higher bounty than had been granted to the industry but rejected that proposal, pointing out that the granting of a higher bounty was not the proper way in which this matter should be approached. It recommended a different course of action but the Government rejected the board's recommendations on the ground that they would involve an additional expenditure of revenue. This proposal will saddle the people of Australia with far higher total costs than an increased bounty would have done. My argument would, I admit, lose much of its force if the Government admitted lower priced rayon duty free under by-law or if at any stage when the local industry could not meet the local demand it allowed the excess by which the demand exceeded the supply to be imported duty free. The Government should state clearly what it proposes to do in this matter.

The Minister has stated that, as the result of assistance granted to the textile industry rapid strides have been made possible in that branch of manufacturing in Australia. The Opposition wholly endorses that statement. The Australian Labour party wholeheartedly supports the protection of local industries. There is a very real need to develop our manufacturing output and potential to the greatest possible degree. Such development is necessary in time of peace just as much as in time of war. The Minister has informed us that the British Government objected to the Tariff Board's recommendations on the ground that they constituted an infringement of the principles of the Ottawa Agreement. Although the British Government is entitled to make representations to the Australian Government relative to matters which are the subject of trade treaties between Australia and other

countries I do not think that it is entitled to criticize these recommendations of the Tariff Board. The Australian Government must decide whether this proposal conflicts with the principles of the Ottawa Agreement, and if so, what form of assistance it should give to the industry.

The Tariff Board, at page 36 of its report, states—

The Tariff Board is satisfied that the amount of assistance recommended is sufficiently generous to cover what may be termed "normal" fluctuations in the relationship of cost levels in Australia and other countries that may affect the industry in the next three years.

[*Extension of time granted.*] The board recommended, *inter alia*—

That the development of the industry be assisted by the Government to the extent of 1s. 6d. per square yard given—

- (a) wholly as a bounty on cloth produced in Australia; or
- (b) partly as a bounty on cloth produced in Australia and partly as a duty on imported cloth.

A bounty of 1s. 6d. a yard on local production is vastly different from a tariff on imports. A branch of the Courtaulds organization has been established in this country, and if by means of this proposal the Government can develop the rayon industry, it is to be complimented for having introduced this proposal.

Timber concessions also are dealt with under these tariff proposals. The Opposition believes that the by-law admission of timber at concessional rates for the purpose of providing cheaper requirements for housing purposes is a sound practice. We support the proposal to admit timber for such purposes at concessional rates, provided that the local timber industry is not adversely affected. The Chifley Government adopted that practice in relation to timber and other items. Some time ago, however, a former Minister for Trade and Customs permitted the importation of Japanese plywood at a low rate of duty and the local plywood industry feared that it would be put out of business as the result of a flood of the cheap imported article. I trust that importations of timber at concessional rates will be restricted to the quantities necessary to

assist the local timber industry to meet housing requirements. This method by which the Government is seeking to keep down the cost of houses was followed by the Chifley Government.

Generally, we do not oppose these tariff proposals, because we believe that they have for their purpose the assistance of Australian secondary industries to enable them to meet the fierce competition of overseas manufacturers, and because they follow the principles that were laid down by the Labour Government for the progress of this country.

Mr. WIGHT (Lilley) [11.53].—I was amazed to hear the honorable member for Perth (Mr. Tom Burke) suggest that the Government had been somewhat confused about the recommendations of the Tariff Board on the rayon industry, particularly in view of the fact that the board's report had been tabled on the 26th August, 1949, when the Chifley Government was in office, and that that Government, not being able to make up its mind as to what should be done about it, left the report for the present Government to handle. This Government appointed a sub-committee of Cabinet to consider the report and the manner of protection that should be adopted for the industry. We all agree that the rayon industry must be protected for three principal reasons: first, on the ground of justice, as the industry was established during the last war upon the recommendation of the government of the day; secondly, for defence purposes; and, thirdly, for the economic advancement of this country. Having decided that the industry should be protected, three avenues of protection presented themselves: protection by bounty, by bounty-cum-tariff, and by a straight out tariff. The Tariff Board, at page 34 of its report, states—

In this case it is clear that, during the next few years—

I emphasize the phrase "during the next few years"—

Australian manufacturers will not be able to produce even one-half of Australian requirements, and that they will be in a position to select for manufacture those cloths in which they can most easily compete with oversea producers.

