



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives Official Hansard

No. 44, 1948
Tuesday, 26 October 1948

EIGHTEENTH PARLIAMENT
SECOND SESSION—FIRST PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

PARLIAMENT OF THE COMMONWEALTH.

EIGHTEENTH PARLIAMENT—SECOND SESSION: FIRST 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.

SECOND CHIFLEY GOVERNMENT.

(FROM THE 1ST NOVEMBER, 1946.)

Prime Minister and Treasurer	The Right Honorable J. B. Chifley.
Attorney-General and Minister for External Affairs (and Deputy Prime Minister)	The Right Honorable H. V. Evatt, LL.D., D.Litt., K.C.
Minister for Labour and National Service	The Honorable E. J. Holloway.
Minister for Air and Minister for Civil Aviation	The Honorable A. S. Drakeford.
Vice-President of the Executive Council	The Honorable W. J. Scully.
(¹)Minister for Shipping and Fuel (and Leader of the Government in the Senate)	Senator the Honorable W. P. Ashley.
Minister for Defence, Minister for Post-war Reconstruction and Minister in charge of the Council for Scientific and Industrial Research	The Honorable J. J. Dedman.
Minister for Transport and Minister for External Territories	The Honorable E. J. Ward.
Postmaster-General	Senator the Honorable D. Cameron.
Minister for Information and Minister for Immigration	The Honorable A. A. Calwell.
Minister for the Interior	The Honorable H. V. Johnson.
Minister for Health and Minister for Social Services (and Deputy Leader of the Government in the Senate)	Senator the Honorable N. E. McKenna.
Minister for Commerce and Agriculture	The Honorable R. T. Pollard.
Minister for Works and Housing	The Honorable N. Lemmon.
(¹)Minister for Supply and Development	Senator the Honorable J. I. Armstrong.
Minister for the Army	The Honorable C. Chambers
Minister for Trade and Customs	Senator the Honorable B. Courtice.
Minister for the Navy	The Honorable W. J. F. Riordan.
Minister for Repatriation	The Honorable H. C. Barnard.

(¹) Designations changed on the 6th April.

THE MEMBERS OF THE SENATE.

(FROM THE 1ST JULY, 1947.)

EIGHTEENTH PARLIAMENT—SECOND SESSION : FIRST PERIOD.

President—Senator the Honorable Gordon Brown.

Leader of the Government in the Senate—Senator the Honorable William Patrick Ashley.

Deputy Leader of the Government in the Senate—Senator the Honorable Nicholas Edward McKenna.

Chairman of Committees—Senator Theophilus Martin Nicholls.

Temporary Chairmen of Committees—Senators Stanley Kerin Amour, James Jarvist Arnold, William Edward Aylett, Walter Jackson Cooper, M.B.E.

Leader of the Opposition—Senator Walter Jackson Cooper, M.B.E.

Deputy Leader of the Opposition—Senator Neil O'Sullivan.

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
Brown, Hon. Gordon†	Queensland
Cameron, Hon. Donald†	Victoria
Clothier, Robert Ernest†	Western Australia
Collings, Hon. Joseph Silver†	Queensland
Cooke, Joseph Alfred‡	Western Australia
Cooper, Walter Jackson, M.B.E.‡	Queensland
Courtice, Hon. Benjamin†	Queensland
Critchley, John Owen‡	South Australia
Devlin, John Joseph†	Victoria
Finlay, Alexander†	South Australia
Fraser, Hon. James Mackintosh†	Western Australia
Grant, Donald MacLennan†	New South Wales
Harris, John‡	Western Australia
Hendrickson, Albion‡	Victoria
Katz, Frederick‡	Victoria
Lamp, Charles Adcock†	Tasmania
Large, William James‡	New South Wales
McKenna, Hon. Nicholas Edward†	Tasmania
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, Neil‡	Queensland
Rankin, Annabelle Jane Mary‡	Queensland
Sandford, Charles Walter†	Victoria
Sheehan, James Michael†	Victoria
Tangney, Dorothy Margaret‡	Western Australia
Ward, Frederick Furner‡	South Australia

Dates of Retirement of Senators—† The 30th June, 1950.

‡ The 30th June, 1953.

THE MEMBERS OF THE HOUSE OF REPRESENTATIVES.

EIGHTEENTH PARLIAMENT—SECOND SESSION : FIRST PERIOD.

Speaker—The Honorable John Solomon Rosevear.

Chairman of Committees—Joseph James Clark.

Temporary Chairmen of Committees—The Honorable Joseph Palmer Abbott, M.C., George James Bowden, M.C., Thomas Patrick Burke, Henry Baynton Somer Gullett, M.C., James William Hadley, William Joseph Hutchinson, The Honorable Hubert Peter Lazzarini, Daniel Mulcahy, George James Rankin, D.S.O., V.D., Rupert Sumner Ryan, C.M.G., D.S.O., Thomas Sheehan, Thomas Neil Sheehy and David Oliver Watkins.

Leader of the Opposition and Leader of the Liberal Party of Australia—The Right Honorable Robert Gordon Menzies, K.C.

Deputy Leader of the Opposition and Deputy Leader of the Liberal Party of Australia—The Honorable Eric John Harrison.

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

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

Abbott, Hon. Joseph Palmer, M.C.	New England (N.S.W.)
Adermann, Charles Frederick	Maranoa (Q.)
Anthony, Hon. Hubert Lawrence	Richmond (N.S.W.)
Barnard, Hon. Herbert Claude	Bass (T.)
Beale, Howard	Parramatta (N.S.W.)
Beazley, Kim Edward	Fremantle (W.A.)
Blackburn, Mrs. Doris Amelia	Bourke (V.)
Blain, Adair Macalister	(N.T.)
Bowden, George James, M.C.	Gippsland (V.)
Brennan, Hon. Frank	Batman (V.)
Burke, Thomas Patrick	Perth (W.A.)
Calwell, Hon. Arthur Augustus	Melbourne (V.)
Cameron, Hon. Archie Galbraith	Barker (S.A.)
Chambers, Hon. Cyril	Adelaide (S.A.)
Chiffey, Rt. Hon. Joseph Benedict	Macquarie (N.S.W.)
Clark, Joseph James	Darling (N.S.W.)
Conelan, William Patrick	Griffith (Q.)
Corsier, Bernard Henry	Wide Bay (Q.)
Daly, Frederick Michael	Martin (N.S.W.)
Davidson, Charles William, O.B.E.	Capricornia (Q.)
Dedman, Hon. John Johnstone	Corio (V.)
Drakeford, Hon. Arthur Samuel	Maryborough (V.)
Duthie, Gilbert William Arthur	Wilmett (T.)
Edmonds, William Frederick	Herbert (Q.)
Evatt, Rt. Hon. Herbert Vere, LL.D., D.Litt., K.C.	Barton (N.S.W.)
Fadden, Rt. Hon. Arthur William	Darling Downs (Q.)
Falkinder, Charles William Jackson, D.S.O., D.F.C.	Franklin (T.)
Falstein, Sydney Max	Watson (N.S.W.)
Francis, Hon. Josiah	Moreton (Q.)
Fraser, Allan Duncan	Eden-Monaro (N.S.W.)
Fuller, Arthur Neiberding	Hume (N.S.W.)
Gaha, Dr. the Hon. John Francis, M.B.	Denison (T.)
Gullett, Henry Baynton Somer, M.C.	Henty (V.)
Hadley, James William	Lilley (Q.)
Hamilton, Leonard William	Swan (W.A.)
Harrison, Hon. Eric John	Wentworth (N.S.W.)
Haylen, Leslie Clement	Parkes (N.S.W.)
Holloway, Hon. Edward James	Melbourne Ports (V.)
Holt, Hon. Harold Edward	Fawkner (V.)
Howse, John Brooke	Calare (N.S.W.)
Hughes, Rt. Hon. William Morris, O.H., K.C.	North Sydney (N.S.W.)
Hutchinson, William Joseph	Deakin (V.)
James, Rowland	Hunter (N.S.W.)
Johnson, Hon. Herbert Victor	Kalgoorlie (W.A.)
Lang, John Thomas	Reid (N.S.W.)
Langtry, Joseph Ignatius	Riverina (N.S.W.)
Lawson, Hon. George	Brisbane (Q.)

THE MEMBERS OF THE HOUSE OF REPRESENTATIVES—*continued.*

v

Lazzarini, Hon. Hubert Peter	Werriwa (N.S.W.)
Lemmon, Hon. Nelson	Forrest (W.A.)
Lyons, Dame Enid Muriel, G.B.E.	Darwin (T.)
McBride, Hon. Philip Albert	Wakefield (S.A.)
McDonald, Hon. Allan McKenzie	Corangamite (V.)
McEwen, Hon. John	Indi (V.)
McLeod, Donald	Wannon (V.)
Menzies, Rt. Hon. Robert Gordon, K.C.	Kooyong (V.)
Mulcahy, Daniel	Lang (N.S.W.)
O'Connor, William Paul	West Sydney (N.S.W.)
Page, Rt. Hon. Sir Earle Christianas Grafton, G.C.M.G., C.H.	Cowper (N.S.W.)
Pollard, Hon. Reginald Thomas	Ballaarat (V.)
Rankin, George James, D.S.O., V.D.	Bendigo (V.)
Riordan, Hon. William James Frederick	Kennedy (Q.)
Rosevear, Hon. John Solomon	Dalley (N.S.W.)
Russell, Edgar Hughes Deg	Grey (S.A.)
Ryan, Rupert Sumner, C.M.G., D.S.O.	Flinders (V.)
Scullin, Rt. Hon. James Henry	Yarra (V.)
Scully, Hon. William James	Gwydir (N.S.W.)
Sheehan, Thomas	Cook (N.S.W.)
Sheehy, Thomas Neil	Boothby (S.A.)
Spender, Hon. Percy Claude, K.C.	Warringah (N.S.W.)
Thompson, Albert Victor	Hindmarsh (S.A.)
Turnbull, Winton George	Wimmera (V.)
Ward, Hon. Edward John	East Sydney (N.S.W.)
Watkins, David Oliver	Newcastle (N.S.W.)
White, Hon. Thomas Walter, D.F.C., V.D.	Balaclava (V.)
Williams, Thomas Francis	Robertson (N.S.W.)

THE COMMITTEES OF THE SESSION.

JOINT.

BROADCASTING.—Senator Amour (Chairman), Senator Finlay, Senator Rankin, Mr. Burke, Mr. Falkinder, Mr. Hadley, Mr. Hutchinson, Mr. Spender, and Mr. Watkins.

HOUSE.—The President (Chairman), Senator Amour, Senator Aylett, Senator Cooper, Senator Fraser, Senator O'Sullivan, Senator Rankin, Mr. Speaker, Mr. Burke, Mr. Corser, Mr. Francis, Mr. Holt, Mr. Mulcahy, and Mr. Watkins.

LIBRARY.—Mr. Speaker (Chairman), the President, Senator Arnold, Senator Cooke, Senator Cooper, Senator O'Sullivan, Senator Rankin, Senator Tangney, Mr. Abbott, Mr. Beazley, Mr. Brennan, Mr. Duthie, Mr. Hutchinson, and Mr. White.

PARLIAMENTARY PROCEEDINGS BROADCASTING.—Mr. Speaker (Chairman), the President, Senator Arnold, Senator O'Sullivan, Mr. Corser, Mr. Fraser, Mr. Haylen, Mr. Holt, and Mr. Sheehan.

PRINTING.—Mr. Daly (Chairman), Senator Beerworth, Senator Cooper, Senator O'Byrne, Senator O'Sullivan, Senator Rankin, Senator Sandford, Senator Ward, Mr. Adermann, Mr. Conelan, Mr. Haylen, Mr. McDonald, Mr. O'Connor, and Mr. Ryan.

PUBLIC WORKS.—Senator Lamp (Chairman), Senator Nash, Senator O'Sullivan, Mr. Beale, Mr. Conelan, Mr. Howse, Mr. McLeod, Mr. Rankin, and Mr. Russell.

SENATE.

DISPUTED RETURNS AND QUALIFICATIONS.—Senator Clothier, Senator Cooper, Senator Harris, Senator Nicholls, Senator O'Flaherty, Senator O'Sullivan, and Senator Rankin.

REGULATIONS AND ORDINANCES.—Senator Nash (Chairman), Senator Arnold, Senator Cooke, Senator Cooper, Senator Katz, Senator O'Sullivan, and Senator Rankin.

STANDING ORDERS.—The President (Chairman), the Chairman of Committees, Senator Cooper, Senator Critchley, Senator Devlin, Senator Harris, Senator O'Sullivan, Senator Rankin, and Senator Sandford.

HOUSE OF REPRESENTATIVES.

PRIVILEGES.—Dr. Evatt (Chairman), Mr. Abbott, Mr. Clark, Mr. Harrison, Mr. Sheehan, Mr. Spender, and Mr. Williams.

STANDING ORDERS.—Mr. Speaker, the Prime Minister, the Chairman of Committees, the Leader of the Opposition, Mr. Fadden, Sir Earle Page, Mr. Riordan, and Mr. Williams.

PARLIAMENTARY DEPARTMENTS.

SENATE.

Clerk.—J. E. Edwards.

Clerk-Assistant.—R. H. C. Loof.

Usher of the Black Rod.—W. I. Emerton.

HOUSE OF REPRESENTATIVES.

Clerk.—F. C. Green, M.C.

Clerk-Assistant.—A. A. Tregear.

Second Clerk-Assistant.—S. F. Chubb.

Sergeant-at-Arms.—A. G. Turner.

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.

(SECOND SESSION : FIRST PERIOD.)

ACTS INTERPRETATION ACT 1948 (ACT NO. 79 OF 1948)—

An Act to amend the *Acts Interpretation Act* 1901–1947.

APPROPRIATION ACT 1948–49 (ACT NO. 40 OF 1948)—

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 forty-nine, and to appropriate the Supplies granted by the Parliament for that year.

APPROPRIATION (WORKS AND SERVICES) ACT 1948–49 (ACT NO. 41 OF 1948)—

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 forty-nine 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.

ALIENS DEPORTATION ACT 1948 (ACT NO. 84 OF 1948)—

An Act to provide for the Deportation of certain Aliens.

AUDIT ACT 1948 (ACT NO. 60 OF 1948)—

An Act to amend the *Audit Act* 1901–1947.

AUSTRALIAN BROADCASTING ACT 1948 (ACT NO. 64 OF 1948)—

An Act to amend the *Australian Broadcasting Act* 1942–1946, and for other purposes.

AUSTRALIAN CAPITAL TERRITORY REPRESENTATION ACT 1948 (ACT NO. 57 OF 1948)—

An Act to provide for the Representation of the Australian Capital Territory in the Parliament of the Commonwealth.

AUSTRALIAN SOLDIERS' REPATRIATION ACT 1948 (ACT NO. 39 OF 1948)—

An Act to amend the *Australian Soldiers' Repatriation Act* 1920–1947, and for other purposes.

COAL PRODUCTION (WAR-TIME) ACT REPEAL ACT 1948 (ACT NO. 80 OF 1948)—

An Act to provide for the repeal of the *Coal Production (War-time) Act* 1944, for the Collection of Statistics in respect of Coal, and for other purposes.

COMMONWEALTH AID ROADS AND WORKS ACT 1948 (ACT NO. 91 OF 1948)—

An Act to amend the *Commonwealth Aid Roads and Works Act* 1947.

COMMONWEALTH BANK ACT 1948 (ACT NO. 68 OF 1948)—

An Act to amend the *Commonwealth Bank Act* 1945.

COMMONWEALTH CONCILIATION AND ARBITRATION ACT 1948 (ACT NO. 77 OF 1948)—

An Act to amend the *Commonwealth Conciliation and Arbitration Act* 1904–1947, as amended by the *Judges' Pensions Act* 1948.

COMMONWEALTH EMPLOYEES' COMPENSATION ACT 1948 (ACT NO. 61 OF 1948)—

An Act to amend the *Commonwealth Employees' Compensation Act* 1930–1944, and for other purposes.

COMMONWEALTH PUBLIC SERVICE ACT (NO. 2) 1948 (ACT NO. 75 OF 1948)—

An Act to provide for the transfer to the Commonwealth Service of certain employees of the Commonwealth Council for Scientific and Industrial Research, and for other purposes.

CUSTOMS TARIFF ACT (NO. 5) 1948 (ACT NO. 92 OF 1948)—

An Act relating to Duties of Customs.

DEFENCE (TRANSITIONAL PROVISIONS) ACT 1948 (ACT NO. 88 OF 1948)—

An Act to amend the *Defence (Transitional Provisions) Act* 1946–1947, and for other purposes.

EGG EXPORT CONTROL ACT 1948 (ACT NO. 63 OF 1948)—

An Act to amend the *Egg Export Control Act* 1947.

EXCISE TARIFF ACT (NO. 4) 1948 (ACT NO. 93 OF 1948)—

An Act relating to Duties of Excise.

HIDE AND LEATHER INDUSTRIES ACT 1948 (ACT NO. 71 OF 1948)—

An Act Relating to the Hide and Leather Industries, and for other purposes.

HOSPITAL BENEFITS ACT 1948 (ACT NO. 82 OF 1948)—

An Act to amend the *Hospital Benefits Act* 1945–1947.

IMMIGRATION ACT 1948 (ACT NO. 86 OF 1948)—

An Act to amend the *Immigration Act* 1901–1940.

IMMIGRATION (GUARDIANSHIP OF CHILDREN) ACT 1948 (ACT NO. 62 OF 1948)—

An Act to amend the *Immigration (Guardianship of Children) Act* 1946.

INCOME TAX ACT 1948 (ACT NO. 45 OF 1948)—

An Act to impose a Tax upon Incomes.

INCOME TAX ASSESSMENT ACT 1948 (ACT NO. 44 OF 1948)—
An Act to amend the *Income Tax Assessment Act 1936–1947*.

INTERNATIONAL ORGANIZATIONS (PRIVILEGES AND IMMUNITIES) ACT 1948 (ACT NO. 72 OF 1948)—
An Act relating to the Privileges and Immunities of the United Nations and other International Organizations, and for other purposes.

INTERNATIONAL TRADE ORGANIZATION ACT 1948 (ACT NO. 73 OF 1948)—
An Act to approve Acceptance by Australia of the General Agreement on Tariffs and Trade and the Havana Charter for an International Trade Organization, and for other purposes.

JUDGES' PENSIONS ACT 1948 (ACT NO. 65 OF 1948)—
An Act to make provision for Pensions for Judges of Courts established under laws of the Commonwealth and to make provision for the families of such Judges, and for other purposes.

KEMIRA TUNNEL (ARBITRATION) ACT 1948 (ACT NO. 55 OF 1948)—
An Act to provide Means for the Determination of Questions which have arisen relating to the Employment of Persons in the Construction of the Kemira Tunnel in the County of Camden in the State of New South Wales and for other purposes.