The point is that the industry cannot be in a position for some years to

fulfil the requirements of the Australian rayon weaving industry. Both the system of the straight out bounty and the system of bounty-cum-tariff are unwieldy, but by the implementation of a tariff a day to day check can be kept on the degree of protection required by the industry. For the information of the honorable member for Perth (Mr. Tom Burke) it is the intention of the Government to protect our own weaving industry as well as the consuming public. It is also our intention to ensure that the rayon weaving industry shall develop and that the people who purchase goods produced by it will not be subject to such unnecessary increases of the cost of living as the honorable member for Perth so much wishes to see occur under the administration of this Government. Consequently, the Government decided to protect the industry by means of a tariff and to promulgate certain by-laws. If we consider the limited range over which the Australian rayon-weaving industry can operate we can see that, by the application of by-laws in conjunction with the tariff proposal, we can select a certain range over which it can have ample scope to produce for the requirements of the Australian people. Later, under by-law concessions the remainder of the rayon required to fulfil that part of the demand which cannot be satisfied by the Australian industry may be allowed to enter Australia free of duty. Such a procedure will have no repercussions on the consumers. The by-laws that have been made allow the importation, duty free, of goods of a volume that cannot be produced locally.

That, as the honorable member for Perth mentioned, is 9,000,000 square yards at a ceiling price of 48d. a yard f.o.b. sterling. We know that 9,000,000 square yards can never equal the local demand for rayon goods in this price range. We also know that if the weaving industry is not able to cope with the demand of the retailers the material that they cannot supply can be admitted free of duty under ministerial discretion. I contend that in that way the consuming public and the rayon-weaving industry will both be protected. As the industry develops and comes nearer to meeting the

demand for its products the by-laws can be so relaxed that the ceiling price classified under by-law may be lowered, thus increasing the range over which the industry will be protected. Throughout that range the Australian weaving industry can develop and the by-laws can again be reviewed. The honorable member for Perth has suggested the operation of a bounty or a bounty-cum-tariff, and contended that by the implementation of the tariff alone the Government would cause the people to contribute additional sums by way of taxation for the development of the rayon-weaving industry. That is not so, as was pointed out very clearly in the by-laws on which the Minister made press statements which I have amplified. The honorable member for Perth wishes a bounty to be provided but freely admits that it could be provided only by increasing taxes. The Liberal party is a tax-reducing party, and has no intention of increasing taxes.

Mr. TOM BURKE.—I hope that the honorable member realizes that his words will be recorded in *Hansard*, and that it is dangerous to make rash statements.

Mr. WIGHT.—The policy of the Government parties in relation to taxation has already been recorded in the policy-speeches of the Prime Minister (Mr. Menzies) and the Treasurer (Mr. Fadden).

Mr. CALWELL.—They are a bit stale now.

Mr. WIGHT.—They still hold good. Only to-night I discussed the proposals now before the committee with a representative of the rayon weaving industry who is in the precincts, and he contended that adequate protection will be provided for his industry by this means. I have also received communications from retailers expressing their general satisfaction with the Government's proposals. Therefore, the concern expressed by the honorable member for Perth is quite unnecessary. Both sides of the industry are quite satisfied that the Government has done a mighty good job as far as the protection of the weaving industry, the importer, and the consuming public are concerned.

Wednesday, 6 December, 1950.