LOAN (HOUSING) ACT 1948 (ACT NO. 54 OF 1948)—
An Act to authorize the Raising of Moneys to be advanced to the States for the purposes of Housing.

MENTAL INSTITUTION BENEFITS ACT 1948 (ACT NO. 78 OF 1948)—
An Act relating to Mental Institution Benefits.

NATIONAL HEALTH SERVICE ACT 1948 (ACT NO. 81 OF 1948)—
An Act to provide for the Establishment of National Health Services, and for other purposes.

NATIONALITY AND CITIZENSHIP ACT 1948 (ACT NO. 83 OF 1948)—
An Act relating to British Nationality and Australian Citizenship.

PARLIAMENTARY RETIRING ALLOWANCES ACT 1948 (ACT NO. 89 OF 1948)—
An Act to make Provision for Contributory Retiring Allowances for Persons who have served as Members of the Parliament.

PASSPORTS ACT 1948 (ACT NO. 85 OF 1948)—
An Act to amend the *Passports Act 1938*.

RIVER MURRAY WATERS ACT 1948 (ACT NO. 90 OF 1948)—
An Act to ratify and approve an Agreement for the further variation of the Agreement entered into between the Prime Minister of the Commonwealth and the Premiers of the States of New South Wales, Victoria, and South Australia, respecting the River Murray and Lake Victoria and other Waters, and for other purposes.

SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT 1948 (ACT NO. 42 OF 1948)—
An Act to amend the *Sales Tax (Exemptions and Classifications) Act 1935–1947*.

SOCIAL SERVICES CONSOLIDATION ACT 1948 (ACT NO. 38 OF 1948)—
An Act to amend the *Social Services Consolidation Act 1947*, and for other purposes.

SOCIAL SERVICES CONSOLIDATION ACT (NO. 2) 1948 (ACT NO. 69 OF 1948)—
An Act to amend the *Social Services Consolidation Act 1947*, as amended by the *Social Services Consolidation Act 1948*.

SOCIAL SERVICES CONTRIBUTION ACT 1948 (ACT NO. 51 OF 1948)—
An Act to amend the *Social Services Contribution Act 1945–1947*.

SOCIAL SERVICES CONTRIBUTION ASSESSMENT ACT 1948 (ACT NO. 50 OF 1948)—
An Act to amend the *Social Services Contribution Assessment Act 1945–1947*.

STATES GRANTS ACT 1948 (ACT NO. 59 OF 1948)—
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 (ADMINISTRATION OF CONTROLS REIMBURSEMENT) ACT 1948 (ACT NO. 56 OF 1948)—
An Act to make provision for the grant of Financial Assistance to the States in connexion with the administration of Prices, Rents and Land Sales Controls, and for other purposes.

STATES GRANTS (TAX REIMBURSEMENT) ACT 1948 (ACT NO. 43 OF 1948)—
An Act to amend the *States Grants (Tax Reimbursement) Act 1946–1947*.

STEVEDORING INDUSTRY ACT 1948 (ACT NO. 70 OF 1948)—
An Act to amend the *Stevedoring Industry Act 1947*.

TRADE MARKS ACT 1948 (ACT NO. 76 OF 1948)—
An Act to amend the *Trade Marks Act 1905–1936*.

TUBERCULOSIS ACT 1948 (ACT NO. 46 OF 1948)—
An Act to provide for Medical Services in respect of Tuberculosis, and for other purposes.

UNITED KINGDOM GRANT ACT 1948 (ACT NO. 58 OF 1948)—
An Act to grant and apply out of the Consolidated Revenue Fund the sum of Ten million pounds as a Grant to His Majesty's Government in the United Kingdom.

WAR DAMAGE TO PROPERTY ACT 1948 (ACT NO. 74 OF 1948)—

An Act to continue the Operation of the National Security (War Damage to Property) Regulations for the purpose of the Completion of Matters arising under those Regulations.

WAR GRATUITY APPROPRIATION ACT 1948 (ACT NO. 53 OF 1948)—

An Act to establish a War Gratuity Trust Account, to provide for the Payment of Moneys to the credit of that Account, and for other purposes.

WAR SERVICE HOMES ACT 1948 (ACT NO. 67 OF 1948)—

An Act to amend the *War Service Homes Act 1918–1947*.

WESTERN AUSTRALIA GRANT (WATER SUPPLY) ACT 1948 (ACT NO. 52 OF 1948)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum for the purpose of making a Grant to the State of Western Australia for the purpose of Water Supply Development.

WHALING ACT 1948 (ACT NO. 66 OF 1948)—

An Act to amend the *Whaling Act 1935*.

WHEAT EXPORT CHARGE ACT 1948 (ACT NO. 49 OF 1948)—

An Act to impose a Charge on Wheat and Wheat Products exported from the Commonwealth.

WHEAT INDUSTRY STABILIZATION ACT 1948 (ACT NO. 48 OF 1948)—

An Act relating to the Stabilization of the Wheat Industry.

WHEAT TAX (REPEAL AND REFUND) ACT 1948 (ACT NO. 47 OF 1948)—

An Act to repeal the *Wheat Tax Act 1946*, to provide for the Refund to Growers of Wheat of Moneys raised under that Act, and for other purposes.

WOOL REALIZATION (DISTRIBUTION OF PROFITS) ACT 1948 (ACT NO. 87 OF 1948)—

An Act to provide for the Distribution of any ultimate Profit accruing to the Commonwealth under the Wool Disposals Plan, and for other purposes.

[The only Bill remaining on the Notice-paper was the Shipping Bill 1948, which was initiated in the Senate and reached the second reading stage.]

PARLIAMENT PROROGUED AND CONVENED

EIGHTEENTH PARLIAMENT—SECOND SESSION.

(*Gazette No. 120, 1948.*)

PROCLAMATION

Commonwealth of
Australia to wit.
W. J. MCKELL
Governor-General.

By His Excellency the Governor-General in and
over the Commonwealth of Australia.

WHEREAS by the Constitution of the Commonwealth of Australia it is amongst other things provided that the Governor-General may appoint such times for holding the Sessions of the Parliament as he thinks fit, and may also from time to time, by Proclamation or otherwise, prorogue the Parliament:

Now therefore I, William John McKell, the Governor-General aforesaid, in exercise of the power conferred by the said Constitution, do by this my Proclamation prorogue the Parliament until Wednesday, the first day of September, One thousand nine hundred and forty-eight, or (in the event of circumstances arising, at present unforeseen, which render it expedient that the Parliament should be summoned to assemble at a date earlier than the said Wednesday, the first day of September, One thousand nine hundred and forty-eight) to such earlier date as fixed by a Proclamation summoning the Parliament to assemble and be holden for the despatch of business:

Furthermore I do appoint the said Wednesday, the first day of September, One thousand nine hundred and forty-eight, or such earlier date (if any) as is fixed by Proclamation, as the day for the Parliament to assemble and be holden for the despatch of business. And all Senators and Members of the House of Representatives are hereby required to give their attendance accordingly, in the building known as Parliament House, Canberra, at three o'clock in the afternoon, on the said Wednesday, the first day of September, One thousand nine hundred and forty-eight, or, in the event of any earlier date being fixed by Proclamation, at three o'clock in the afternoon on the date so fixed.

Given under my Hand and the Seal of the Commonwealth at Canberra,
this fourth day of August, in the year of our Lord, One thousand
(L.S.) nine hundred and forty-eight and in the twelfth year of His Majesty's
reign.

By His Excellency's Command,

J. B. CHIFLEY

Prime Minister.

GOD SAVE THE KING!

CONTENTS

TUESDAY, 26 OCTOBER 1948

CHAMBER

Eggs	2060
Question	
RECALL OF AUSTRALIAN CITIZENS FROM OVERSEAS	2060
Hour Of Meeting.....	2061
Leave Of Absence.....	2061
Question	
WHEAT	2061
Question	
ROYAL VISIT TO AUSTRALIA	2063
Question	
LAND SETTLEMENT OF EX-SERVICEMEN	2063
Question	
CONFERENCE OF EMPIRE PRIME MINISTERS	2064
Question	
TUNICA Y. CASAS.....	2065
Question	
HEARING AIDS	2065
Question	
INDUSTRIAL UNREST	2065
Question	
CENSORSHIP	2066
Question	
WOOL	2066
Question	
INTERNATIONAL AFFAIRS	2067
Question	
OVERSEAS INVESTMENTS IN AUSTRALIA	2067
Question	
HOUSE OF REPRESENTATIVES	2068
Electoral Redistribution	
Commonwealth Electoral Act -	2068
Question	
MR. H. L. ANTHONY, M.P.....	2068
Question	
DOLLAR DEFICITS	2068
Question	
APPLES AND PEARS	2069
Question	
CIVIL AVIATION.....	2070
Question	
PRICES CONTROL	2070
Question	
IMPERIAL PREFERENCE	2070
Australian Soldiers' Repatriation Bill 1948.....	2071
Wheat Export Charge Bill 1948	2071
Estimates 1948-49	
Additions, New Works, and Other Services Involving Capital Expenditure	2072
In Committee of Ways and Means:	2113
Ordered -	2113
Appropriation (Works And Services) Bill 1948-49	2113
Income Tax Assessment Bill 1948	
Second Reading.....	2113
Adjournment	2124
Papers.....	2125

QUESTIONS IN WRITING

Answers To Questions	2126
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House of Representatives.*Tuesday, 26 October, 1948.*

Mr. DEPUTY SPEAKER (Mr. J. J. Clark) took the chair at 3 p.m., and read prayers.

EGGS.

Mr. WILLIAMS.—The Minister for Commerce and Agriculture has stated from time to time that the Bureau of Agricultural Economics, which is a section of his department, has conducted researches into economic phases of various industries. I now ask him whether he will direct the bureau to investigate the poultry industry so as to learn the cost of producing eggs.

Mr. POLLARD.—During recent months several organizations of poultry-farmers have asked for an investigation of the cost of producing eggs, and I have asked the Bureau of Agricultural Economics to inquire into the matter, and to determine, if possible, the cost of production on commercial poultry farms. The investigations will include field work, and the bureau will seek the co-operation of State agricultural officers, and of poultry-farmers. It is hoped that results will be available within three months.

RECALL OF AUSTRALIAN CITIZENS FROM OVERSEAS.

Mr. HARRISON.—I desire to ask a question of the Prime Minister. I have received from women's organizations many letters and telegrams, one of which I propose to read so that the Prime Minister may understand what my question is about. It is from the Mosman branch of the Australian Women's Movement against Socialization, and is as follows:—

The Mosman branch of the Australian Women's Movement against Socialization wish to record their most emphatic protest against the statements made by Senator O'Flaherty in the House regarding Australian girls abroad. Please press for complete withdrawal of, and apology for, such irresponsible statements.

I have here telegrams from the Wagga and other sub-branches of Australia

Women's Movement against Socialization; the United Women's Citizen Movement, Tarcutta—

Mr. DEPUTY SPEAKER.—The honorable member may make only a general reference to the other communications he has received.

Mr. HARRISON.—I do not propose to read the telegrams, but merely to state the names of the organizations from which they were received.

Mr. DEPUTY SPEAKER.—It is enough to say that there is a number of them.

Mr. HARRISON.—It is necessary to state the names of the organizations so that the Prime Minister may know the Australia-wide nature of the protests.

Mr. DEPUTY SPEAKER.—The Standing Orders provide that an honorable member may read one of a number of telegrams, but that he may make only a general reference to the others.

Mr. HARRISON.—Then I shall hand the telegrams to the Prime Minister so that he will know how wide-spread are the protests, and how great is the indignation of women's organizations throughout the country. Will the Prime Minister, on behalf of his party, apologize to Australian womanhood in the terms set forth in the telegrams, or in such other words as he deems suitable? Will he dissociate his party from the remarks of Senator O'Flaherty, and arrange, through his party, to have the honorable senator withdraw unconditionally the remarks to which objection has been taken, and to apologize for having made them?

Mr. CHIFLEY.—Since this matter was first raised I have had an opportunity to read the *Hansard* proof of the speech made by Senator O'Flaherty in the Senate and I have ascertained that, as usual, the newspaper reports are incorrect. I understand that Senator O'Flaherty proposes to make some reference to the matter in the Senate during this week and, as this incident happened in the Senate, I shall leave the explanation to him. I have no doubt that the telegrams received by the Acting Leader of the Opposition are based on newspaper reports and not on fact.

Mr. HARRISON.—The *Hansard* proof of the honorable senator's speech indicates that his remarks were sufficiently bad to warrant the sending of telegrams.

HOUR OF MEETING.

Motion (by Mr. CHIFLEY) agreed to—That the House, at its rising, adjourn to-morrow, at 10.30 a.m.

LEAVE OF ABSENCE.

Motion (by Mr. CHIFLEY)—*by leave*—agreed to—

That leave of absence for one month be given to the Speaker (Mr. Rosevear), the Attorney General and Minister for External Affairs (Dr. Evatt), the Leader of the Opposition (Mr. Menzies), the honorable member for Fawkner (Mr. Holt), the honorable member for Calare (Mr. Howse), the honorable member for Lang (Mr. Mulcahy) and the honorable member for Boothby (Mr. Sheehy), owing to their absence from Australia, and to the honorable member for Hunter (Mr. James) and the right honorable member for Yarra (Mr. Scullin) on the ground of ill health.

WHEAT.

PAYMENTS—CORN SACKS—STATE BALLOTS.

Mr. FULLER.—In this morning's press the Minister for Commerce and Agriculture is reported to have stated that a fourth advance of 2s. a bushel will now be paid on the No. 11 Wheat Pool—that is, the 1947-48 pool—bringing the total advance to growers participating in that pool to 10s. 6d. a bushel bulk wheat and 11s. bagged wheat, less freight. The Minister is also reported to have stated that further payments will be made as sales from the pool permit. Will the honorable gentleman indicate the position in respect of earlier pools? Is any money held on growers' account in those pools, or have full payments been made and have the pools been finalized? I realize, of course, that a measure is now before the Parliament to refund to growers amounts held in the stabilization fund from the 1945-46 and 1946-47 pools. I refer to moneys held apart from those amounts.

Mr. POLLARD.—All earlier wheat pools have been finalized except the Nos. 10 and 11 pools. There is a small outstanding payment still to be made on No.

10 pool. That small payment will probably be made when the refunds of tax collected on that year's pool are being repaid to the growers.

Mr. McEWEN.—I refer to a recent decision of the Australian Wheat Board that wheat-growers who require corn-sacks for the forthcoming harvest must pay cash in advance for them. That is a departure from the customary practice of supplying corn-sacks without making a prior charge and offsetting their cost against wheat delivered by growers. Is the Minister for Commerce and Agriculture aware that the Minister for Agriculture in the Labour Government of New South Wales, Mr. Graham, has announced that he is opposed to the announced change of policy by the Australian Wheat Board, and that he intends to make representations on the matter either to the board or to the Minister? In view of his protest, and those of the growers and members of the Opposition in this chamber, will the Minister direct the board to revert to its former practice of supplying corn-sacks to growers, without making a prior charge? I point out that wheat-growers have credits with the Australian Wheat Board which approximate £11,000,000.

Mr. POLLARD.—In answer to the last part of the honorable member's question, I will not request the Australian Wheat Board to supply corn-sacks on credit, in the absence of adequate security, but as the wheat-growers in the four main wheat-growing States have voted in favour of the Commonwealth wheat stabilization plan the Commonwealth Treasury may consider that there is thereby sufficient security available to justify corn-sacks being made available to the wheat-growers without cash being first required. The honorable member should take into consideration that Mr. Graham has no responsibility in relation to the revenue of the Commonwealth. The Commonwealth carries that responsibility. Whilst I have had representations from Mr. Graham, responsibility rests with the Australian Government, which acts irrespective of the political complexion of the State Minister

concerned, or the State that he represents.

Mr. BEALE.—I have received from a wheat-grower in New South Wales a letter in which he stated that, although he was a registered grower, he did not receive a ballot-paper in connexion with the recent poll on the Government's wheat stabilization proposals, and he added that there were other growers in his district who also did not get papers. Having regard to the fact that in a small district several registered wheat-growers did not receive ballot-papers. Will the Minister have inquiries made in order to find out how many registered wheat-growers, who were entitled to receive ballot-papers, did not, in fact, receive them?

Mr. POLLARD.—I am deeply perturbed at the suggestion that some wheat-growers in New South Wales were overlooked in the issuing of ballot-papers for the very important poll of growers which recently took place, and I am all the more perturbed at the thought that those who were missed might have been affirmative voters. However, even if they would have voted against the proposal, I am still perturbed at the thought that they were not given the opportunity to do so.

I point out, for the information of honorable members, that the New South Wales Government was responsible for conducting the ballot. If there has been any dereliction of duty—

Mr. BEALE.—I did not attack any one. I am merely seeking information.

Mr. POLLARD.—Well, I am giving it. It is true that, in taking the ballot, the New South Wales Department of Agriculture may have worked from the roll prepared by the Commonwealth wheat stabilization authority. I am sure that most of the wheat-farmers entitled to vote were given the opportunity to do so. It may be that one or two were missed, and that was unfortunate. I hope that it will never be necessary to take another such ballot. As the wheat-growers have demonstrated their delight with the stabilization plan, it is probable that no further opportunity will occur for making mistakes in the holding of ballots.

ROYAL VISIT TO AUSTRALIA.

Mr. HAMILTON.—On the occasion of earlier Royal tours of this country a medal was struck to commemorate the occasion. Will the Prime Minister indicate whether it is the intention of the Government to issue a similar commemorative medal on the occasion of the visit to Australia next year of Their Majesties the King and Queen and the Princess Margaret?

Mr. CHIFLEY.—I understand the decision has been made by the joint committee in charge of arrangements for the Royal visit to issue a commemorative medal to children attending primary schools, and to issue a booklet to those attending secondary schools. I cannot remember any decision having been made regarding the issue of a medal for general distribution. I do not know to whom it is suggested that such a medal should be issued; certainly not to members of this House.

Mr. HAMILTON.—No, to school children.

Mr. CHIFLEY.—A medal is to be struck and issued to younger children. I understand that the committee believes that a booklet, containing information and illustrations, will be much more suitable for older children.

Mr. TURNBULL.—The residents of the Murray Valley are concerned because the Royal tour will not touch the Murray River anywhere in Victoria or New South Wales. The most successful settlement of ex-servicemen in Australia, situated at Sunraysia, Australia's most progressive decentralized area, is also being overlooked. Will the Prime Minister, as an urgent matter, direct the attention of the Minister for Supply and Development (Senator Armstrong), who is in charge of the arrangements for the Royal tour, to those facts?

Mr. CHIFLEY.—The general itinerary for the Royal tour was prepared by a joint committee of members of this Parliament, which allotted to the Commonwealth and the various States the times that Their Majesties should spend in them. The States were responsible for making their own arrangements for the Royal visit within the periods allotted to them. In that matter, the joint committee and the Australian Go-

vernment did not take any part. I saw some of the plans. The Premier of South Australia, Mr. Playford, was good enough to show me the itinerary suggested for that State. The plans for all the States, in conjunction with the plans suggested by the Australian Government, were presented to Their Majesties by the Minister for Supply and Development. I am not familiar with all the details of the discussions which took place between Their Majesties, and the Minister for Supply and Development and Lieutenant-General Berryman, but the final arrangements were made at the wish of Their Majesties. Although I am always willing to ask the Minister to convey to the private secretary to His Majesty any suggestions for the tour, I understand that the plans which have been decided upon are firm plans. The only part which I have taken in the matter is to indicate to the Minister for Supply and Development that Their Majesties should not be overworked, and to advise Their Majesties that they should ensure that they shall not be overworked on the tour. As the honorable member has made a suggestion for the itinerary, I shall convey it to the Minister, but I know that it will be difficult, if not impossible, to make any changes in the plans upon which Their Majesties have already decided.

LAND SETTLEMENT OF EX-SERVICEMEN.

Mr. MCLEOD.—Can the Minister for Post-war Reconstruction give me an estimate of the net increase of primary production that will result from proposals approved by the Commonwealth to date under the scheme for the land settlement of ex-servicemen?

Mr. DEDMAN.—I cannot give accurate figures of the increased production that will result from the settlement of ex-servicemen on the land but it is possible to make a close estimate of it, as standards are laid down regarding the living area for soldiers from which it is possible to gauge the quantity of the particular primary products which it is expected will be produced on each individual farm. On that basis, it is estimated that the amount of increased production that will be available

from such lands once they come into full production will be—

Wool—2,000,000 lb.
Fat lambs—420,000 head.
Milk—12,000,000 gallons.
Rice—3,600 tons.
Citrus fruits—1,080,000 bushels.
Wine grapes—8,100 tons.
Dried vine fruits—6,000 tons.

There will also be very considerable increases of primary production from areas other than those now being settled by ex-servicemen.

CONFERENCE OF EMPIRE PRIME MINISTERS.

Mr. BEALE.—In directing a question to the Prime Minister, I refer to recent newspaper reports which state that the conference of Empire Prime Ministers that met in London recently decided to omit the word “British” from the title “British Commonwealth of Nations”. I ask the right honorable gentleman whether such a decision was made by the conference, and, if so, whether the Australian representative at the conference and the Australian Government concurred in it? In view of the deep anxiety of British people throughout the world regarding this momentous matter I also ask whether the Prime Minister will make a statement on it and if possible give the House a chance to debate it?

Mr. CHIFLEY.—The conference in London had no power to make decisions. It engaged only in discussions of an informal character. Any decisions to be made would have to be made by the governments represented, and would not be made by their representatives. I understand that there were some discussions about constitutional difficulties which have arisen because of the views of certain dominions, but there is nothing to report at this stage. At a later stage, I may be able to give the honorable gentleman and the House a summary of the discussions at the conference. An agenda of the conference was prepared and forwarded to me before the discussions began. I repeat, that the understanding has always been that the conference itself had no power to make decisions, and the honorable gentleman may rest assured that no decision was made on the matter that he has raised.

Mr. WHITE.—Following the recent meeting of Empire Prime Ministers in London regarding the need for defence co-ordination and the future of Empire relations, will the Prime Minister make an early statement on the joint defence position, and reassure Great Britain that Australia has no intention of dropping the word “British” from any reference to the British Empire or the British Commonwealth of Nations?

Mr. CHIFLEY.—In my reply to a previous question I referred to the matter of the word “British”. I am not in a position to make a definite statement about what any other dominion proposes with regard to defence programmes. That was not possible either after the 1946 conference. The Dominions vary in their attitude to defence matters. I shall not discuss remarks that were made by the Prime Ministers of other Empire countries, whom I met in London in 1946. Australia decided to go ahead with its part of the programme, and undertook to carry a greater burden in regard to defence, both financially and physically, than it had carried previously. Rather than wait for any co-ordinated plan, Australia proceeded with the concurrence of the British Government, and on the advice of their experts, to formulate details of the five-year plan that was envisaged at the conference. Should any variation become necessary it can be dealt with as the occasion arises. As far as I know, Australia is the only dominion which from that date onward has pursued the plan that was evolved as the result of the 1946 conference. I am not competent to speak for Canada, South Africa, India, Pakistan, or Ceylon, nor, I think, is anybody else, apart from the leaders of those dominions. Canada, has certain defence liaison arrangements with the Government of the United States of America. I thought that the matter raised by the honorable member for Balaclava had been covered fully in the statement made recently by the Minister for Defence. That is not so, I shall ask him to make a short statement at a later stage setting out the precise position. All I can say is that the programme which is to be carried out has the full concurrence and approval of the Government of the United Kingdom.

TUNICA Y. CASAS.

Mr. LANG.—Can the Prime Minister inform the House—1. Whether entry permits were issued to a Tunica Y. Casas, a naturalized Frenchman and his wife from Noumea? 2. Whether Madame Casas was secretary of the New Caledonian Communist party and her husband was also a member of the party, who had left France hurriedly after serving with the Communists in Spain? 3. Whether the Casas left Noumea after threats had been made against them because of their activities in inciting the Asiatic population? 4. Whether the Casas entered Australia on tourists' visés for three months, but have since become permanent residents, establishing a business in Sydney? 5. Will the Prime Minister have inquiries made to see whether the Casas are in contact with the Viet-Nam of Indo-China and the Indonesian Communist party? 6. Is it the policy of the Government to permit foreigners who are known to be Communists to settle in this country?

Mr. CHIFLEY.—I have never heard of the people to whom the honorable member has referred, and therefore, I am not familiar with the circumstances of their entering into Australia, that is, if they have come here. However, in compliance with the honorable member's suggestion, I shall endeavour to ascertain the information that he seeks.

HEARING AIDS.

Mr. DUTHIE.—Representations have been made to the Government by several honorable members concerning the serious effect that customs duties are having on the price of vital hearing aids imported from the United States of America. As people who suffer from deafness urgently require this equipment, and as supplies now available are inadequate to meet the demand, will the Minister representing the Minister for Trade and Customs ask his colleague to consider the advisability of reducing customs duties on imported American hearing aids and batteries? Will the Government allot a reasonable increase of dollars for the purchase of the equipment, and remove the prohibition, if any,

on the importation of ingredients used in the batteries?

Mr. CHIFLEY.—The importation of hearing aids and parts for hearing aids has been given a great deal of consideration. The right honorable member for North Sydney raised some aspects of this matter with me personally and pointed out that American aids of certain types were of better quality and more suited to the requirements of certain persons than aids obtainable from sterling areas. As late as last Thursday night a Cabinet sub-committee made a close survey of the allocation of dollars for the purchase of various commodities and hearing aids was one of the classifications considered. I understand that a high-quality hearing aid has been developed in the United Kingdom by the Ministry for Health which proposes to standardize it and to make it available at a fixed price to the community. Of course, there will always be persons who believe that aids of other types are more suitable for their needs than any standard type. We have made provision in the allocation of dollars for the importation of hearing aids from the United States of America. Ample provision has also been made for the purchase of spare parts for American sets already in use in Australia. The Cabinet sub-committee which is dealing with the allocation of the dollars for the purchase of imports from the United States of America will review the matter again, but my impression at the moment is that adequate provision has already been made to provide for the purchase of hearing aids and parts for hearing aids.

INDUSTRIAL UNREST.

Mr. HUTCHINSON.—I ask the Prime Minister whether there are now in progress a coal strike in New South Wales arising out of differences between two trade unions, a bread strike in Melbourne, which is preventing many citizens from obtaining bread, a strike at a match factory in Melbourne which has resulted in a shortage of matches, and a strike at the abattoirs in that city which is preventing thousands of lamb carcasses from being shipped to Great Britain? If these are facts, is it correct to say that the streamlined arbitration machinery which

the Government set up some time ago has failed? Is it the intention of the Government to introduce a new model of industrial conciliation machinery?

Mr. CHIFLEY.—I take it that the coal strike to which the honorable member has referred is the industrial disturbance which has arisen in the industry on the South Coast field in New South Wales. That matter has been the subject of continued negotiations on the part of the unions concerned and the Australian Council of Trades Unions with a view to effecting a settlement. It has been conveyed to me that the miners' federation was not prepared to accept a decision by an independent authority on that dispute which concerns the driving of a tunnel to a new coal mine. As the Minister for Shipping and Fuel is now endeavouring to effect a settlement of that dispute I do not wish to comment upon it at this stage. With regard to the strike at the abattoirs in Melbourne, I understand that half of the normal number of employees at the abattoirs are working. According to information which I received this morning Conciliation Commissioner Kelly will leave Sydney to-day, or to-morrow, and that he hopes to be able to effect a settlement of that trouble. As the matter is now in the hands of a conciliation commissioner I shall not comment upon it. The bread strike is covered to some degree by State arbitration and a State body has adjudicated upon it. As negotiations for settlements are proceeding in respect of each of the disputes mentioned by the honorable member, it would not be proper for me to make any comment upon them at this stage.

CENSORSHIP.

PLAY "RUSTY BUGLES".

Mr. HAYLEN.—Has the Prime Minister noticed a report in a Sydney newspaper that an Australian play written by an Australian soldier entitled *Rusty Bugles* has been banned by police action? Does he recollect that an Australian novel written in Melbourne, by one Robert Close, was also banned some time ago? Whilst I realize that this is a matter for action by State governments, I ask the right honorable gentleman whether

he will consider proposing at the next conference of Commonwealth and State Ministers for the sake of Australian literature, that some tribunal should be established before which writers and playwrights can state their case in open court? At present their work is subjected to a censorship which they regard as characteristic of a "police-state". The police simply ban a play, and it is "gone".

Mr. CHIFLEY.—I read in the press an announcement that a performance of the play referred to, which was, I think, produced by Miss Doris Fitton, had been witnessed by the Chief Secretary—

Mr. HARRISON.—No, the Chief Secretary did not visit a performance of the play.

Mr. CHIFLEY.—I understand that the Chief Secretary intimated that he intended to do so. Anyhow, it is apparent that he is displeased with the play. I agree with the view expressed by the honorable member that a uniform standard of censorship should be adopted throughout the Commonwealth, and that some competent body or individual should be appointed to establish proper standards by which literary and artistic work should be judged. I believe that the Acting Leader of the Opposition himself was at one time involved in some trouble about the banning of a book—

Mr. HARRISON.—Not trouble; my action was quite justified.

Mr. CHIFLEY.—At all events, the honorable gentleman incurred some criticism. I find myself in a rather peculiar situation in this matter because, while I was absent from Australia not very long ago, I recommended to some of my friends a book which I had just read. Later it appeared that the book had been banned. I am afraid, therefore, that my views on literary morality cannot be very high. I agree with the honorable member that the matter should receive consideration, and I shall mention it at the next conference of Commonwealth and State Ministers.

WOOL.

Mr. RANKIN.—Has the attention of the Minister for Commerce and Agriculture been drawn to a press report of a

cable from Charles Buttrose, a journalist in New York, which appeared in last Sunday's issue of *Truth*, to the effect that Australia was apparently offering no opposition to the International Wool Secretariat's sponsorship of the Princeton Textile Research Institute, a project that is calculated substantially to reduce the demand for Australian fine wools in the United States of America market? Is it a fact that 500,000 dollars have been provided by the secretariat, of which Australia is a member, to treat coarse wools in order to impart merino qualities to them? If so, what action, if any, does the Government intend to take to protect the Australian wool industry against this serious threat?

Mr. POLLARD.—I have not seen the press report referred to by the honorable member, but if he will be good enough to furnish me with a copy of the report I shall let him have all the facts.

INTERNATIONAL AFFAIRS.

Mr. SPENDER.—Will the Prime Minister inform the House whether it is the intention of the Government to afford honorable members an opportunity to discuss foreign policy before the House rises at the end of the current sessional period?

Mr. CHIFLEY.—Last week the honorable member for Moreton inquired whether, before the House rises, an opportunity would be given honorable members to discuss matters of foreign policy. I mentioned then that I would be prepared to consider the suggestion but that as some of these matters are the subject of delicate negotiations, and are in a state of flux, I thought that course inadvisable at the present time. Even if I were to prepare a statement on the matter, conceivably it could be out of date before honorable members had had time to read it. However, I shall see what information is available. Whilst there is no difficulty in getting material, it is not easy to draw from that material reliable conclusions as to the probable course of future events.

OVERSEAS INVESTMENTS IN AUSTRALIA.

Mr. ANTHONY.—It is reported in to-day's press that the Minister for Supply

and Development when speaking last night at a meeting of the Australian-American Society in Sydney, said amongst other things—

On my visit to New York I told leading Americans that the future of Australia would be assured if we could induce the type of men who built New York to come to our country. There is something in the American that is characteristic of what we need in this country. It is something that unfortunately we do not see in the Englishman. British interests came to Australia, had a look round, and bought a race-course—but when the first Australian car leaves the factory it will be built by an American firm.

I ask the Prime Minister whether it is customary for members of this Government to make disparaging remarks about Great Britain when they go abroad. Is it not the practice to brief Ministers who go abroad with facts about Australia to tell the people of other countries? Was not Senator Armstrong armed with the knowledge that most of our railways and public works were built with £1,100,000,000 or £1,200,000,000 of British loan money? Is this Minister in charge of the Royal tour arrangements and, if so, in view of the sentiments that he has expressed, is he the most suitable man that the Government can find for the task?

Mr. CHIFLEY.—It is quite natural that I am not likely to take any notice of statements that are made in the press or to regard them as accurate. Only last weekend an overseas ambassador in this country made a statement to the press, but did not even receive the courtesy from a number of newspapers of having it published without mutilation.

Mr. ANTHONY.—Does the right honorable gentleman say that this report is not true?

Mr. CHIFLEY.—What I say is that I am not likely to accept statements that appear in the press as accurate accounts of what Senator Armstrong said. It is true that we have found that General Motors-Holdens Limited, an American firm, has been very energetic in producing an Australian car.

Mr. McEWEN.—It is an American-Australian firm, do not forget.

Mr. CHIFLEY.—It is also true that other American companies in Australia

have not been so active as General Motors-Holdens Limited, although both the Minister for Post-war Reconstruction and I have urged them to undertake the task of producing an Australian unit. When some American companies secured factory sites in Australia and obtained the necessary plant the development of the projects in which they were interested proceeded very expeditiously but, on the other hand, it was very difficult to get one or two English firms, in the establishment of which in Australia we took some interest, finally to decide what they wanted to do. It is probable that that is what the Minister had in mind. However, the fact that some American business undertakings are more energetic in that connexion than some British business undertakings is no reflection on the British people, because such undertakings are not representative of the people of either country. It is only an indication that when some American firms obtain permission to operate in Australia they go into production very rapidly. A striking case is that of California Productions Proprietary Limited which now operates in Rutherford in New South Wales. Some large English firms, however, have been making inquiries in different States for three or four years. That has nothing to do with the people of Britain or of the United States of America. It indicates merely that the Americans are very pushing and energetic when they decide to proceed with a project. The British people, on the other hand, are traditionally somewhat cautious with regard to entering into commitments. I do not think there is anybody who is more competent to discharge the duties of the Minister in charge of the Royal tour than Senator Armstrong. Whatever honorable members may think of the Minister's political views, I doubt whether any honorable member of this House has other than the highest respect for his impartiality in this regard. I am sure that his task will be performed very competently. He has many contacts that will help him to make the tour run smoothly and harmoniously. The objective of the Australian Government is to ensure that the Royal visitors will derive the greatest

Mr. Chifley.

possible pleasure from their visit to Australia.

HOUSE OF REPRESENTATIVES. VENTILATION.

Dame ENID LYONS.—I have been in this chamber for only a little over half an hour to-day but my condition is such that I can scarcely refrain from yawning and I notice that other honorable members also appear to be drowsy. I do not think that this state of affairs can be caused entirely by the soporific effect of the oratory of honorable members. In those circumstances I ask you, Mr. Deputy Speaker, whether you will cause a report to be made on the ventilation system of this chamber. It seems to me to be completely inadequate for our needs.

Mr. DEPUTY SPEAKER (Mr. Clark).—The honorable member's suggestion will be considered.

ELECTORAL REDISTRIBUTION.

Mr. JOHNSON.—I lay on the table the following papers:—

Commonwealth Electoral Act—

Reports, with maps, of the commissioners appointed for the purpose of redistributing the States of New South Wales and Queensland into electoral divisions.

Ordered that the reports be printed.

MR. H. L. ANTHONY, M.P.

Mr. McLEOD.—Will the Prime Minister ascertain whether the honorable member for Richmond uses only American trucks and tractors on his farm?

Question not answered.

DOLLAR DEFICITS.

AGRICULTURAL MACHINERY.

Mr. RYAN.—Is the Prime Minister able to say whether a sum of 5,500,000 dollars has been released to the New Zealand Government from the British Commonwealth dollar pool for the purchase of farm tractors, spare parts and agricultural implements? If such a sum has been released, will the right honorable gentleman inform the House of the extent to which dollars will be made available to the Australian Government for the importation of farm tractors, spare parts

and agricultural implements to alleviate the acute shortage of those articles from which the Australian agricultural industry is now suffering?

Mr. CHIFLEY.—This matter was raised recently by another honorable member. A survey was made last week of the dollars to be made available for tractors. Of course, there are many different kinds of tractors from wheel tractors to heavy industrial tractors. There is also the Ferguson tractor, which is being imported from the United Kingdom. In addition, tractors are being manufactured in this country by the International Harvester Company, and Chamberlain Brothers in Western Australia. There is also a possibility that we shall obtain some tractors from the continent of Europe. Provision has been made for dollar funds to import all spare parts required for American tractors. A lengthy statement would be required to deal adequately with the general question of importing tractors, and to avoid occupying the time of the House at this juncture, I shall have the information prepared for the honorable member.

Mr. RYAN.—If New Zealand can find dollars to import tractors why cannot Australia do the same?

Mr. CHIFLEY.—I have not seen New Zealand's dollar allocation. The honorable member should not forget that although the allocation of dollars has been accepted on trust by the British treasury, the New Zealand Minister for Finance, and myself, our conceptions of essentiality may differ. For instance, Australia may decide to make more money available for newsprint than New Zealand is prepared to allocate for this purpose. Each country decides what it requires most urgently but, of course, it must keep within the ceiling that has been fixed. New Zealand may make a larger allocation for tractors than we do. However, I shall have a statement prepared for the honorable member.

APPLES AND PEARS.

Mr. ARCHIE CAMERON.—The Minister for Commerce and Agriculture will recall that the honorable member for Wakefield and I approached him last week to seek information about the export

of apples from South Australia in the coming season. Has the honorable gentleman any further information on that subject?

Mr. POLLARD.—There is a misconception in the minds of some people about the export of apples and pears from South Australia last year. It is commonly believed that South Australia, and certain other States, were refused export licences for apples and pears. I do not think that that is correct. In fact, last year, South Australia exported considerable quantities of apples, I understand, to Sweden, and I hope that similar exports will be made in the coming season.