Mr. CALWELL (Melbourne) [12.1 a.m.].—If what the honorable member for Lilley (Mr. Wight) has said is correct, this Government is the first government since federation that has been able to satisfy the importer, the Australian manufacturer, the consuming public, and every other interest directly concerned all at once. According to him the proposed rayon industry tariff is apparently the last word in tariff excellence. I have heard much said outside this Parliament in criticism of the action of the Government and of course I have heard a lot of people praise the Government for having decided to accept the Tariff Board's report. There are also many people who say that a bounty should be paid instead of a tariff imposed. I do not wish to add to what the honorable member for Perth (Mr. Tom Burke) has said, because I agree with his statement of the case. Time will show just how popular the Government will be as a result of what it has done. Broadly, it is good to encourage Australian industry whenever we possibly can do so. We must become self-sufficient as soon as we can do so, in the interests of our own safety. I do not wish to talk about rayon particularly, but I do want to refer to the items relating to timber, because, as the Minister for Defence (Mr. McBride) will recollect, some months ago I moved the adjournment of the House to direct attention to the illegality and the sinister nature of the actions of his colleague the Minister for Trade and Customs (Senator O'Sullivan), acting for the Government, in issuing under Tariff Item 449 (A) (1) a new by-law that was made retrospective to the 10th December last year, the date of the last general election. I consider that the Government should have brought down a validating bill or should have had a tariff inquiry into the necessity for reducing the tariff on timber. The Government has belatedly decided to hold a tariff inquiry, the object of that inquiry is to determine whether the duty should be maintained after the 31st December next. There was no tariff inquiry, as is required by the act, in respect of the decision to make the new

duties retrospective to the 10th December last. That matter has not been before the Tariff Board, although, as I believe, section 15 (1) of the Tariff Board Act requires that such action shall be taken. I make to the Minister for Defence the perfectly reasonable suggestion that this particular item include a provision that the duty shall not be collected after the 30th June, 1951, under this by-law. The inquiry by the Tariff Board will determine whether the lower duties shall be continued until the 30th June next. There will be plenty of time when the board brings in its report to determine whether they should be continued until that date. The timber industry and the union concerned are entitled to express the view that the industry should not be subject to a by-law tariff. It should not be at the discretion of the Minister of the day to lower duties at his will. There must be some certainty about Government policy, and a by-law tariff is undesirable at any time. This power was intended for emergency use only. It was not intended to be invoked so as to lower duties from the 10th December, 1949, to at least the 30th June, 1951, in this particular industry. When I asked a question about the amount of duties remitted, I received a reply which showed that substantive duty collected in the period of retrospectivity was £206,982. The retrospective by-law duty payable in the same period was £89,528. The difference between these two sums is £117,454. That is the amount that should have been remitted to those who bought the timber before the new by-law came into operation, and who paid the duty charged at that time. They are the people who are entitled to the remission of duty. But there is no evidence that any duty remitted by the Government has been passed on to the purchasers of the timber. I am glad that the Minister has asserted that the money has been passed on, because in a publication called the *New Contractor Reporter*, of the 25th October of this year, Mr. A. E. Heath, who is the secretary of the Sydney and Suburban Timber Merchants Association, stated that an arrangement was made with the Minister who is in control of prices in New South Wales that the amount of

duty should not be passed on, but that it should be taken into consideration in determining the new prices that were to operate from that time on. These were his words—

It was agreed by the commissioner and the merchants' representatives that it would be impracticable to trace through every piece of timber sold to every consumer since the 10th December, 1949. Nevertheless, it was felt by both parties that the public should get the fullest possible benefit equivalent to the amount gained by the merchants from the retrospective aspect of the duty adjustments.

Mr. Heath said that the amount was not passed on to the consumers, and the Minister said that the amounts of duty paid were remitted.

Mr. MCBRIDE.—I said that there was evidence to show that they were remitted.

Mr. CALWELL.—They were not remitted to the people who had paid them. Mr. Heath's statement shows that it was a very rough method of passing on the duty to the consumer, if it was passed on at all. Mr. Heath also stated—

Sydney home-builders alone, on the estimates of my association, have saved at least £230,000.

He was referring to the period of retrospectivity. There is a grave discrepancy between the figures that the Government supplied and those that Mr. Heath has supplied.

Mr. MCBRIDE.—He was referring only to New South Wales.