Mr. ARCHIE CAMERON.—There were no exports from South Australia to the United Kingdom.

Mr. POLLARD.—Licences were not refused last year, but the Commonwealth, having acquired apples and pears from Tasmania and Western Australia, and having to meet its commitments to the growers of those States, availed itself of the opportunity to fill the export quota for the United Kingdom with its own fruit. The position this year may be slightly different, but I draw the attention of the honorable member to the fact that, although South Australia and the other States, excepting Tasmania and Western Australia, did not share in the United Kingdom order last year, the Australian market and the other overseas markets were so good that I am sure that no individual orchardist will complain that he was detrimentally affected by that arrangement. In fact, I believe that South Australian growers to-day view their market prospects so well that they have refused an order—I am speaking from memory for approximately 100,000 cases of fruit at a very remunerative price.

Mr. ARCHIE CAMERON.—The honorable gentleman means last year's fruit.

Mr. POLLARD.—Last year's crop is now in cool store. That indicates that South Australian orchardists believe that they can get a better price on the other State markets. In those circumstances, it can be quite clearly seen that no mainland States were detrimentally affected last

year by the fact that the United Kingdom's order went to Tasmania and Western Australia. I think the honorable member can accept it as unlikely that licences will be refused for the shipment of fruit overseas. That is a matter of policy that can be decided only on the application of the States concerned to export fruit and in the light of the circumstances existing when applications are made for export licences.

CIVIL AVIATION.

Mr. DUTHIE.—We are pleased to hear of the safe arrival of two more Trans-Australia Airlines Convair aircraft at Essendon after their 19,000 mile journey. Can the Minister for Civil Aviation say whether their performance was equal to that of the first Convair to fly to Australia, on what air route the first three Convairs will operate and whether the remaining two Convairs will also bring British migrants to this country?

Mr. DRAKEFORD.—The second and third of the five Convairs bought by Trans-Australia Airlines arrived at Essendon aerodrome more than a day ahead of scheduled time. Their performance was completely satisfactory. They will operate on the inter-capital routes. It is even possible that they will be placed on the service to Western Australia on occasions. Their range is sufficient for that purpose if they come down and refuel at Forrest. It is intended to bring migrants on the next two Convairs, but it is not expected that the aircraft will be ready for delivery much before the end of the year. The policy of bringing British migrants to Australia in the Convairs was laid down for all the Convair aircraft except the first. It is hoped to bring another 40 migrants to Australia in the remaining two aircraft.

PRICES CONTROL.

USE OF CONFIDENTIAL FILES.

Mr. HAMILTON.—Some time ago I asked the Prime Minister a question about prices control. He said that the question of what was to become of the files made available to the States for the copying of secret and confidential information on Commonwealth files

to enable the States to control prices satisfactorily would have to be considered. I now ask the Prime Minister what is to become of the files on the completion of the transfer of prices control powers to the several States? Are they to be returned to Canberra? As many of the files contain information that was made available to the Administration in confidence and as, by an act of this Parliament, the Commonwealth Prices Commissioner was given authority to obtain information from the Taxation Branch which doubtless is on certain files, will the files be destroyed? If they are not to be destroyed what will be done with them, seeing that the originating section of the Commonwealth prices service no longer exists and the files contain so much confidential information?

Mr. CHIFLEY.—Of course there are different classes of files. Some contain authentic information about taxation and profits. The Parliament has provided that some files shall be made available to the State Prices Commissioners, because without them, they would not have any reasonably accurate records on which to make decisions. The files are also available to the Taxation Branch, the Tariff Board and, naturally, the Auditor-General. The ultimate fate of the files has not been decided. They will be kept for the time being to assist the State prices commissioners in making determinations. The honorable member may rest assured that they will not be allowed into the hands of any persons other than the officials of the State prices commissioners, the Commonwealth Auditor-General, the Tariff Board and the Taxation Branch to whom they are available under legislation passed by this Parliament. It is not possible at present to decide their ultimate fate, but if it is not necessary to use them in the States they will be brought back to Canberra and a decision will be made on whether they will be destroyed or not.

IMPERIAL PREFERENCE.

Mr. WHITE.—I ask the Minister representing the Minister for Trade and Customs a question regarding the negotiations for a European western economic union to include Great Britain.

and the treaty that was subsequently signed at Brussels. Can the Minister say whether this treaty will destroy or interfere with the reciprocal trade agreement between Great Britain and Australia?

Mr. CHIFLEY.—The honorable member should not confuse the western economic union with the western customs union, about which there was a good deal of talk some time ago. Even a western customs union could not cut across the terms of the Ottawa Agreement, which may be varied only by negotiations between the Governments of the United Kingdom and the Dominions concerning specific items, or by the denunciation of the agreement by Great Britain. There is no likelihood that Great Britain would do any such thing, because it gains more from Empire preference, under the terms of the Ottawa Agreement, than, perhaps, do the Dominions. The honorable member may rest assured that there has been no interference with Empire preference.

AUSTRALIAN SOLDIERS' REPATRIATION BILL 1948.

Assent reported.

WHEAT EXPORT CHARGE BILL 1948.

In Committee of Ways and Means:

Mr. POLLARD (Ballarat—Minister for Commerce and Agriculture) [4.1].—I move—

1. That, in lieu of the charge imposed by the Wheat Export Charge Acts 1946, a charge be imposed—

- (a) on all wheat of the 1947-48 season or of any subsequent season which is exported from the Commonwealth, after the commencement of the Act passed to give effect to this resolution, whether by the Board or by any other person; and
- (b) on all wheat products manufactured from wheat of the 1947-48 season or of any subsequent season which are exported from the Commonwealth, after the commencement of the Act passed to give effect to this resolution, whether by the Board or by any other person.

2. That, subject to a lower rate being prescribed in respect of wheat of the relevant season, the rate of the charge per bushel of wheat of any season exported by any person other than the Board be fifty per centum of the amount by which the price per bushel, at the date of entry for export (or, if the wheat is exported without being entered for

export, the date of export) for export of fair average quality bulk wheat free on rail at the ports of export, as declared by the Board, or such lower price as is prescribed in respect of wheat of that season, exceeds the guaranteed price.

3. That a declaration by the Board for the purposes of the provision made to give effect to the last preceding paragraph be deemed to apply in respect of all dates from and including the date of the declaration to and including the date immediately preceding the date of the next subsequent declaration.

4. That, subject to a lower rate being prescribed, the rate of the charge per bushel of wheat of any season exported by the Board be fifty per centum of the amount by which the average price per bushel of all the wheat of that season exported by the Board, or such lower price as is prescribed, exceeds the guaranteed price.

5. That, in ascertaining the average price for the purposes of the provision made to give effect to the last preceding paragraph, the price obtained in respect of a sale other than a sale of fair average quality bulk wheat free on rail at the port of export be deemed to be the price which would have been the corresponding price for the sale of the same quantity of fair average quality bulk wheat free on rail at the port of export.

6. That, notwithstanding anything contained in the preceding paragraphs of this resolution, where the rate of the charge in respect of any wheat exported by the Board would, but for this paragraph, exceed Two shillings and two pence per bushel, the rate of the charge in respect of that wheat be Two shillings and two pence per bushel.

7. That the amount of the charge on wheat products be the amount which would be payable if the export of the wheat products were the export of the wheat equivalent of the wheat products.

8. That all moneys payable under the Act passed to give effect to this resolution by any person, other than the Board, in respect of any wheat or wheat products (without prejudice to paragraph 11 of this resolution) be paid, on or before the entry of the wheat or wheat products for export, to such officers in the respective States, or in the Northern Territory, as are prescribed.

9. That the amount of the charge payable by the Board be paid in quarterly instalments in respect of exports made during the periods of three months ending respectively on the first days of January, April, July and October in each year, and the payment in respect of each such period be made within fourteen days after the end of the period.

10. That, for the purpose of determining the rate at which an instalment of charge shall be payable by the Board in respect of wheat or wheat products exported during any period, the wheat of a season exported by the Board up to the end of that period be deemed to be all the wheat of that season exported by the Board, and that when the Board has completed its export of wheat of that season, the necessary adjustment be made.

11. That the charge in respect of any wheat or wheat products be payable as a debt due to the Commonwealth by the person exporting the wheat or wheat products (whether that person is the Board or some other person).

12. That, for the purposes of the Act passed to give effect to this resolution, where wheat is sold by the Board for export or for manufacture into wheat products for export, and the wheat is, or the wheat products are, subsequently exported, the board be deemed to be the exporter of the wheat or wheat products.

13. That, for the purposes of this resolution—

"season", in relation to wheat, mean the period of twelve months, commencing on the first day of October, during which the wheat was harvested;

"the Board" mean the Australian Wheat Board constituted under the National Security (Wheat Acquisition) Regulations, and, in relation to anything done or required or permitted to be done on or after the date fixed under sub-section (1) of section fourteen of the Wheat Industry Stabilization Act 1948, mean the Australian Wheat Board constituted under that Act;

"the guaranteed price" have the same meaning as that expression has in the Wheat Industry Stabilization Act 1948;

"wheat" mean wheat harvested before the first day of October, One thousand nine hundred and fifty-three;

"wheat products" mean any substance (other than bran and pollard) produced by the gristing, crushing, grinding, milling or other processing of wheat, and include—

(a) semolina, sharps, wheatmeal, self-raising flour, rice substitutes made from wheat and breakfast foods made from wheat;

(b) any other commodity produced mainly from other wheat products or from wheat; and

(c) such commodities, containing a substantial proportion of other wheat products or of wheat, as are prescribed, but do not include bread or cake.

14. That, for the purposes of this resolution, wheat or wheat products entered for export, or exported without entry for export, by a person other than the Board in any calendar year be deemed to be, or to be manufactured from (as the case may be), wheat harvested in the season which commenced on the first day of October in the immediately preceding year.

15. That, for the purposes of the Act passed to give effect to this resolution—

(a) the wheat equivalent of any wheat products mean the wheat used in, or used in the production of the materials used in, the wheat products; and

(b) a certificate of the Board specifying the wheat equivalent of any kind of wheat products or of any particular wheat products be *prima facie* evidence of the correctness of the facts stated in the certificate.

This resolution is necessary in order to provide for the levying of tax under the wheat stabilization plan. Honorable members will recall that the second reading of the Wheat Industry Stabilization Bill has already been moved. At a later stage, the debate on that measure will be resumed, and I suggest that the bill and the motion that I have just moved should be debated together.

Progress reported.

ESTIMATES 1948-49.

ADDITIONS, NEW WORKS, AND OTHER SERVICES INVOLVING CAPITAL EXPENDITURE.

In Committee of Supply: Consideration resumed from the 22nd October (*vide page 2059*).

PART I.—DEPARTMENTS AND SERVICES—OTHER THAN BUSINESS UNDERTAKINGS AND TERRITORIES OF THE COMMONWEALTH.

Proposed vote, £27,594,000.

Mr. McEWEN (Indi) [4.3].—Under the heading of the Department of External Affairs, provision is made for certain expenditure on Australian legations in Chile and Brazil. Having regard to the lack of intercourse between Australia and those two countries, and to the acute dollar shortage, it has been suggested that the Australian legations in Chile and Brazil might be closed. When this proposal was made during the debate on the Estimates last year, the Prime Minister (Mr. Chifley) promised that he would give it serious consideration. If my memory serves me right, I believe that a similar proposal was made the previous year during the debate on the Estimates. Expenditure on the maintenance of the legations is between £25,000 and £30,000 a year, and I invite honorable members to say what useful purpose they serve. On the two last occasions when the Estimates were before us the Prime Minister promised to investigate the wisdom of the continuance of these offices in view of the need to conserve our meagre dollar resources. The

Mr. Pollard.

Estimates are again before us, but no suggestion was made by the right honorable gentleman that any action has been taken to honour his twice-repeated promise that he would investigate the need for their continuance. Some unkind people suggest that the maintenance of these offices had some relation to the aspirations of the Minister for External Affairs (Dr. Evatt) when he was a candidate for election as President of the General Assembly of the United Nations and was busily engaged in rounding up whatever votes he could secure. That might provide a plausible explanation of their continuance but it would be a deplorable one. If it is true it provides the most expensive instance of the cost of canvassing for votes in the history of this country. While I do not accept that explanation as correct, I think the committee is entitled to know why year after year our meagre dollar resources are utilized on the maintenance of these two offices. What trade have we with Brazil? What do we buy from Brazil? What diplomatic relations do we maintain with Brazil, or with Chile? If it be necessary to maintain diplomatic relations with Brazil or Chile for reasons which I do not pretend to understand, surely it is infinitely more important that we should establish a legation or some kind of representative office in Argentina with which we at least have some common interests. The primary industries of Australia and of Argentina are so similar as to be almost identical and the areas in which both countries trade are identical. We have common or clashing interests with Argentina, depending on the way we choose to consider the subject of competitive trade; but there is nothing in these Estimates to suggest that we are about to establish a legation in that country. A commercial attaché might be appointed there to present the Australian point of view for the purpose of attempting to secure a common line of approach to the sale, in the markets of the world, of wool, meat, dairy products, hides and tallow, which are the common products of both countries or to report on the progress of industries in Argentina which are competitive with our own. Such an appointment

would make sense to me. There is no suggestion that we should expend one dollar in the establishment of such an office in Argentina, but apparently we are to continue pouring dollars down the sink year after year in maintaining legations in Brazil, Chile and other South American republics with which we have no interests in common. When these legations were criticized during debates on the Estimates of the last two years the Prime Minister did not seek to defend them. I invite honorable members to look up the Prime Minister's earlier speeches on this subject. They will find that the right honorable gentleman said nothing to warrant their continuance and that he merely contented himself with saying, "I shall look into the matter". Two years is surely long enough for him to have looked into the matter. We either need the legations or we do not. If we need them, let the Government explain why; if we do not need them, let the Government close them down and explain to the countries concerned its reasons for doing so. Let us save this useless expenditure of dollars and divert them to some more useful purpose.

Mr. LANG (Reid) [4.11].—I am somewhat concerned at the structure of these Estimates. On page 429, provision has been made for £1,000,000 for capital works and services for the Department of Immigration under the item, "Conversion and refitting of ships for transport of migrants". If the money is to be expended on the conversion and refitting of ships owned by private individuals or companies it cannot be regarded as capital expenditure. If it is to be expended on ships that are owned by the Commonwealth unquestionably the work would come into the category of capital works. Another item of expenditure of the same department, but to be under the control of the Department of Works and Housing, is "Hostels for accommodation for migrants—buildings, works, fittings and furniture £1,450,000". If the money is to be expended on the provision of furniture or fittings it will come within the category of capital expenditure; but if it is to be expended on the repair and renovations of existing huts, it cannot be so regarded.

I am somewhat concerned at the structure of these Estimates and I ask the Minister for Works and Housing to inform the committee fully about the two items to which I have referred.

Mr. LEMMON (Forrest—Minister for Works and Housing) [4.15].—The item to which the honorable member for Reid (Mr. Lang) has referred concerns, in the main, the construction of completely new hostels. The Department of Works and Housing will not, under its present plan, convert any army huts. Tenders are now being called for the construction of the first new hostel provided for in the plan. The other item to which the honorable member has referred concerns the conversion of certain ships which were used for war-time purposes. They are to be converted to carry immigrants, and discussions regarding the particular ships to be converted are proceeding at the present time between the British and Australian Governments.

Mr. LANG.—Are the ships owned by the Commonwealth?

Mr. LEMMON.—No. I believe they are at present owned by the British Government, although I am not certain on that point.

Dame ENID LYONS (Darwin) [4.16].—Whenever the Minister for Civil Aviation (Mr. Drakeford) speaks, his very convincing and soothing manner makes it very difficult for me to raise any controversial matter regarding his department.

Mr. LEMMON.—Is that why the honorable member always yawns when the Minister is speaking?

Dame ENID LYONS.—It may be, although I had not thought of it before. I consider that some items concerning the Department of Civil Aviation require explanation. The Minister spoke of the number of aerodromes in each State, and some of the figures he gave were surprising. He said there were nine serviceable aerodromes in Tasmania. Since he made his statement I have thought the matter over and so far as I am aware there are only three aerodromes in Tasmania that are in a serviceable condition and are constantly in use. There is a fourth aerodrome, at Valley Field, which is

used fairly frequently as a reserve aerodrome in bad weather. The other aerodromes in the island are never used, and I do not understand why the Minister referred to them. I do not know whether the Minister included Pardoe aerodrome in the nine that he mentioned. That aerodrome has been under discussion for a very long time, but work has not yet started upon it. Survey work has been completed and there has been much talk of an early start on the actual work. That talk has continued for years and people in the area are becoming nervous. They are particularly nervous because the necessary machinery, which was used at Wynyard, is being sent for overhaul and repair to Western Junction. The residents in the Pardoe district fear that that machinery may not be sent back to Pardoe at a suitable time of the year for the commencement of work. Smithton aerodrome has concerned me for a considerable time, and I hope that it is included in the nine aerodromes mentioned by the Minister and that it will soon be in a serviceable condition.

About a week ago a question was asked by the honorable member for Fremantle (Mr. Beazley) regarding air accidents. The honorable member listed accidents or alleged accidents that had occurred to aircraft operated by Australian National Airways Proprietary Limited. I understood from the reply of the Minister for Civil Aviation that that question had been inspired by the Minister himself.

The DEPUTY CHAIRMAN (Mr. Burke).—I hope the honorable member will be able to connect her remarks with some item in the Estimates.

Dame ENID LYONS.—I consider that my remarks are connected with the Estimates. The question of the safety of aerodromes was raised in connexion with some of the accidents, as some of the aircraft concerned had overrun the aerodrome boundaries. If I understood the Minister correctly, and the question was indeed inspired by him, I should like to know whether he has adopted that method as a means of publicizing accidents or faults in air services conducted by Australian National Airways Proprietary Limited?

The DEPUTY CHAIRMAN.—The honorable member cannot continue along

that line unless she shows that the accidents were the result of any fault of the Department of Civil Aviation or of conditions at the aerodromes to which she has referred.

Dame ENID LYONS.—I shall put it in this way. Recently an aircraft made a belly landing at Western Junction, and I presume that that accident would have something to do with the administration of the Department of Civil Aviation. That was an aircraft operated by the Government airline, Trans-Australia Airlines. The Minister did not have that accident publicized in the manner that he has adopted to publicize accidents to aircraft operated by Australian National Airways Proprietary Limited.

The DEPUTY CHAIRMAN.—The Chair does not propose to permit that line to be followed any further. The estimates of various departments are under discussion, and the discussion must be relevant to those estimates. Any other matters relating to the departments concerned are also relevant, but I shall not permit references to accidents to aircraft of any particular type operated by any particular organization.

Dame ENID LYONS.—I shall leave that subject and shall perhaps ask a question regarding it during question-time. I have been informed that Trans-Australia Airlines proposes to conduct special one-day return trips from Tasmania to the mainland for persons wishing to attend the running of the Melbourne Cup next week, and has circularized prospective clients informing them of its proposal. I understand that Australian National Airways Proprietary Limited has not been permitted to conduct such a service.

The DEPUTY CHAIRMAN.—The honorable member is again transgressing against a ruling of the Chair. There is nothing in any item under discussion that is connected with the particular matter to which the honorable member has referred, and I regard it as one that might be more appropriately the subject of a question.

Dame ENID LYONS.—I shall turn to the subject of the aluminium processing works, which has been discussed already during the debate on the Esti-

mates. When the Parliament passed the Aluminium Industry Bill in 1944 it was generally believed that active efforts would be made to get the industry going in Tasmania.

Mr. RANKIN.—That was just before a general election.

Dame ENID LYONS.—I have never accepted as correct the implication contained in the honorable member's interjection. I was one of those who voted for the measure and at that time I had every hope that the Government intended to proceed with the proposal forthwith. I must confess, however, that after the lapse of so many years without any progress having been made, I am becoming rather doubtful about the Government's intentions. I was astounded recently to hear some of the revelations on this subject in this House. It was only a few days ago that the subject of the possible disposal of the Tasmanian Government's interest in the aluminium industry was raised at all. Until then nobody was supposed to know anything about it, and yet in reply to a question in this House the Prime Minister (Mr. Chifley) admitted having discussed it in London more than three months ago. That came as a great shock to people in Tasmania because, as honorable members are aware, the aluminium industry is of tremendous importance to that State.

Mr. BOWDEN.—It did not surprise the Premier of Tasmania.

Dame ENID LYONS.—I should like to know who initiated discussions relating to the possible disposal of any part of the aluminium project. Did a private firm in London have conversations with the Prime Minister on the subject? Did the proposal originate within the ranks of this Government, or did it arise in Tasmania? The last proposition, I confess, does not appear to me to be the likely explanation. When we consider the statement which the Premier of Tasmania has made on the subject, we see that he is averse to the disposal of Tasmania's share in the industry, except under most stringent terms. On Wednesday, the 20th October, the Tasmanian press published a report of a statement

which the Premier had made on the previous day. It is as follows:—

The State Government was taking the attitude that the whole of the aluminium industry and not merely the smelter section must be established in this State if it were to agree to relinquish its interests in the industry.

This was declared by the Premier (Mr. Cosgrove) in the House of Assembly to-night in reply to a question by Mr. Spurr.

Mr. Cosgrove said he did not wish to be an alarmist, but there had been a suggestion that bauxite should be treated at a factory to be established at Inverell (N.S.W.) where there were major deposits of the ore and that alumina should be shipped to Tasmania for final smelting.

That would mean the loss in the use of about 36,000 tons of Tasmanian coal annually on top of 5,000 tons of limestone and of the subsidiary industries which would be associated with the first stages of processing the bauxite.

Further conditions which the Government would impose in the event of the withdrawal from the agreement would be the doubling of output from the proposed 10,000 tons annually to 20,000 tons annually.

It had been estimated that Tasmanian supplies of bauxite at the production rate of 10,000 tons annually would be effective for only ten years.

Mr. Cosgrove said any variation of the original agreement must be ratified by both Houses of the Tasmanian Parliament.

Although he had had discussions with Mr. Chisley and the Minister for Munitions (Senator Armstrong), on the question of a transfer of State holdings, no written request had yet been received.

The State would not be prepared to forego its interests in the industry unless it could see some very definite advantage to Tasmania.

Evidently, the Premier of Tasmania expects to receive a proposition in writing from the Australian Government. Therefore, the original proposal to dispose of the asset could not have been initiated by the Government of Tasmania. It seems that the proposal was made by either a member of the Australian Government, or by some one through the Australian Government. In view of the statements of the honorable member for Gippsland the latter interpretation appears to be correct. The Prime Minister was apparently approached directly in London to discuss the whole matter there without any reference to the Tasmanian Government at that time. Last week, the Minister for the Navy (Mr. Riordan) dealt with some of the points that have been raised about the aluminium industry. In endeavouring to explain the long delay

that had occurred in establishing the industry, he said that it had been found that an out-of-date process had been adopted. To me, that statement was most surprising. I understood, from statements by those with whom I had discussed the matter, that the Government had been at particular pains to obtain from the United States of America a completely up-to-date process, which would meet the situation of the Tasmanian industry perfectly. I was given to understand that the delay merely represented the time necessary for the arrangement of the plant and the erection of buildings. At last, when we reach the point at which we are told that a site has been selected, we learn, almost at the same time, of a proposal to dispose of the assets. My own belief is that the Tasmanian Government has not initiated the proposal, but the mystery becomes even deeper. When redistributing electorates in Tasmania recently, the commissioners stated that Bass, which contains the proposed site of the aluminium industry, would not expand industrially. Darwin and Franklin were placed well below the quota for Tasmania on the ground that they would expand industrially, but Bass was placed just above the quota. I suggest that if the aluminium industry is to be developed in Tasmania, Bass must automatically grow. It was strange, too, that the statement that Bass would not expand industrially was made about the time that doubts arose concerning the establishment of the industry in Tasmania. I shall now read the report of another statement which the Premier of Tasmania made last Sunday. It is as follows:—

He was awaiting details of the proposal that private enterprise share control of the proposed aluminium industry, the Premier (Mr. Cosgrove) said last evening. Meanwhile, he could not commit the Government to any change in the existing agreement. In any case, nothing would be done if it involved any threat to the permanence of the industry in Tasmania.

I hope, as every Tasmanian hopes, that the Premier will abide by that assertion. The statement continues—

Once again Victoria had discounted the possibility of aluminium being produced in Tasmania at an economic rate. This opposition is in keeping with the attitude of Victorian governments since the project was first mooted

The statement attributed to Mr. Bowden, Victorian Country party member in the federal Government, that power was not available in Tasmania at present, could be dismissed as ridiculous.

The Aluminium Commission would not need power in any quantity until the plant was erected. In the meantime, the Hydro-electro Commission could supply all power required. Later it would have enough to enable the aluminium plant to work at top capacity.

Mr. BOWDEN.—There is not sufficient power available to boil a billy of water.

Dame ENID LYONS.—I draw particular attention to the following statement:—

The aluminium project was not initiated by the federal Government, but by the speaker representing the Tasmanian Government. He had always fought for the principle that the complete industry should be established in this State.

I was delighted to hear the statement by the Vice-President of the Executive Council that the process, wherever it was carried out, should be the complete process. I hope that the honorable member for Gippsland will agree with that view. If one section of the industry is not situated near the other, the whole project will be completely hopeless as a defence proposition. There is no other State which can supply all the elements required for the successful operation of the industry.

Mr. SCULLY.—Yes, there is.

Dame ENID LYONS.—I heard the Vice-President of the Executive Council speak about the claims of Inverell; but I do not believe that the electrical process can be undertaken there either at present or by the time the necessary plant can be established there. In the meantime, I hope that the State which initiated this project will stick to its guns and that there will be no further talk of casting aside its interests. I am in close agreement with a good deal of what the honorable member for Gippsland (Mr. Bowden) said. I should be very distressed to think that the cartel is to take over this project in any guise whatever.

Before I conclude, I wish to mention another point with which the Premier of Tasmania dealt in his statement on the matter. He said that nothing could be done in the way of disposing of Tasmania's interests in this project without the consent of both Houses of the Tas-

manian Parliament. I point out that it was at my instance in this chamber that that provision was inserted in the bill. Section 9 of the Aluminium Industry Act reads—

The sale or disposition of the whole or any part of the undertaking of the Commission shall not be effected unless approved by resolution passed by both Houses of the Parliament of the Commonwealth and by resolution passed by both Houses of the State of Tasmania.

It was as the result of an amendment which I moved in this chamber that the latter portion of that section was inserted; but it is of interest to note that it appears in the records not as an amendment moved by me but as a government amendment introduced in the Senate. There is nothing else I wish to say, except to add that if there is any suggestion at all of anything sinister in relation to this proposal, it is high time that it was revealed. If any pressure is being put upon either the Tasmanian Government or this Government, we should like to know what it is. But in any event, it is of vital concern that this industry be established in the Commonwealth and, in my view, it is almost equally important that it be established in Tasmania.

Mr. ANTHONY (Richmond) [4.38].—The honorable member for Darwin (Dame Enid Lyons), representing a Tasmanian constituency, is extremely loyal to her State, and I have no quarrel with her on that point. But four years ago I raised the subject of the manufacture of aluminium in Australia in this chamber, and a very lively debate ensued upon it. On that occasion, the then Minister for Supply and Development was represented in this chamber by the Attorney-General (Dr. Evatt) who produced a report made by officers who had been sent overseas to investigate the matter. It was a very voluminous report, and the Attorney-General read out page after page of it until some of us got our hands upon the report—by a perfectly proper method, too—and we found that it revealed practically everything except the most important consideration to any concern that proposed to manufacture a product, namely, the cost of production. That report did not contain a single line

dealing with the probable cost of producing aluminium in Australia, or with relative costs in the United States of America, Canada or the United Kingdom. The proposal to manufacture aluminium in this country has been nothing but a political racket ever since it was first mooted. The proposal now being discussed and those which were discussed in 1944 were brought forward following a visit by the then Minister for Supply, the present High Commissioner in London, Mr. Beasley, just before the federal elections of that year. Mr. Beasley then promised to Tasmanians an expenditure of £3,000,000, the consideration he hoped for being, of course, the votes of the Tasmanian electors. He succeeded to some degree. The same Mr. Beasley threw away £500,000 of the taxpayers' money in the establishment of a power alcohol distillery at Warracknabeal in Victoria, the very last locality in the wheat-growing areas of this country where the committee set up to investigate the production of alcohol from wheat recommended that such a plant should be established. That sum was thrown away in order to assist Mr. Alec. Wilson, the then member for Wimmera.

Mr. SCULLY.—What is the relationship between power alcohol and aluminium?

Mr. ANTHONY.—I am glad to hear the Vice-President of the Executive Council (Mr. Scully) interject because one of the best deposits of bauxite in this country is situated in the Inverell district, which is in his electorate. He has made many promises on the matter to the people of that district. His speeches have been published in the press. He declared that he would get a bauxite treatment plant established in his electorate, but he will not raise a hand outside of caucus for that purpose. If the matter comes to a vote in the Parliament and his support is asked for on behalf of the electorate he represents, he will be found in opposition to those who are advocating that a bauxite treatment plant be established in his electorate. That will be proved very shortly.

The sum of £3,500 is being provided in these Estimates for the erection of buildings at the Australian Embassy in Moscow. I have no quarrel with the amount of that proposed vote. If Aus-

tralia is to be represented at Moscow, or anywhere else where it is proper that this country should be represented, adequate provision should be made. I do not believe that Australia should be represented in any of the South American republics, where hundreds of thousands of precious dollars have already been squandered, not to advance Australian commercial interests, but to advance the diplomatic interests of Dr. Evatt in his efforts to be elected President of the General Assembly of the United Nations by beating up the support of those republics. I should imagine that if the committee were told the cost that has already been incurred in securing the election of Dr. Evatt as President of the United Nations organization—

The DEPUTY CHAIRMAN (Mr. Burke).—The honorable member must refer to a Minister in the manner prescribed by the Standing Orders.

Mr. ANTHONY.—I shall bow to your ruling, Mr. Deputy Chairman.

Mr. LEMMON.—The honorable member has no option.

Mr. ANTHONY.—I recognize that I have no option in this chamber but to obey the Chair.

The DEPUTY CHAIRMAN.—If that remark is intended to be a reflection upon the Chair it must be withdrawn immediately.

Mr. ANTHONY.—I withdraw it. The Standing Orders provide that an honorable member must obey the ruling of the Chair. He has no option but to do so, and I mentioned the matter merely as one of parliamentary procedure. However, I do not propose to dwell on matters of secondary importance; I am more concerned at the moment with the Australian Embassy at Moscow. In view of certain recent happenings in that capital, I question the value of our representation there. If it were possible for our representative and his staff to move about Russia freely and make contact with all classes of Russian citizens, I should heartily approve our being represented in Moscow. However, an edict was recently issued by the Soviet Government that no member of a diplomatic corps may move outside the capital except for a very special reason and

only after obtaining express permission to do so. The grant of such permission is hedged around with all kinds of limitations upon the applicant's movements. That edict applies, of course, not only to Australian diplomats, but also to those of other nations. What is good for one country should be good for another, and I suggest that it might not be a bad idea to impose similar restrictions upon the Russian diplomatic representative and his staff in this country. If it is good enough for the Russian Government to say to our representative in Moscow, " You shall not move outside the boundaries of our capital city, or obtain access to any information concerning this country which you might consider justifies transmission to your Government. You shall be shown and be permitted to learn only so much, and converse only with such people as we permit ", then it is quite reasonable to apply similar restrictions to the Russian diplomatic representative and his staff in Canberra. However, I desire to make it quite clear that I am not at the moment criticizing the activities of those gentlemen; I merely point out that they should enjoy no better facilities than those provided for our representatives in their country. I do not propose to say any more on that aspect of the matter at the moment, except that if the restrictions that I have mentioned continue to apply to our representatives overseas, the value of their representation will be reduced to a cipher, and the sooner we terminate that representation the better.

We maintain quite a diplomatic corps overseas. Page 423 of the Estimates of Expenditure for Additions, New Works, &c., shows that approximately £700 is to be expended on the provision of equipment for the office and residence of the Australian High Commissioner in Eire. I wonder whether our High Commissioner in Eire has endeavoured to exercise any influence to keep Eire within the British Commonwealth? Has he any voice at all in such matters? Is he serving any useful purpose there? Presumably he has a job of some kind or other to perform, but it is difficult to comprehend what that job can be. We have no commercial relations of any consequence with Eire—

Mr. LEMMON.—I rise to order. The matter before the Chair is whether the proposal to expend certain sums should be approved, and whether the amounts provided are appropriate. The honorable member is not discussing that matter, but is debating the Government's foreign policy.

The DEPUTY CHAIRMAN.—The honorable member's remarks are in order because they are connected with certain items of expenditure incidental to the maintenance of the office of the High Commissioner in Eire, which are included amongst the items of expenditure at present under consideration.

Mr. ANTHONY.—The amount proposed to be expended on the office of the High Commissioner in Eire is the matter to which I am directing my remarks, and I ask, what value are we receiving for that expenditure? What is the service which the High Commissioner is called upon to perform? To what purpose is money to be expended on the provision of equipment for his office and residence? Are the premises which that gentleman occupies used for commercial discussions or for discussion of diplomatic matters? Item 14 of Division No. 5 of the Estimates of Expenditure for Additions, New Works, &c., proposes that a sum of £11,000 shall be provided for " Consular Representation Abroad—Equipment for Offices and Residences ". Consular representation is not concerned with the maintenance of external or diplomatic relationships, but is confined exclusively to matters connected with our commercial relationships with other countries. Since we maintain commercial attachés in China, the United States of America, Canada, Eire and the United Kingdom I cannot appreciate the reason for the enormous expenditure incurred by the Department of External Affairs. Some day the Government may condescend to inform honorable members of its views concerning the maintenance of the component parts of the British Empire—

The DEPUTY CHAIRMAN.—Order! The honorable member is not entitled to discuss any matter which is not directly related to the Estimates for New Works, Additions, &c.

Mr. ANTHONY.—I turn now to consideration of the Estimates for New Works, Additions, &c., for the Department of Civil Aviation, for which £5,759,000 is proposed to be voted. In those estimates provision is made for—

Aeradio communication and navigation facilities; power generation and distribution plant; direct current and audio-frequency control lines; automatic switching equipment; aerodrome and air route lighting equipment . . .

I do not question the necessity for that expenditure, but I express the hope that when the apparatus mentioned is installed its operation will be properly supervised by the Government, because the safety of air navigation is at stake. Certain recent occurrences have aroused grave disquiet concerning the efficiency of the Department of Civil Aviation, and doubt exists as to whether the lives of our citizens are not jeopardized by laxity of the kind disclosed in certain recent happenings.

The DEPUTY CHAIRMAN.—Order! Other honorable members have been prevented from discussing certain matters that are at present *sub judice*.

Mr. ANTHONY.—I have not referred to anything that is *sub judice*.

The DEPUTY CHAIRMAN.—The Chair considers that the honorable member is getting very close to reference to such matters, and he must not continue to do so.

Mr. ANTHONY.—I am merely discussing generally the necessity for ensuring the safety of aerial navigation in this country. Although a large sum of money is to be expended on the provision and installation of scientific equipment, I impress upon the Government that that equipment will be only as efficient as the men who operate it, and unless the Department of Civil Aviation exercises proper control over such men their work will not be efficient. I believe that the Minister for Civil Aviation (Mr. Drakeford) has been too much concerned with the purchase of aircraft, with running around the country, and with the management of his own aeroplane, until parliamentary criticism caused him to abandon it, to give sufficient time and attention to the proper supervision to the Department of Civil Aviation and to the protection of the in-

terests of Australian citizens who use our airways. I am prompted to refer to items appearing in the works estimates relating to various departments. I turn now to page 428, on which will be found an appropriation for the Glen Davis shale oil project, which, of course, is an old friend of ours. Each year, over a long period, I have asked questions in this Parliament about the Glen Davis undertaking, with a view to finding out how much oil is being produced there, and what could be done to minimize losses on it. The rejoinders of the Prime Minister and the Minister for Shipping and Fuel (Senator Ashley) have always been to the effect, "Have a little patience, and in God's good time things will be all right". I notice that in 1947-48 the expenditure on Glen Davis was £208,662, which can be regarded as having been lost. Yet the Government proposes to incur during the present financial year a further expenditure of £186,000, which inevitably, according to the Treasurer, will be lost. Since the war ended there has been ample opportunity to rectify whatever is wrong with this project. On what ground does the Government justify its intention to proceed with other nationalization projects which can be expected to lose many times more than has been lost on Glen Davis? The Department of Immigration proposes to expend £1,000,000 on the conversion and refitting of ships for the transport of migrants to Australia; and in the estimates for the Department of Supply and Development there is an amount of £2,020,000 for "Ships—Construction". The committee and the country are entitled to a little more frankness and honesty from the Government, and particularly the Minister for Shipping and Fuel, in respect of what is intended in regard to shipping control. Whilst a little information on those matters is gained by honorable members when questions are answered in the House, the greatest revelation concerning the Government's plans in respect of shipping was contained in a letter which the Minister for Shipping and Fuel sent to a seafaring man when his vessel was off the coast of Queensland. When the seafarer got ashore he went to the Trades Hall and flourished that letter to several officials there. The subsequent

report published in the newspapers was the first intimation that honorable members received that the Government intended to establish another shipping line as soon as possible and to dump a lot of the taxpayers' money into that venture.