Mr. CALWELL.—The figures that the Government has given to me refer to the whole of Australia, which makes the discrepancy greater still, and justifies my statement that hundreds of thousands of pounds was involved, all of which went to the wealthy supporters of the Government in return for their support at the time of the last general election. I have put another question on the notice-paper, which I hope will elicit a little further information in connexion with this matter.

The Government had a second shot at the remission of duties on the 8th June of this year. In the period from the 18th February to the 8th June, 1950, the substantive duty that would have been paid had the duties been continued was

£364,717, and the by-law duties amounted to £111,096. Then, from the 9th June to the 31st August, 1950, the substantive duty would have been £386,121 whereas the duty under the concessional tariff item was £29,598. In other words, the substantive duty collected or due, had there been no remission of duty, from the 10th December, 1949, to the 31st August of this year amounted to £957,820. The by-law duties payable totalled £230,222.

I do not believe that the Australian people benefited by £727,598 in the form of a reduced cost of building materials over that period.

The Government has a good deal to clear up yet in regard to what happened, first in respect of the period of retrospectivity, and secondly, in respect of the second period. So far as Victoria is concerned, the Minister in charge of prices took into account the reductions of duties in respect of building materials only from the 1st April, 1950. That was considerably after the 18th February. I think that the Government has committed an illegality in remitting the duties without reference to the Tariff Board, in which connexion I have cited eminent counsel's opinion.

Mr. McBRIDE.—That was done many times by the former Labour Government.

Mr. CALWELL.—As I have pointed out many times, the former Government always included in every remission that it made a condition that the Collector of Customs had to be satisfied that the duty would be remitted, and would be collected by the persons who had paid the duty. Motor tyres were always traceable because of serial numbers. There was no provision in which the by-law required the Collector of Customs to satisfy himself that the people entitled to the remission actually receive it. The omission of those words was not an oversight. The Government had to be advised by its customs officers, and they must have told it what the Chifley Government had done when it remitted duties. I believe that there was no remission in these cases, because the Government did not want one to go back to the people to whom it was properly due. It gave the remission to the merchants and trusted to luck. I defy the Minister or anybody else to show that

housing costs have been reduced by 1d. in respect of either the first or the second period. The Government has a case to answer. It has not yet even started to answer it. I have cited Mr. Heath's statement, which makes the Government look foolish, because his figures were for New South Wales alone and they are considerably in excess of those that the Government gave to me for the whole of Australia.

Mr. WHITE.—What else did he say?

Mr. CALWELL.—Mr. Heath continued—

In March this year, the Commonwealth Government reduced the duty rates on certain imported timbers . . .

Actually, the first reductions took place on the 17th February. As I have been emphasizing, there was a three weeks' lag between the 17th February and the 8th March. The date that Mr. Heath mentions is the first one on which reductions of timber prices took place. He went on to say—

On June 6th, there was another adjustment of duty. Immediately afterwards, the price of baltic flooring was cut by a further 6s. per 100 super. feet. The price of oregon was not reduced owing to the fact that overseas cost-price increases had, in the meantime, balanced the reduction of duty.

No house-builder in Australia received any benefit at all. We have had a lot of experience of big business, and I remind the Minister that the Government cannot fool the people all the time. Supporters of the Government should remember Abraham Lincoln's famous statement.

Mr. McBRIDE.—The Opposition found out the truth of the saying at the last general election.

Mr. CALWELL.—The present Government parties will be in office for a few months longer, whereas Labour was in office for eight years.

The CHAIRMAN.—Order! The first period of the honorable gentleman's time has expired.

Mr. CHARLES RUSSELL (Maranoa) [12.16 a.m.].—The effect of the imposition of the proposed duty on rayon imports will be to increase the cost of those goods. I listened attentively to the honorable member for Lilley (Mr. Wight), and the honorable member for Perth (Mr.

Tom Burke) arguing about the virtues of an import duty compared with those of a bounty. An import duty has the same effect as the payment of a bounty on the economy of the country. Both tend to increase the cost of living and to reduce the purchasing power of the Australian £1. At present, when we are endeavouring to put value back into the £1, that is an important consideration. It is illogical for the Government, under economic planning of which we have had a surfeit, to endeavour to keep down the prices of some primary products such as cotton and hides for the purpose of reducing the cost of clothing, and, at the same time, to increase the cost of clothing by imposing a duty of this kind. Whilst it should endeavour to increase imports of textiles, the imposition of a duty on rayon goods will tend to restrict imports to the detriment of our economy as a whole. In view of the degree to which Australia's overseas balances are increasing, the Government should do everything in its power to increase imports of essential goods from Great Britain with a view to reducing those balances. The imposition of this duty will not serve that purpose but it is estimated that it will involve the average Australian woman in an additional annual cost of £2 for clothing.

Mr. WIGHT.—Who gave the honorable member that information?

Mr. CHARLES RUSSELL.—I am giving to the committee information that I have ascertained from a retailer. I have not checked it. However, I am emphasizing the effect that the imposition of duties of this kind will have upon our economy as a whole.

The last Government directed the Tariff Board to conduct an inquiry into the rayon industry, and this Government has accepted the board's recommendation. However, important changes have taken place in our economy since the last Government was ejected from office. The present Government's announcement of this proposal came as a big shock to many of its supporters because they believed that its policy was, as the honorable member for Lilley said, to scale down unnecessary taxes that tended to force up prices. It is, perhaps, natural that supporters of the Govern-

ment should do their best to justify this proposal. The Minister in charge of the bill said that the Tariff Board is a judicial body. However, the Government should view its recommendations in the light of changing economic circumstances. I am pleased to note that it proposes to waive duty on the lower-priced rayon goods until June of next year. I understand that the Tariff Board has been asked to review the situation generally. I strongly urge that that be done. In view of the fact that the personnel of the board has recently been changed, I should say that it will probably arrive at a different decision in the light of existing circumstances. Whilst I have no desire to criticize the board's recommendations, nevertheless, recent changes in our economy more than justify a thorough review of the situation being made.

The introduction of the 40-hour week and the expansion of many secondary industries have placed a severe drain on the available man-power.

The CHAIRMAN.—Order! I ask the honorable member to confine his remarks to the question before the Chair.

Mr. CHARLES RUSSELL.—I am advancing reasons why the proposed duty should not be imposed. The drain on available man-power that has resulted from the introduction of the shorter working week is operating to the detriment of primary industries. It is foolish for the Government to foster the expansion of secondary industries until the additional man-power available becomes sufficient for that purpose. At present, secondary industry is draining to an increasing degree the available reservoirs of labour, and that development is operating to the detriment of primary industries. That fact is manifested in the deterioration of pastoral properties and farms and of the capital assets of primary producers.

The CHAIRMAN.—Order! I again ask the honorable member to confine his remarks to the question before the Chair.

Mr. CHARLES RUSSELL.—The imposition of the proposed duty will aggravate the present over-employment which is tending to force up price levels. In order to remedy that position, the Government should restrict industries that are not in

the best interests of the country. However, the imposition of this duty will tend to expand rayon manufacture at a time when sufficient operatives are not available to meet the needs of existing industries. The Government should aim to provide textiles at the lowest possible cost. It seems paradoxical that the Government should be subsidizing the woollen industry in order to reduce the cost of woollen goods, and at the same time be imposing a tariff on rayon in order to increase the cost of rayon goods. Those two materials are in some measure complementary. We cannot afford any more secondary industries at this stage. In Australia, 26 per cent. of the working population is employed in secondary industry, with little to show for it, whereas in the United States of America only 22 per cent. of the working population is engaged in secondary industry. However, in that country, the *per capita* production is considerably higher than that in Australia. It is increasingly apparent that the development of Australia is being seriously hampered by the scarcity of man-power and materials, resulting from over-employment in certain uneconomic industries. This is a fact of which the Minister for National Development (Mr. Casey) must be well aware. High tariff duties must increase costs, and must also increase the inflationary tendency. It is inevitable that costs will rise, but the Government should refrain from giving added protection to secondary industries at this time. We should aim at achieving economic equilibrium.