Mr. HAYLEN.—Did the honorable member not see that intention announced elsewhere? I should be pleased to show it to the honorable member; it is in the Parliamentary Library.

Mr. ANTHONY.—The honorable gentleman can show it to the committee if he feels so inclined. I have already referred to the proposed vote of £2,020,000, for "Ships—Construction". Then there is provision for an expenditure of £450,000 for aluminium production, and a further £186,000 on Glen Davis, as well as umpteen millions of pounds, in connexion with the Government's bank nationalization proposals. If honorable members will make a mathematical calculation they will learn how many millions of pounds of the taxpayers' money has been expended. I venture to suggest that if honorable members were thinking of investing, they would not invest 1s. in those concerns and expect them to prove dividend-paying propositions. The Government has announced at times its intention to bring forward different schemes, but its promises have subsequently been proved to have been specious and made merely for vote-catching purposes.

The DEPUTY CHAIRMAN.—The honorable gentleman must confine his remarks to matters that come within the Estimates under consideration.

Mr. ANTHONY.—They have proved to be like fairy smoke, or mists vapouring away. Last year, £500,000 was voted for the standardization of railway gauges. We well remember the Minister for Transport (Mr. Ward) coming before the House two or three years ago with a grandiose plan for expending £78,000,000 almost immediately on the standardization of the railway gauges and the decision of the Parliament, to which many of us were opposed, because we believed that the money proposed to be devoted to that purpose should be expended on the provision of water supplies, water conservation, and other

works which would increase the productivity of the country, and thereby enable us to increase our aid to Great Britain. The Government by weight of numbers secured the passage of the appropriation of £78,000,000, but has not since been able to induce all the States to agree to its proposal. In 1947-48, £500,000 was voted for the purpose, but only £24,287 was expended; upon what, I wonder! That is a fair question to ask, because not a quarter of a mile of railway in Australia was standardized in that year. Of course, in the domain of the Minister for Transport £24,000 is neither here nor there; nevertheless, it is the taxpayers' money. It certainly has not been used for the practical purpose of standardizing the railways. It may have been used to give a joy-ride around Australia to a lot of officials of the honorable gentleman's department or others. Although it is not a large figure in such a huge budget as that which we have for this year it is symptomatic of the Government's disregard of the taxpayers' money. It should be possible to have an explanation from the Minister, or from those representing him, showing how the money has been and is being expended.

The estimates for the Postmaster-General's Department make provision for the expenditure of £227,000 on a national broadcasting service. What does that mean? The Australian Broadcasting Commission has its own funds.

The DEPUTY CHAIRMAN.—The honorable gentleman is speaking of an item in Part II.

Mr. ANTHONY.—If that Part is not under discussion, I shall revert to Part I. I direct attention to the item "Council for Scientific and Industrial Research—Buildings, Works, Fittings and Furniture, £181,000". A few weeks ago I referred in this chamber to a fire which had occurred in a research laboratory of the council at Melbourne. Several newspapers in Melbourne reported that Professor Martin, of the Council for Scientific and Industrial Research, had said that the laboratory had been used for nuclear research, that no other research work of that nature had been carried out in Australia, and that the results of two

years of investigation, including observations made in the Antarctic, had gone up in flames. A few days later, the Minister for Defence (Mr. Dedman) contradicted everything that Professor Martin had said.

Mr. SCULLY.—Was alleged to have said.

Mr. ANTHONY.—I have not yet seen in the newspapers any denial by Professor Martin of his original statement. I speak subject to correction, because, as a resident of New South Wales, I do not read all of the Melbourne newspapers.

Mr. SCULLY.—The honorable member forgot to look.

Mr. ANTHONY.—Can the Minister say that Professor Martin made a public denial? He says nothing. Therefore, I assume that Professor Martin did not make any public retraction of his statements.

Mr. SCULLY.—He did.

Mr. ANTHONY.—Certain statements which the Minister for Defence has made in this Parliament have not been substantiated, and so I accept with great reserve the denial that he made. When I previously referred to this matter, I said that arson might have been committed. The police have said that there was no sign of arson. What signs would they expect to find after fire had swept everything away? Would they expect to find a box of matches, a torch, and a can of oil bearing the name of the Communist who might have started the fire? Is that the sort of evidence they would expect to find? There is not a tittle of evidence one way or the other. The only thing that we know is that very valuable research records, the only ones in Australia according to the representative of the Council for Scientific and Industrial Research, went up in smoke.

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

Mr. GULLETT (Henty) [5.7].—A great deal of this discussion has referred to the Government's aluminium project. I do not want to say anything about that matter, except to remark that no

other decision ever made by a government was accompanied by so much log-rolling and lobbying as was evident in this instance. We are all perfectly familiar with the sort of influences that were brought to bear upon the Government. During the last six months, representatives of interested parties practically lived in Parliament House at various times, and, at present, honorable members are being circularized by certain interests in Sydney. Therefore, I support the recommendation of the honorable member for Darwin (Dame Enid Lyons), who said that it would be greatly to our interest if the Government made a full and frank statement on the subject, including a review of the negotiations which preceded the decision that it made.

My main purpose in this discussion is to deal with immigration. It has been customary lately, when anybody mentions the subject of immigration or the name of the Minister for Immigration (Mr. Calwell), to preface any remarks with a eulogy of the Minister. I am quite unable to engage in such praise because, for one thing, despite the tremendous advertising campaign being carried out by the sister Department of Information, the fact is that the flow of migrants to Australia is not so great as it was at the corresponding period after World War I. Furthermore, the cost of bringing new citizens to Australia is infinitely greater now than it was then. The Minister and his department take great credit to themselves for bringing to Australia people who wish to come here and would be well able to come in any event without assistance. We can judge the value of this department not by the number of people who come here but by the number of people whom it brings here. The activities of the department have been conducted in a hole and corner fashion in the last few years. There has been a notable absence of precise information about the numbers of people who are arriving here and the countries from which they come, and this has given rise to widespread anxiety as to the results of the Government's policy. The people want to know how many immigrants are coming to Australia, where they are coming from, and how much the scheme is costing the nation.

The Minister said in Brisbane yesterday that he hoped to bring to Australia, in 1949, 100,000 immigrants of whom at least 70 per cent. would be British. I saw in this morning's newspapers a report that the Immigration Air Transport Corporation, an American charter firm, will bring 15,000 European migrants to Australia next year. That statement was made by the secretary of the firm. We know that arrangements have already been made to bring 15,000 immigrants from Europe by sea alone in the present year and that, in addition, other air companies are constantly bringing Europeans to Australia. The numbers will probably increase next year. Therefore, I say that the Minister's statement was another example of loose figuring which will not stand analysis on any basis.

Mr. CONELAN.—Could it not be that the press used loose figures?

Mr. GULLETT.—The press is always under attack, and figures published in newspapers are said to be untrue. However, I noticed that the last two questions asked by the honorable member for Griffith in this chamber were based on long quotations from newspapers. If a reputable newspaper reports a figure stated by the secretary of an important company, that figure should be accepted as accurate. I am by no means satisfied that the Government is attracting to Australia the sort of immigrants whom we can most easily absorb. Many Italians are being brought to Australia at present. We have had many Italian immigrants in the past, and most of them have been splendid citizens. However, Italy is very much divided, and I believe that there is a vast difference between the immigrants we have had from that country in the past and those we are likely to get now. We are not getting the best types of Italians. Only recently, when an Australian ship put into an Italian port, the men of its crew were mobbed and the captain was knocked about, spat upon and insulted in every possible way. Before we engage in the wholesale immigration of Italians, we should insist upon a careful system of selection. From my own observations and from what I have been told by the captains of ships and aircraft, I am not satisfied that we are

getting the best available immigrants from Italy.

I now refer to the situation of immigrants who qualified in various trades and professions in other countries before coming here. If we are not prepared to recognize their qualifications they will not come to Australia, and consequently, an increasingly greater proportion of migrants arriving here will be unskilled labourers. Honorable members opposite will agree that that would be a very undesirable state of affairs. There is a great shortage of professional men and other skilled workers in this country at the present time. I suggest that the Minister should encourage trades and professions to establish boards to examine the qualifications of migrants on their merits. The present procedure permits the British Medical Association, the universities, and other authorities to tell migrants that their qualifications count for nothing and that they must start from scratch. If my suggestion were adopted, the boards would be able to decide that a migrant was qualified to carry on his trade or profession or that he should take a refresher course. We shall not attract people with the best qualifications if we make them start from scratch regardless of their qualifications outside this country. I commend the Minister for the way in which he has stood up to certain trade unions in this country and insisted that, for example, Poles and Balts shall be allowed to work in the industries with which the unions are concerned. What is good for one section of the community must obviously be good enough for another. If we expect the trade unions to accept Poles and Balts, it is fair to insist that the professions also should do so provided that their qualifications are satisfactory. Each individual's qualifications should be assessed separately. The Minister's action in insisting that the miners shall allow Polish migrants to work in the coal mines of Australia is one that meets with the fullest approval of honorable members on this side of the chamber. It is greatly to be regretted that the honorable member for Herbert (Mr. Edmonds) recently referred in most slighting terms to the Polish workers that have been brought here. He said that if

honorable members knew as much about Polish labour as he did, we should sympathize with the attempts that are being made by some trade unions to prevent Poles from working in certain industries. If the honorable member for Herbert knew as much about the Poles as do most Australian ex-servicemen, he might adopt a completely different attitude. The Minister for Transport (Mr. Ward) and the honorable member for Herbert have from time to time made sneering remarks about the Poles, and suggested that they are fascists. Any one who is not pro-Communist or says anything against the Communists is now branded as a fascist. The Poles who are now in Australia were not prepared to live under Russian-Communist tyranny in Poland, and they are, therefore, abused by certain violent sections of our community.

Some time ago I referred in this chamber to the possibility of securing migrants from Germany and Austria. The Minister said that because a peace treaty had not been concluded with Germany, German citizens could not come to this country. If it is considered to be satisfactory to bring Italians here, surely it should also be considered satisfactory to bring Germans here. Both Italy and Germany were recently at war with us. Provided that they are properly selected, Germans will make just as good Australian citizens as will Italians. Our great shortage of female labour and particularly of domestic workers, could be overcome by allowing young German women to come here. Honorable members who have read of recent happenings in the Russian zone of Germany realize the terrible problem that confronts Germany in trying to get its young people, and particularly its young women, out of that zone because of the behaviour of the Russian troops. It would be a humane action to accept some of those Germans into this country and, in addition, we should do ourselves a great service, because they are very capable people and could easily be absorbed into our community.

Mr. DAVIDSON (Capricornia) [5.20].—I agree with the remarks that were made by the honorable member for Henty,

(Mr. Gullett) regarding the desirability of admitting migrants from Germany to Australia in preference to migrants from other countries, such as Italy. I have had considerable experience of German nationals as settlers in Australia. I also know a great deal about the Italian migrants, particularly those who are now in Queensland. From the standpoint of the benefit to Australia, there can be no comparison between German and Italian migrants. Not only are German settlers easily assimilated into our community, but also many of their descendants have, in action, proved themselves to be as fine Australians as can be found anywhere. That is an important factor. The German is assimilated into our community because his nature is similar to ours, and his descendants become true and valuable Australians. I am afraid that I cannot say that of the nationals of some other countries. Irrespective of what is done, they remain in their own little communities and are not readily assimilated.

For some considerable time I have been pressing for the establishment of adequate Commonwealth offices in Rockhampton, which is the second city of Queensland. Inadequate provision has been made for the accommodation of Commonwealth departments that are situated in Rockhampton, the activities of which extend over most of central Queensland. The Rockhampton Customs House is a fine building, but it is not a very large one. It is used to accommodate the local staff of the Department of Trade and Customs, the Electoral Registrar and his staff, and a part of the staff of the Department of Social Services. At one time it was also used to accommodate the staff of a branch of the Commonwealth Employment Service that was established in Rockhampton. There was serious overcrowding, and, in order to enable the departments to function reasonably efficiently, offices were taken in buildings in other parts of the city. Some of these offices were not very suitable. We are now faced with the spectacle of senior officials of the Department of Social Services being accommodated in the Customs House, whilst the officials who are responsible for administrative work such as writing cheques are housed in another

part of the city. The efficiency of the department must thereby be adversely affected. A portion of the staff of the Department of Health is accommodated in the Customs House, but other sections are accommodated in other parts of the city. The staff of the Commonwealth Employment Service had to be shifted from this building. The Repatriation Department, which performs a very important function in that area, is making use of unsatisfactory offices in a building which those who have not a good knowledge of the city have difficulty in finding. In these circumstances, I consider that I am entitled to claim that adequate provision for the housing of Commonwealth departments does not exist in Rockhampton, and that something should be done immediately to remedy this position. It may be that the Government has plans for new buildings. If so, I shall be happy to hear of them. It is at least eighteen months since I suggested to the Minister for the Interior (Mr. Johnson) that a suitable block of vacant land in a good position in the city, should be acquired by the Commonwealth. The Minister said that the matter would be investigated. From time to time during the ensuing year I heard that various suggestions were being examined. One, I understand, was that a certain rather large residence in the city should be acquired on behalf of the Commonwealth, but I regarded that proposal as quite unsatisfactory. Just what the present position is I do not know, but I stress the desirability of doing something in the matter before all suitable land in the city has been alienated and the Government either has to resume a block which has already been alienated, or be satisfied with a much less desirable site. According to a statement made in this chamber recently by the Minister for Commerce and Agriculture (Mr. Pollard), the Government's promise to establish a wool-selling centre at Rockhampton is not to be fulfilled. That is an added reason for the provision of new Commonwealth offices. I repeat that important Commonwealth officials at Rockhampton should be housed in premises consonant with the dignity, not only of that city, but also of the Administration that they represent.

I propose now to deal with another matter that I have mentioned in this chamber during the past few weeks. I raise it again now because further developments have taken place since I last spoke on the subject. I refer to the shipping position on the coast of Queensland. The Estimates now under discussion provide over £2,000,000 for shipbuilding. I have already pointed out that a most serious situation has developed at the ports of Maryborough and Bundaberg because of the inadequate shipping services now provided. The position is very grave at the moment partly because of the volume of traffic required for the shipment of sugar, and partly because the already severe shipping shortage is being aggravated by strikes, most of which seem to have very little substance, but which nevertheless, are responsible for a substantial loss of time in the turn-round of vessels. Word has been received that one of the ships serving Maryborough and Bundaberg is likely to be sold by its owners. It is possible therefore that before long there will be only one small ship servicing those ports instead of the five which operated until the early days of the war. I understand that at present on the slips at Maryborough a ship of the "E" class is nearing completion. If that vessel could be made available immediately for the Maryborough and Bundaberg service the present difficult situation would be considerably eased. The assurance that shipping arrangements for the transport of sugar from Queensland to the southern States are quite satisfactory is unfounded. Figures that I have received this afternoon show that unless something is done to hasten the lifting of sugar at Queensland ports, particularly Maryborough and Bundaberg, there will be a substantial carry-over of this commodity which, of course, will be a loss to Queensland and to the nation. Therefore, I should like to hear something from the Minister for Shipping and Fuel (Senator Ashley), through his representative in this chamber, about the manner in which the Government intends to allocate the £2,000,000 provided in these Estimates for the construction of ships. How much of that money will be made available for the building of small vessels suitable for serving these river ports?

Recently, at a meeting at Bundaberg, certain local interests were so concerned at the shipping position that they actually discussed the possibility of themselves chartering small ships should they be available, to ensure that sugar-growers would be able to send their products to the southern States. I stress the urgency of this matter and ask for some definite statement from the Minister so that the people most concerned may know what chance they have of improved shipping services in the areas to which I have referred.

I am interested in two items mentioned in the Estimates for the Department of Civil Aviation, Division No. 16. The first is "Buildings and works—including grants to councils towards the cost of establishment and improvement of country aerodromes—£50,000", and the other is "Aeradio communication and navigational facilities . . . £750,000". From time to time we have discussed in this chamber the desirability of improving country air services so that people in the out-back districts may have available to them transport services approximating those provided on the trunk routes. I am sure that no honorable member will question the justice of such a provision. It is not so much a matter of policy as of implementing a policy upon which there is general agreement. However, the Department of Civil Aviation seems to be moving very slowly in this direction. For instance, there are aerodromes in my electorate at Monto and Thangool. For some time the local authorities have been attempting to find out what is the policy of the department with regard to these aerodromes so that they may know what is required of them, and may be able to budget accordingly. So far, they have been unable to obtain any clear statement from the department on its country aerodrome proposals. They only know that the department proposes at some future date to assume control of those aerodromes. They have both, I understand, been declared as approved stopping places on an approved route, but it is difficult to discover the council's obligation and just how far the Department of Civil Aviation will go in regard to certain matters such as compensation of private land-owners. On behalf of the

local authority, I have been attempting, without success, for more than twelve months to find out what is intended. There would be a great improvement of the administration of the department if these matters were tackled and local authorities and others interested in the development of country aerodromes were told something definite within a reasonable space of time. At Monto the question is whether the Department of Civil Aviation will continue to use the landing ground that has been in use for a number of years. The answer depends on the determination of the amount of compensation that will be paid by the department to the owner of the land. If no finality can be reached regarding that site, the council is prepared to negotiate for the establishment of an aerodrome in another area. In spite of the fact that for a considerable time the council has been trying to ascertain the department's intentions so that it may decide what it should do, it has been until recently, at any rate, unable to get real satisfaction.

The Thangool aerodrome is, in my experience, the best country aerodrome in Queensland. It was established by the initiative and work of local residents and was later taken over by the shire council and improved to meet the requirements of the Department of Civil Aviation. It is to be taken over by the department. The people in the area will thereby be deprived of their showground and race-course. That is the reward for their labour in developing the aerodrome in conjunction with those other facilities. Now they have to look for another place to establish a race-course and showground. Negotiations have been in progress for a long time, but it is not possible to ascertain what grant the department is prepared to make to the local authority to assist it in establishing a race-course and a showground elsewhere. I should like to know what the department intends to do. It is important that the local authority should know what amount it will receive from the department because local authorities in Queensland are required by an act of the Queensland Parliament to budget in advance for their expenditure in each twelve months. Before the Thangool local authority can budget it must know what will be required

of it in many respects and particularly in this respect.

I now refer to aeradio communication and navigation facilities. I was interested to notice the following paragraph in a statement recently issued by the Prime Minister (Mr. Chifley) on the civil aviation new works programme for this financial year:—

Principal item of expenditure is provision for the purchase of 180 radio transmitters, at a cost of £264,000, of which £50,000 will be spent during 1948-49 on materials and £50,000 on installation. These transmitters are to replace low-power equipment at some locations, to extend the internal point-to-point network, to complete the transmitter complement for a number of stations; the duplicate homing beacon transmitters at important centres and to replace unsuitable types of equipment.