Mr. EGGINNS (Lyne) [12.28 a.m.].—I support the proposed tariff amendment and shall say a word about the need to safeguard the timber industry in Australia. It is recognized that, at a time like this, when timber is needed in large quantities for building purposes, the Government has acted wisely in deciding to admit timber from abroad at reduced duties. There is no objection to that. But I take exception to the proposal to vest in the Minister for Trade and Customs, rather than in the Parliament, authority to decide the degree of protection which the industry shall enjoy. The timber industry has made rapid progress during the last quarter of a century. The State forestry departments

have done good work in developing natural timber resources and in planting new areas. In the past year the industry has suffered from shortage of labour, floods and transport difficulties, as well as from shortage of heavy equipment. Production has been reduced, with the result that it has become necessary to import timber in larger quantities. However, the position should be safeguarded so that the several branches of the timber industry, such as saw-milling, veneer-making, &c., may be expanded when the opportunity offers, in the confident expectation that adequate protection will be afforded. I suggest that the provision now before us should be limited in its application, so that at the expiration of the specified time the matter may be reviewed. Then, if there was justification for extending the provision, that could be done.

Mr. CALWELL (Melbourne) [12.33 a.m.].—I thank the honorable member for Lyne (Mr. Eggins) for the support he has given to my representations in favour of fixing a date upon which the proposed duty will no longer be payable. If the Minister will not accede to that request now we shall have to suggest action elsewhere, and that may delay the termination of this period of the session. There is no reason why a date should not be fixed, and I suggest the 30th June, 1950, as a reasonable one.

Mr. McBRIDE (Wakefield—Minister for Defence) [12.34 a.m.].—In the main the committee supports the action taken by the Government in respect of rayon and timber. Reference has been made to the effect of a bounty compared with that of a tariff duty for the protection of industries. Most industries, whilst willing to accept a bounty, maintain that it does not give the same protection as is given by a tariff. The Government decided to adopt the present proposal only after very careful consideration of all the factors, and it proposes to give a measure of relief at a time during which the Australian industry cannot supply the demand by admitting under by-law certain kinds of rayon.

I was astonished that the honorable member for Melbourne (Mr. Calwell) should have returned to his complaint about the timber industry. Whilst we may

respect his tenacity we cannot respect his judgment. He frequently makes the most damaging statements in absolute ignorance of the facts. Indeed, that is a common practice of his. To-night the honorable member quoted some statements by Mr. Heath. I propose to follow his example, because that gentleman has had something to say about the charges that were made by the honorable member about the by-law admissions of timber.

Mr. CALWELL.—Mr. Heath is one of the Government's friends.

Mr. McBRIDE.—The honorable member quoted only those parts that suited his case, so I crave leave to quote the statements in full. Mr. Heath said—

Mr. Calwell's remarks are not only ill-informed and incorrect but convey the exact opposite of the true facts. Far from home-builders having suffered as Mr. Calwell stated, from the action of the Minister for Trade and Customs, Senator O'Sullivan, in lowering duties and making the new rates retrospective from March, 1950, to December, 1949, Sydney home builders alone, on the estimates of my association, have saved at least £230,000. This saving was made possible first by the lowering of the duty on timbers which are in chronic short supply in Australia and then by the fullest collaboration between the merchants concerned and the New South Wales Prices Commissioner.

Mr. WARD.—Nothing much in that statement to date.

Mr. McBRIDE.—It shows that the home-builders derived some benefit.

Mr. CALWELL.—They did not.