Judging by recent events, I regard the proposed expenditure as not before its time. It would be both interesting and valuable to the community if the Minister for Civil Aviation (Mr. Drakeford) made a statement indicating where the transmitters are to be located and setting out the improvements that are likely to result from their installation. As the honorable member for Richmond (Mr. Anthony) said, it is a matter of not only the improvement of equipment but also its use. The use of equipment is vitally important in ensuring the security of people using air services. It would be desirable if the Minister expounded this item, either during this debate or later in the session. Another paragraph in the Prime Minister's statement reads—

The programme provides for instrument landing systems at thirteen locations at a cost of £455,000, of which £27,000 will be spent in 1948-49. These locations have been chosen to ensure that aircraft at the terminal stages of long trans-ocean flights can be assured of being able to land under deteriorated conditions and low ceiling visibility and, at other locations, where losses, including petrol consumption and decreased aircraft usability factors occur.

I do not quite know what the last words mean, but it appears that it is intended to install instrument landing systems at thirteen locations to provide particularly for aircraft arriving at terminal stages of trans-ocean flights and at other locations. That is a necessary improvement of the system in use in Australia providing for the control of aircraft arriving at aero-

dromes. The Minister for Civil Aviation should indicate where it is proposed to install these instrument landing systems. Their location is of particular interest to me because it was by the use of such a system that we were able to land at Clark Field a few weeks ago, when returning from Japan. The conditions would almost certainly have prevented a successful landing had the aircraft not been completely under the control of the pilot. The ceiling was as low as 100 feet in places and extremely heavy rain was falling. Yet we were able to land safely as the result of the employment of the system. We inspected the instrument the next day when other aircraft were brought in safely under difficult conditions. I have no understanding of the technicalities, but we were able to see that as the result of the operation of certain equipment, which was housed in something that looked like a large truck, aircraft could be brought down to just about the landing strip by a man on the ground, who was able to watch the approach of aircraft on charts. The pilot took his instructions from the man on the ground, who knew exactly where the aircraft was, although probably the pilot himself did not know precisely where he was because of his inability to see through the cloud. The effectiveness of the equipment was demonstrated several weeks earlier when, under bad conditions, an aircraft was brought in so successfully that the last instruction conveyed to the pilot was, "Cut your engines and drop your wheels on to the runway". I understand there is no equipment like that in Australia. It would bestow a wonderful benefit if it were installed. To be effective the system or something similar would have to be established at every main aerodrome to be available to aircraft at any time when within range. In view of recent events, I cannot stress too much the importance of installing improved facilities. I ask the Minister, when replying, to give some details of his proposals so as to restore public confidence in the safety of our services. It is obvious that our present equipment is obsolete. Recently, when there was a bad dust-storm in Queensland, all air services in that State were disrupted for two days.

Visibility was reduced to 50 feet, and only a few pilots, flying on most urgent business, came through from Sydney to Brisbane. The new equipment should be installed at Cairns, Townsville, Rockhampton and Brisbane so that air services may continue even when visibility is poor. It is true that the range of this equipment is only about 30 miles, but it could be used in conjunction with other long-range equipment.

Mr. LEMMON.—Is it necessary for the aircraft to be visible from the ground in order that the pilot may be directed how to land?

Mr. DAVIDSON.—No. There is a fluctuating beam that picks up the aircraft, and the ground staff calculates its height from the radar screen. They put the pilot on what is called a glide path, and tell him at what angle he is to come in. If necessary, he can actually land the aircraft by directions from the ground even when visibility is nil. I hope that it is proposed to install this equipment in conjunction with the ordinary long-range navigational aids. If that be the intention, I should not complain if the amount proposed to be expended were doubled.

Mr. BEALE (Parramatta) [5.48].—The Estimates of Expenditure for capital works and services this year exceed by about £14,000,000 the expenditure last year, the respective amounts being £12,661,000 and £27,594,000. As a taxpayer, and a member of Parliament who is, in a sense, a trustee for the taxpayers charged with the duty of seeing public moneys wisely expended, I sometimes wonder where all this is going to end; whether the Government will continue, so long as revenue is buoyant, to increase expenditure year after year. Unless we are very careful we shall spend ourselves into a depression, and then into national bankruptcy. One could criticize many of the items in the Estimates if there were time, but I propose now to draw attention to the estimate of no less than £59,000 which it is proposed to expend this financial year on the Australian Legation in Paris. That seems to me to be an enormous amount, and it is in addition to £56,300 which was voted in the ordinary estimates for the upkeep

of the legation. I should like to know why it is proposed to expend this additional £59,000, and I am sure that the public also will want to know why. I am not the only member of this Parliament, or of the public, who is dissatisfied with some aspects of our representation in the Republic of France. I have repeatedly been told stories which suggest that there is something wrong with our representation there. My personal experience is limited to the fact that, travelling from England to France recently, I was foolish enough to presume that, because I was a British subject holding a British passport, I was entitled, as are all British subjects who are residents of Great Britain, to enter France without a visa, under the arrangement between the Government of the United Kingdom and the Government of France. However, when I got to Le Bourget, I found that the arrangement made by His Majesty's Government in the United Kingdom does not hold good in respect of Australian citizens. I was put in charge of a gendarme, and told that I was to be returned to England. After some telephoning, I made contact with the Australian Embassy in Paris. A gentleman whose name I do not know—he was not the Australian Ambassador—asked my name and business. When I told him, he said in a very amused voice. “Oh, you are one of those Australians who are silly enough to come across here without a visa”. He seemed to regard the incident as an occasion for great mirth.

Mr. POLLARD.—Who said that?

Mr. BEALE.—A person employed at the Australian Embassy in Paris whom we pay. In the conversation which followed I was somewhat short with him. After some delay, and the trifling expenditure of 2,000 francs, I was given permission to remain in France for 48 hours. Many Australian visitors, persons not given to repeating idle gossip or taking notice of unsupported stories, have told me and other members of the Opposition that Australia is not well served in Paris. When I see the enormous amounts of money which are being spent on the embassy there and elsewhere, I think it is time the Government sent some one around the world

to have a look at our various embassies and legations in order to see whether Australia is getting value for its money. If we examined not only that embassy but also several other Australian establishments overseas, not excluding the magnificent legations at Chile and Brazil, which have been referred to in this chamber from time to time, it would be found that a little economy might well be practised. Indeed, a little discipline might also be practised and Australia might, in the upshot, be represented with greater dignity and receive more value for its money. Another overseas office to which I must refer is the High Commissioner's Office in Eire, for which the estimated administrative expenses this year amount to £13,500. When we were debating the proposed vote recently, I observed that that seemed to me to be a very large sum of money for such an office. I recall that in the previous year large sums were expended on capital works for the High Commissioner's Office in Eire. In the estimates of capital works and services now before us, a trifling sum of £700 has been provided for additional equipment for that office, and the High Commissioner's residence. I do not quite know what status the High Commissioner enjoys. That is a matter upon which pundits in international law may have to do some hard thinking later, especially as Mr. Costello has announced a proposal to repeal the External Relations Act. As was ruled not long ago by Mr. Speaker, Eire does not exist as part of the British Commonwealth as we know it. That is all right. We in this Commonwealth are free to come and go, and Eire has gone but it is an odd sort of situation that we should continue to maintain in Eire a high commissioner—a title which I regard as appropriate only to somebody accredited to another self-governing dominion—when that country, to which all Australians bear only goodwill, is obviously not a member of the British Commonwealth.

Mr. BOWDEN.—What does he do there?

Mr. BEALE.—The honorable member for Gippsland (Mr. Bowden) pertinently asks: "What does he do there?" That is another matter. In anticipation of

what the Temporary Chairman may rule on that aspect of the problem, I suggest that this is perhaps not the most appropriate time to debate such a matter. All we know is that representation of Australia in Eire has already cost Australia a great deal of money in capital expenditure and that in this part of the Estimates provision is made for an additional expenditure of £700. I hear the Minister for Commerce and Agriculture (Mr. Pollard) groaning. The honorable gentleman is, of course, accustomed to dealing with millions of pounds. After all, it is only the poor, ignorant and stupid taxpayer's money! It is not the honorable gentleman's money, so he says, "Let us spend it". We should be the watchdogs of the public purse and no matter whether expenditure proposed be £700, £7,000,000 or 7d., we should ensure that it shall be wisely expended. The real trouble about the present administration is that it has no conception of money value and of its duty to the taxpayers.

I pass now to a consideration of the proposed expenditure on the Department of Civil Aviation. In 1947-48, £3,000,000 was expended on the acquisition of shares in Qantas Empire Airways Limited and British Commonwealth Pacific Airlines; an additional £900,000 has been budgeted for in 1948-49 to provide additional capital for Qantas Empire Airways Limited. Very large sums of money are involved in capital works and services for this department. Indeed, total estimated cost of capital works and services for the department for 1948-49 is no less than £5,759,000.

Sitting suspended from 6 to 8 p.m.

Mr. BEALE.—The amount of £5,759,000 to which I had referred before the suspension of the sitting is in addition to the expenditure of about £4,500,000 provided for in the general Estimates. This high expenditure on civil aviation raises the question whether Australia is expending money wisely in this connexion. I propose to advance some reasons why we should change our methods and develop a new scheme for civil aviation in co-operation with other members of the British Commonwealth of Nations. I remind the committee of the

present set up in civil aviation in Australia and the remainder of the British Commonwealth. In Australia we have Qantas Empire Airways Limited, in which the Government has the controlling interest and which operates services between Australia and Singapore and between Australia and New Guinea. We have also Tasman Empire Airways Limited and British Commonwealth Pacific Airways in which the New Zealand and Australian Governments, as well as the British Government, have interests and which are therefore, in effect, government-controlled airlines. The British Government-controlled airline, British Overseas Airways Corporation, operates routes between Great Britain and the East as far as Singapore and elsewhere in that area, and also to Africa. In Europe, British Empire Airways, another government air corporation, operates services to various parts of Europe and the Near East. I contend that the system by which different governments of the British Commonwealth operate air services in different parts of the world, is too loose and is not giving individual units of the Commonwealth the best value for their money. Not as much is being achieved with those services as would be if the nations of the British Commonwealth took the trouble to co-ordinate their efforts. All this is a very good illustration both of the need, and of the opportunity, for closer imperial integration of effort. We have heard much recently of the alleged disintegration of the British Commonwealth. We have read of it in the press—

The DEPUTY CHAIRMAN.—Order! The honorable member must confine his remarks to the Estimates being debated.

Mr. BEALE.—I am confining my remarks—

The DEPUTY CHAIRMAN.—Order! The honorable member should keep within the Estimates instead of embarking on a dissertation on the integration or disintegration of the British Commonwealth of Nations.

Mr. BEALE.—A scheme for the integration of the British Commonwealth's air effort that I propose to suggest in outline would constitute a very good

example of closer *ad hoc* imperial effort. The proposal that I shall submit to the committee is neither entirely my own nor entirely new. I have heard people from New Zealand, England and other parts of the Empire discussing it with approval. My proposal is that we should establish an organization to be known as the British Commonwealth Airways, to be controlled jointly by Great Britain, Australia and New Zealand and such other units of the British Commonwealth as care to identify themselves with it. I make no apologies for the title British Commonwealth Airways, as the essence of my proposal is that the corporation shall be a British Commonwealth effort, with emphasis on the word "British". I consider that it should be an organization on which there is joint representation of Great Britain, Australia, New Zealand, Canada, South Africa, and other units of the Empire. All the units concerned would make financial contributions to the joint overall scheme. Such an organization would have a common uniform for its servants in all parts of the world where it operated, common rules and a common procedure. It would be a world-wide organization. Of necessity, some units of the organization would take the controlling interest in its activities in certain parts of the world, whereas other units would be predominant in others. It would be, for instance, necessary or likely that Great Britain would take the controlling interest in the corporation's operations in Europe, the Near East, and in the Atlantic section. It would be also natural that Great Britain and Australia would have the dominant control in the Far East and that New Zealand and Australia would be the important units in the operation of the Pacific services. Great Britain and Australia would be predominant in the Indian Ocean and African routes, and I am sure that South Africa would also be interested in the scheme at least so far as those routes were concerned. The advantages of an overall imperial airways organization would be that the various units of the Commonwealth would be able to pool their experience and resources. Sometimes in Australia we have lacked experience

in civil aviation, and it would have been better for us if experience gained in other parts of the world, where aviation activities have reached a greater degree of skill and proficiency, had been available to us. The various interests to which I have referred also would be able to pool their capital resources. It would seem to be more or less inevitable that world-wide air services have to be run for the most part by governments, or that governments have to take a very substantial part in their activities. Some of these seem fated to run at a loss. If all units of the British Commonwealth were to pool their resources expenditure and losses might be reduced. We would also have the advantage of being able to pool our resources of aircraft and equipment. It would surely be a great advantage if aircraft could be built in Great Britain, Canada or Australia for specific purposes. For example, it would be possible for the great aircraft factories such as Short Brothers, of Great Britain, to build aircraft knowing precisely what routes they were to be used on and that their market was assured. We should also be able to pool our servicing resources. Australia has had some difficulty about them. Honorable members are aware that from time to time long delays occur on the routes between England and Australia as the result of servicing difficulties and the inability to obtain spare parts in sufficient time to enable the aircraft to continue according to schedule. At Karachi recently, a Constellation travelling from England to Australia was delayed for seven days until a spare engine could be obtained from Australia. Suggestions have been made in this chamber that only the privately-operated air services like Australian National Airways Proprietary Limited experience such delays and difficulties. That is false; the nationalized airlines are just as much subject to them. Perhaps one should not be too captious about criticizing delays when they are allowed to occur in the interests of safety, but they could be minimized, and the services could be improved by the establishment of an overall organization, in which our servicing ability, capacity, and experience would be pooled for the benefit of all.

Another advantage would be the interchange of personnel. Employees could obtain experience not merely of one route as at present, but of various routes throughout the world. Another great advantage would be the great power and prestige which an imperial airways organization would enjoy. At present, Great Britain and the other units of the British Commonwealth are engaging in heavy competition with European and American airlines. If we could unite our forces in this matter, the power and prestige of our airlines would rise and we should be in a better position to meet international competition. Yet another advantage would be that such an organization would be of great benefit to Australia and New Zealand as well as to Great Britain and other units of the British Commonwealth in respect of imperial defence. But perhaps the most powerful reason of all for such an organization would be in the field of practical imperial co-operation. The proposal I have made already has many supporters throughout the world, and we should explore its possibilities. That is not to say that Australia has not to play its part in its own field any more than that Britain, Canada and South Africa should not play their parts in their own fields, but the time has arrived for the formation of an imperial organization. The Australian Government should ask for a conference of members of the British Commonwealth on this matter in order to ascertain whether we can take another step towards the realization of the objective which I have outlined. The question is whether we in Australia are too insular-minded to entertain such a scheme. Do we demand that we shall operate only our own air services, and not participate with Great Britain and other members of the British Commonwealth in a world-wide joint enterprise, or do we believe that great benefits would accrue not only to ourselves but also to other parts of the world from a joint effort of that sort? Finally, have we the vision and the statesmanship to rise to the occasion? Nobody will suggest that objections will not be raised from various sources, but I believe from what I have heard and read that a vast majority of individuals, and officials and

other persons with a knowledge of aviation, would be glad to co-operate and give their blessing to such a scheme, which, I am confident, would be a great step forward in imperial co-operation, and a great contribution to the vital interests of this country.

Mr. DUTHIE (Wilmot) [8.15].—After listening to the speech by the honorable member for Parramatta (Mr. Beale), I am wondering whether he intends to seek endorsement as a Labour party candidate for a Sydney electorate, because his remarks have echoed many of the beliefs and aspirations of the Labour party. In that respect, I commend him. Of course, I realize that not all of his colleagues will approve of the views that he has expressed on civil aviation. His suggestion for the establishment of an imperial organization was envisaged a few years ago by the Chifley Government. Arising out of the Anzac Pact, the Australian Government suggested to the imperial authorities that international control of aviation should be an objective to be striven for with all the vigour at our command. Unfortunately, Australia was the only dominion which favoured such a form of control.

Mr. DRAKEFORD.—New Zealand supported it.

Mr. DUTHIE.—As a party to the Anzac Pact New Zealand supported it, but the majority of the delegates to several international conferences which the Minister for Civil Aviation (Mr. Drakeford) attended decided against the scheme which the honorable member for Parramatta has outlined. However, we have almost achieved international control and planning of aviation. Australia was prepared to go much further than the other dominions without their support at international conferences, but unfortunately, our plans could not be realized *in toto*. I commend the suggestions by the honorable member for Parramatta and assure him that the Australian Government has tried to achieve greater co-operation and greater inter-dominion planning in all the branches of aviation which he has mentioned. British and Australian interests in aviation are running in parallel partnership, but the pooling of the resources of Great Britain and the Dominions is still a dream to be

realized in the future. Many pressing circumstances will assist to achieve it. I am convinced that that form of control of aviation will be forced upon the English-speaking countries in the next year or so, and that considerable economies will result. There is too much overlapping in international aviation. Many of the expenses and a good deal of the waste which now occur in servicing aircraft and operating aircraft would be avoided with the adoption of the scheme which the Australian Government envisaged some time ago and which the honorable member for Parramatta has outlined. The absence of competition in aviation will not unduly affect the operation of the scheme. The honorable member for Parramatta has suggested that vigorous competition in international aviation should be abolished.

Mr. BEALE.—I did not say so.

Mr. DUTHIE.—The honorable member implied it, and I believe that the future will bring into existence in aviation an infinitely greater inter-dominion pooling of financial and material resources. I commend the Minister for Civil Aviation for the statement which he made to the committee last week on the plans which his department has prepared for the development of aviation. As the result of studying the methods of other countries, the Department of Civil Aviation has become one of the finest departments of government in the world. We are proud of the achievements of the last three years, and we are looking forward with great interest to the implementation of the plans which the Minister outlined last week, in order to make aviation still safer for the Australian people, to give people in the outback a chance to get to the cities quickly, and to establish freighting services to outback areas where railways are now being run at a substantial loss. I do not believe that we shall ever be able to do away with railways in Australia or that aviation will ever completely supplant the railways. However, aviation, particularly freighter services, can enable us to eliminate some unpayable railway lines in outback areas which now are giving State governments a serious headache. That is the programme which the Department of Civil

Aviation has in mind. Its plans to rectify deficiencies in safety devices are also commendable. Australia has the best record for safety in world aviation. Surely, the heavy expenditure involved, which is criticized by some honorable members opposite will be fully warranted if we can give to the people of Australia a quick, efficient airline service from capital to capital and interlock all the larger outback centres in the Commonwealth. This is a modern flying age although some of us would prefer to keep one foot on the ground as it were. The sum of £1,000,000 is being provided for the acquisition of aerodrome sites and buildings throughout Australia. A site for an aerodrome has been selected at Pardoe, just outside Devonport. This will be one of the interlocking aerodromes along the north coast of Tasmania, and will help to give Tasmania one of the best services in the Commonwealth. The project at Pardoe has been planned for some time. With the honorable member for Darwin (Dame Enid Lyons), I have continually made representations to the Minister that that work be commenced, and those representations have been supported by the Latrobe Municipal Council and the Devonport Chamber of Commerce. The Minister visited Tasmania last year and inspected the proposed site. He then informed us that as soon as the work at Wynyard was completed machinery being used there would be made available for the work at Pardoe. With the honorable member for Darwin, I sincerely trust that the Minister will be able to make arrangements for the Department of the Interior and the Department of Works and Housing to commence that work before Christmas, and I hope that it will be well on the way to completion before next winter. That aerodrome will serve one of the richest areas of the north coast of Tasmania, being as rich as the Boat Harbour district on the far north-west coast of that State. It will serve the three large municipalities of Latrobe, Devonport and Kentish. I trust that the work will not be delayed through any shortage of man-power or materials. I understand that preliminary work has already been undertaken, including the construction of accommodation for the

workers who will be needed for the project, whilst I understand that the difficulty of acquiring the requisite land has been ironed out after many months of negotiations.