Mr. McBRIDE.—Mr. Heath's statement continues—

Nor did the importers, as Mr. Calwell rashly charges, gain tens of thousands of pounds by reductions in duty being made retrospective. In New South Wales this question was the subject of consultation with the Prices Commissioner and an equitable solution was arrived at. This decision was finally endorsed by the Prices Commissioner and put into effect. A fact which might surprise Mr. Calwell is that even now, months after the event, certain timbers are being sold in Sydney at a low cost. At a time when local production is quite inadequate for the huge demands being made and to be made for timber, and when high costs are such a burden on the whole community, it is singularly unfortunate that a former Minister of the Crown should utter sweeping charges which completely falsify the position.

Mr. POLLARD.—Who made that statement?

Mr. McBRIDE.—Mr. Heath.

Mr. WARD.—He is a Liberal.

Mr. McBRIDE.—The honorable member for Melbourne quoted Mr. Heath, and I am following his example. Mr. Heath continued—

Supplies of timber from abroad are vital to us. Reductions in duty are helping to keep down the cost to importers of that timber. New South Wales importers have passed on to consumers whatever benefits the lower duties have occasioned. These are facts that Mr. Calwell might well have discovered before he launched his uncontrolled attack.

The suggestion has been made by the honorable member for Melbourne and the honorable member for Lyne (Mr. Egging) that a terminating date should be included in this bill. The honorable member for Melbourne expressed the opinion that the matter might very well have been referred to the Tariff Board. I inform him that that was done, and that the board had taken evidence and had completed its report on the 13th November last. I suggest that the report will be available within a reasonable period. There is nothing novel in by-law admissions and in some cases, if not in all cases, they are made at the discretion of the Minister for Trade and Customs.

Mr. CALWELL.—The principle is bad.

Mr. McBRIDE.—I am not prepared to say whether it is good or bad, but it has been the practice here for 40 years. Apparently it is bad when exercised by some governments, and good when exercised by other governments. The Tariff Board is making its report, and the Minister for Trade and Customs has given a definite undertaking that, whilst the bill provides for the use of the by-law for an unlimited period, he will review the whole position immediately that report is available.

Mr. CALWELL.—And fix a date?

Mr. McBRIDE.—That will depend upon the report of the Tariff Board. The Minister will examine that document when it becomes available, and in the light of it, will review the whole matter. He is prepared to give that reasonable undertaking, and I believe that it will satisfy honorable members.

Question resolved in the affirmative.
Resolution reported.

Standing Orders suspended; resolution adopted.

Ordered—

That Mr. McBride and Mr. White do prepare and bring in a bill to carry out the foregoing resolution.

**CUSTOMS TARIFF BILL (No. 2)
1950.**

Bill presented by Mr. MCBRIDE, and passed through all its stages without amendment or debate.

TARIFF PROPOSALS 1950.

CUSTOMS TARIFF (CANADIAN PREFERENCE) AMENDMENT (No. 1).

In Committee of Ways and Means. Consideration resumed from the 8th June (*vide page 4026*), on motion by Mr. MCBRIDE—

That the Schedule to the Customs Tariff (Canadian Preference) 1934-1948 be amended (*vide page 4023*).

Question resolved in the affirmative.

Resolution reported.

Standing Orders suspended; resolution adopted.

Ordered—

That Mr. McBride and Mr. White do prepare and bring in a bill to carry out the foregoing resolution.

CUSTOMS TARIFF (CANADIAN PREFERENCE) BILL 1950.

Bill presented by Mr. MCBRIDE, and passed through all its stages without amendment or debate.

BILLS RETURNED FROM THE SENATE.

The following bills were returned from the Senate:—

Without amendment—

- National Welfare Fund Bill 1950.
- Superphosphate Bounty Act Repeal Bill 1950.
- Flax Canvas Bounty Bill 1950.
- Wool Products Bounty Bill 1950.
- Customs Bill 1950.
- Tractor Bounty Bill 1950.
- Nationality and Citizenship Bill 1950.

Without requests—

- Customs Tariff (Export Duties) Bill 1950.

PAPERS.

The following papers were presented:—

- Aliens Act—Regulations—Statutory Rules 1950, No. 87.
- Canned Fruits Export Control Act—Regulations—Statutory Rules 1950, No. 84.
- Commonwealth Public Service Act—Appointments—Department—

 - Fuel, Shipping and Transport—P. A. Maclean.
 - Interior—H. D. Waring.

- Defence Act, Naval Defence Act and Air Force Act—Regulations—Statutory Rules 1950, No. 80.
- Defence (Transitional Provisions) Act—Regulations—Statutory Rules 1950, No. 85.
- Egg Export Control Act—Regulations—Statutory Rules 1950, No. 81.
- Lands Acquisition Act—Land, &c., acquired for—

 - Defence purposes—Rottnest Island, Western Australia.
 - Postal purposes—

 - Malvern North, Victoria.
 - Rosebud, Victoria.

- Meat Export Control Act—Regulations—Statutory Rules 1950, No. 83.
- Naval Defence Act—Regulations—Statutory Rules 1950, No. 86.
- Seat of Government Acceptance Act and Seat of Government (Administration) Act—

 - Council of the Soil Conservation Service of the Australian Capital Territory—
 - Third Annual Report and Statement of Receipts and Expenditure, for year 1949-50.

- Wool Use Promotion Act—Regulations—Statutory Rules 1950, No. 82.

House adjourned at 12.47 a.m. (Wednesday).

ANSWERS TO QUESTIONS.

The following answers to questions were circulated:—

COAL.

Mr. MENZIES.—On the 5th October, the honorable member for Hunter (Mr. James) asked me the following question:—

Could the Prime Minister inform the House whether the Joint Coal Board has power to acquire any property or plant in order to ensure adequate coal supplies? If this is so, will the right honorable gentleman negotiate with the board for the purpose of having it connect a link or line between J. and A. Brown's railway and the Cockle Creek-West Wallsend Old Seaham railway for the purpose of ensuring supplies when floods visit the Hunter River?

I now inform the honorable member as follows:—

Although the Joint Coal Board has certain powers in relation to the transport of coal, it

is primarily the responsibility of the State authorities to provide the basic transport facilities required. The proposed rail link between Richmond Vale railway and the Cockle Creek system has been referred to the New South Wales Government for its consideration.

HOUSING.

Mr. MENZIES.—On the 14th November, the honorable member for Reid (Mr. Morgan) asked the following question:—

Has the attention of the Prime Minister been drawn to the comments of the president of the Returned Sailors, Soldiers and Airmen's Imperial League of Australia, in which he asserted that builders were reluctant to undertake contracts for the construction of war service homes because of the delays due to red tape and other causes that are associated with such contracts. If so, will the right honorable gentleman consider the appointment of an all-party parliamentary committee to investigate the administration of the War Service Homes Division with a view to streamlining the construction of war service homes.

I now inform the honorable member as follows:—

The resolution to which the honorable member referred was that representations should be made by the Returned Sailors, Soldiers and Airmen's Imperial League of Australia to the Director of War Service Homes to survey the alleged reluctance of builders and agents to have dealings with the War Service Homes Division. The alleged reluctance is not borne out by statistics. The present rate of expenditure on the provision of homes is over £2,000,000 per month. Since 1946-47 the number of building contracts let has increased by 380 per cent. to a present rate of 5,500 a year. Settlements in existing property cases have increased by 950 per cent. to a present rate of 11,400 a year. This does not show reluctance on the part of either builders or agents but it proves rather to the contrary. Agents with inferior properties or who desire to charge a price too high are reluctant to deal with the War Service Homes Division, which informs applicants fully regarding the nature of construction and value of the property. Similarly, builders who are not competent or who desire to skimp their work, with a view to bigger profit, are reluctant to deal with the War Service Homes Division, which takes action to safeguard the applicants' interests. It will be appreciated that a considerable amount of criticism is levelled against the division by such agents and builders. Individual cases should be regarded in their relation to the overall results which have been obtained and also with a full knowledge of the factors which caused the delay in reaching finality. It is evident that the very considerable increases in the activities could not have been achieved unless the administration had been streamlined, consequently, the suggestion that a parliamentary committee should investigate the administration is not in the least justified.