I wish to comment upon some statements made by the honorable member for Henty (Mr. Gullett) this afternoon when he referred to the proposed votes of £1,000,000 for the conversion and refitting of ships for the transport of migrants, of £50,000 for the provision of hostels for accommodation of migrants by the Department of the Interior, and of £1,450,000 for the provision of hostels for migrants by the Department of Works and Housing. The Minister for Immigration (Mr. Calwell) has earned the right to be known as the most active and vigorous Minister for Immigration we have yet had in this country. Of course, the honorable member for Balaclava (Mr. White) could never agree with that view. However, many of his colleagues have paid tribute to the Minister for the manner in which he is performing his difficult task. Many people to-day want to come to Australia whereas before the war very few desired to come here. Despite the heavy expenditure, the Minister's plans for the conversion and refitting of ships to bring migrants to Australia is praiseworthy. To-day, big business throughout the Commonwealth and also primary producers are crying out for labour.

Mr. BERNARD CORSER.—They cannot get one migrant.

Mr. DUTHIE.—That is not correct.

Mr. BERNARD CORSER.—Only for seasonal occupations.

Mr. DUTHIE.—If the honorable member's statement be true in respect of Queensland, it is certainly not true in respect of Tasmania. Hostels are to be built for migrants. Naturally, we must accommodate migrants in temporary housing until they are finally allocated to different industries. Many of them require to learn the English language and also to be taught the Australian way of life. That is being done at Bonegilla camp, and more camps of that kind should be established to help migrants to fit in more quickly into the Australian way of

life. The proposed expenditure is worthwhile, because the more migrants we can encourage to come to Australia and the greater the facilities we can provide for that purpose the better it will be for the country. The honorable member for Henty paid a tribute to the Polish migrants who have arrived in this country, and I entirely agree with his remarks in that respect. If certain persons have made disparaging remarks about Polish migrants, that is only their opinion. All of us must speak of them as we find them. In Tasmania upwards of 1,000 Polish migrants are helping in many undertakings, particularly in hydro-electric projects and as domestics and farm workers. Many Baltic migrants have been employed for the last twelve months on the scheme at Butler's Gorge, which is almost completed. Many are also employed on the Nive River scheme which will augment the Tarraleeah project. Those migrants are constructing a temporary township at Bronte to house 1,000 people, and it will be fitted with all modern conveniences. I cannot speak too highly of the ability and friendliness displayed by Polish migrants in Tasmania. Some of them will marry Australian girls. Some of them have already become engaged to Tasmanian girls. The honorable member for Henty made another interesting statement concerning the desirability of admitting German migrants to this country. It is obvious that he has not much time for Italian migrants, but has some regard for the Germans as migrants. I believe that the honorable member for Parkes (Mr. Haylen) also advocated the introduction of German migrants, and, whilst I agree with that proposal, the fact remains that we cannot bring any large number of German migrants here because no treaty of peace has yet been concluded with Germany. When mention is made of the proposal to allow Germans to migrate to this country, many of us think of the German settlers who came to this country in the latter portion of the last century. Most of them settled in South Australia, and many later overflowed into the Wimmera district of Victoria. Those men and their families were a fine acquisition to this country. They were solid pioneering types, and their descendants are in-

Mr. Duthie.

dustrious farmers, good business men and excellent citizens in every respect. However, since the generation to which those settlers belonged passed, other generations have grown up in Germany whose members have been trained in the militarist tradition. I refer particularly to those who have grown to adult years in Germany under the Nazi régime of Hitler in the last fifteen years. Of course, there are probably still many people in Germany of similar type to the earlier settlers to whom I have referred, and official reports published by military authorities speak of the decent treatment meted out by peasant farmers to Australian prisoners of war who worked on German farms during their internment. Whilst I agree with the views expressed by the honorable member for Henty and the honorable member for Parkes, we must examine carefully the antecedents and political affiliations of prospective German migrants to ensure that the vicious types who were enthusiastic members of the Nazi party do not enter this country. Subject to that condition I favour the introduction of a limited number of Germans who have been trained in agricultural work and have a natural propensity for it. In a year or two we might be able to facilitate the admission of German migrants of approved types in order to stimulate the development of our primary and secondary industries. I remind honorable members that the Government has already made a move in the right direction by bringing to Australia a number of German chemists and scientists. Two of them recently made an examination of the coal resources of Tasmania with a view to introducing a process for the gasification of coal. The German scientists who have been brought to this country should assist in the proper development of our resources, and it is noteworthy that no member of the Opposition has, so far as I know, condemned the Government for bringing them here.

Once again I commend the virile and enlightened administration of the Minister for Immigration (Mr. Calwell) and the Minister for Civil Aviation (Mr. Drakeford) in their respective fields. Unfortunately, party political considerations enter too much into appreciation of their efforts, and honorable members should

realize the difficulties which confront those Ministers. People are apt to forget when they cry out for more migrants, and more aeroplanes to transport people across this great continent, that we are still in the post-war era. The difficulties which confront any effort towards large-scale migration are magnified because of certain commitments into which Australia entered at various international conferences. Those undertakings, which arose from the victory of the allied powers in the recent world war, are part of the general plan to construct a new order, and we cannot escape them. I remind honorable members that anything which we can do to assist distressed peoples from other lands to rebuild their lives in this great country must earn the gratitude and commendation of all right-thinking and fair-minded people. The fortunate people who are brought to this country will not be introduced to a socialistic or communistic way of life, because, despite all the ravings and rantings of the Opposition, the economy of this country is still based predominantly on private enterprise. All we ask of migrants is that they join us in what we believe to be a Christian democracy. When they have been here for the prescribed period they will be given the right to vote, and will enjoy all the other privileges of citizenship enjoyed by Australians. I trust, therefore, that the many members of the Opposition who approve the efforts of the Minister for Immigration will continue to accord him their support, and, so far as it is politically practicable for them to do so, I appeal to them to assist the Government to bring even greater numbers of migrants to this country. We should all join in impressing upon our people that migrants must be treated with justice, fair play and without discrimination. The only discrimination which should be made is that British people who desire to come to this country should be given first priority, and that is the policy which has been followed by the present Government.

Mr. TURNBULL (Wimmera) [8.37].—After listening to the speech delivered by the honorable member for Wilmot (Mr. Duthie) I think that we should remind ourselves of the subject being debated.

The TEMPORARY CHAIRMAN (Mr. Lazzarini).—I trust that the honorable member's remark is not intended as a reflection on the Chair.

Mr. TURNBULL.—No, I am merely reminding the committee that we are debating the Estimates of expenditure for new works, buildings, &c., for the year ending the 30th June, 1949, and that at present we are discussing the Estimates for departments and services other than business undertakings and territories of the Commonwealth. I am pleased that the Commonwealth departments are separately designated from the business undertakings because examination of the Estimates reveals that most of the government undertakings cannot be regarded as "business undertakings" because they are not run on business lines. The man who said "We should have more business in government and less government in business" must have had an eye to the future. The honorable member for Wilmot addressed himself to the subjects of immigration and civil aviation, but I remind the committee that the purpose of the present debate is to enable us to discuss the expenditure proposed by the Government. I propose, therefore, to examine briefly the manner in which the people's money is to be expended. The expenditure of public money on immigration and civil aviation may or may not be a good thing for the country, but I particularly invite the committee's attention to some of the views expressed by the honorable member for Wilmot. He said, in effect, that expenditure on civil aviation does not matter, so long as a good air service is provided, but I do not accept that point of view. I think that an air service, like many other things, can be too expensive, and that we may not be receiving value for the money which we expend. Much of the expenditure of the Department of Civil Aviation will be incurred for the purchase of goods from the dollar area, although the primary industries of this country are crying out for dollars for the purchase of machinery and goods which are vitally necessary. The honorable member used these words—

I trust that that work will not be delayed through any shortage of man-power or materials.

Fancy that! Primary producers throughout Australia are in desperate need of man-power and materials, but the honorable member, who represents a Tasmanian constituency, said that he hoped that construction of the new aerodrome at Pardoe, in Tasmania, would not be delayed because of the shortage of materials. I remind him that there are more urgent needs in this country. Every day I receive letters from my constituents asking that more material be made available to them. During the week-end I visited Sunraysia where I saw the framework of houses at Irymple which have remained in that uncompleted condition for months because of the serious shortage of building materials. The honorable member was loud in his praise of the Minister for Immigration, and he was particularly pleased that £1,450,000 is proposed to be expended on the construction of hostels for migrants. This vast sum is proposed to be voted for the provision of hostels for migrants, yet if honorable members will glance at to-night's press they will see a report that a man, his wife, his mother, and a sick child are living in a small garage in Victoria. That man recently lost his job because of ill health.

The TEMPORARY CHAIRMAN.—Whilst that is a very important matter to the community, it is not within the Estimates which are under debate.

Mr. TURNBULL.—The honorable member for Wilmot made reference to the necessity to increase aviation facilities. Many matters are far more important than aviation in this country at the present time. He also referred to the desirability of bringing large numbers of migrants to this country. While I favour bringing as many migrants here as possible, let us get down to facts and consider the Estimates. I shall refer to departments and services. The proposals for this year show a big increase over the actual expenditure last year. Several of the proposed increases this year are as follows:—Parliament, £81,667; Prime Minister's Department, £136,490; Department of External Affairs, £80,470; Attorney-General's Department, a comparatively small increase of £4,483; Department of the Interior, to which I shall refer again

later, £520,733; and Department of Civil Aviation, £719,113. Each year we find increasing expenditure being incurred in those departments, chiefly for the provision of their own services. There is an inflationary trend in governmental expenditure and it is interesting to see where the taxpayers' money is going. So far as the Parliament is concerned, the proposed large vote of £86,000 has been necessitated by the contemplated increase of the number of members who will form the Parliament after the next general election. Whether we agree with that proposed increase in the numerical strength of the Parliament is not a matter for debate at present, but I contend that it is unnecessary. I shall now refer to the Department of the Interior, Division 10. Under that heading, there is a proposed vote of £750,000 for "Commonwealth offices and other buildings—Acquisition of sites and buildings". The following explanation is appended—

Includes provision towards cost of acquisition of sites for Commonwealth offices in capital cities at an estimated cost of £1,930,000.

An appropriation of £25,000 is also proposed for plant and equipment. This Government is continually acquiring buildings and land which could be used for business purposes, and is setting up in those buildings additional Commonwealth departments. Some time ago, the Minister for the Interior (Mr. Johnson) authorized the expenditure of a lot of money in Canberra on government offices. I asked the Minister whether that would do away with the necessity to acquire a whole block of buildings in Melbourne, and he replied that it would not. Apparently it does not matter how many buildings the Government has in Canberra, more will be required to house the ever-growing number of public servants in the capital cities. This Government seems to take a delight in putting into operation policies which lead towards socialism, and with which the people of this country do not agree. It is a matter of the Government against the people, so far as these policies are concerned. I walked into the electorate of the Minister for Information (Mr. Calwell) recently, and on the very block that the Government proposes to acquire were displayed notices

protesting against the Government's proposed acquisition of certain business premises from people who had been working there for many years. Let us consider what happens when the Government takes buildings over. No taxation or other income then flows from them. The Government merely sets up in those buildings a bureaucracy which will be handy to the centre of the city. During the war, the Minister for Civil Aviation (Mr. Drakeford) took over certain buildings in Melbourne. At the time it was said that they were taken over only temporarily. However, when the Minister gets his feet inside the door he is like a salesman. It is difficult to get him out again. Now he proposes to acquire those buildings, and make them permanent government property. How can the Minister justify the work that is in progress at 341 Collins-street, Melbourne? Premises there which would have suited any reasonable business firm for the next quarter of a century are being renovated to the extent of extravagance for Qantas Empire Airways. That is being done by the Government to attract customers to that enterprise. Many people in private enterprise to-day cannot afford to carry out such improvements, and, even if they could, they would have little chance of securing the necessary material. There is no lack of material for the building of extensions to Parliament House in Canberra, or for the renovations at 341 Collins-street, Melbourne, and elsewhere. The builders are getting everything they require, because those works are under government sponsorship. The honorable member for Wilmot said that we would help the Government to do things and make things better in this country. If the Minister for the Interior, the Minister for Commerce and Agriculture (Mr. Pollard), or the Minister for Civil Aviation care to accept my invitation, I will show them a lot of places where materials are required very urgently. I could show them a house at Macarthur, in Victoria, which has been without a roof for eighteen months. I should also like to show the Minister for Works and Housing (Mr. Lemmon) hundreds of similar buildings. I could show the Ministers

many buildings throughout this country that cannot be completed because of lack of material. When responsible people write to Ministers they are told that a sufficient allocation cannot be made to people in the country who require materials, and that production of materials is three or four years behind requirements. Notwithstanding that assertion, material is made available immediately for the erection of government buildings. I shall tell honorable members of the plight of a returned soldier from both world wars, who is living near Horsham, in Victoria. He is a grazier, who was a judge at the Melbourne Royal Show this year, and knows his job thoroughly. That man cannot get material to fence in pasture lands for his sheep. He is only a small settler, but he knows how to breed sheep and has a stud farm. Such men provide the foundation for Australia's prosperity, and the nation will suffer if we do not encourage and help them. If we stay up in the air with aviation, as the honorable member for Wilmot would have us do, and if we continue to sink money into government departments, many of which are hampering production, what will be Australia's situation ten years hence? If this socialist Labour Government remains in charge for much longer, it will throw the country's economy back 50 years, and, when another government comes into power, Australia, like a man who has been brought from the sea exhausted and almost drowned, will need a great deal of care and attention before it can regain economic health and strength. The time has come for practical men on the Government side of the chamber to face the facts. It is time the Minister for Commerce and Agriculture examined the needs of the primary producers and accepted my invitation to come to the Wimmera electorate. It is time the Minister for the Interior realized that, if he builds houses at Canberra for public servants, he should not continue to acquire buildings for the Commonwealth in Melbourne to the extent proposed. It is time the Minister for Air realized that, although Convair aircraft may be pressurized, the fact that people can travel quickly from Sydney to Melbourne and from Adelaide

to Perth does not get the nation anywhere and does not add one bushel of wheat, 1 lb. of butter or 1 lb. of wool to the wealth of the nation. The Government's schemes sound fine, but they are not good politics. The peoples of the world are calling for our products, not for records in aviation. We have a great opportunity to capitalize on the needs of other countries by providing them with the things that they want to buy. The advantage would be twofold.

Mr. POLLARD.—Does the honorable member want to make "cockies" of all our aviators?

The TEMPORARY CHAIRMAN.—Order! The honorable member for Wimmera is engaging in a general debate. I ask him to refer to the Estimates.

Mr. TURNBULL.—I shall answer the Minister.

The TEMPORARY CHAIRMAN.—Order! Interjections are disorderly, and the honorable gentleman will be disorderly in answering them. I ask him to return to discussion of the Estimates.

Mr. TURNBULL.—Through you, Mr. Temporary Chairman, the answer to the Minister is, "No, but we must be reasonable". Money is being squandered through government departments in many ways. The honorable member for Wilmot tried to make political capital of the fact that an amount of £50,000 is set aside in the Estimates for grants to councils towards the cost of establishing and improving country aerodromes. That sounds very nice, but where does the money come from? It comes from the petrol tax, of course! This Government is not providing money for that purpose of its own free will. It is obliged to provide it under the provisions of the Federal Aid Roads and Works Agreement. The money comes into its hands from the tax on petrol used in aviation. The proposed vote, therefore, indicates no generosity on the part of the Government. Men who are taxed up to the hilt, primary producers who do not know which way to turn to meet their tax commitments—

The TEMPORARY CHAIRMAN.—Order! The honorable member must refer to the Estimates.

Mr. TURNBULL.—I am doing so.

The TEMPORARY CHAIRMAN.—Order! The honorable member is roving into the field of general debate. I ask him to confine his remarks to the items in the Estimates.

Mr. TURNBULL.—When I look at the Estimates and see the greatly increased amounts which the Government has budgeted for works and services—and, goodness knows, the amounts voted last year were large enough—I wonder what will happen to Australia in the future. I am apprehensive of the welfare of our main benefactors, the primary producers.

Mr. JOHNSON (Kalgoorlie—Minister for the Interior) [8.55].—I intend to reply to the criticisms directed by the honorable member for Wimmera (Mr. Turnbull) at the Government's plan for the establishment of Commonwealth facilities throughout Australia. When the Labour party took office, it was faced with a gigantic programme of defence. What happened? When we made a survey of the position, we found that all State capital cities lacked even those facilities that were needed for the nucleus of a defence programme. Yet members of the Opposition, who were largely responsible for that disgraceful state of affairs, now condemn this Government for making a plan to provide facilities that are essential to the proper defence of Australia as well as to the efficient continuance of governmental activities throughout the Commonwealth. It is appalling to hear their criticisms. Surely the honorable member for Wimmera does not think that, because the seat of government is at Canberra and because the bulk of our administrative staffs will be transferred here eventually, activity in State capital cities should end. What will happen to Commonwealth departmental activities in Brisbane, Perth and other State capitals if the Commonwealth does not establish there the facilities that it needs? If the honorable member would examine the colossal amounts that Commonwealth governments have paid over the years for the rental of buildings owned by private enterprise, he would be obliged to recognize the wisdom of the steps being taken by this Government to save future generations from being

saddled with such a burden. I am sure that, if he gave serious thought to the subject, he would applaud the Government rather than decry it. The honorable member referred specifically to the Government's plans for buildings in Melbourne. Because that area is within the electorate of the Minister for Information (Mr. Calwell), I have agreed to allow my colleague to deal with that criticism. However, I point out that the Government's plan for a block of Commonwealth offices in Melbourne has met with the approval of the town-planners of the city and of the Melbourne City Council. The block will be an attractive addition to the architecture of the city. I need not discuss the subject further. I am sure that honorable members would commend the Government instead of criticizing it if they studied the subject with more care.

MR. ARCHIE CAMERON (Barker) [8.58].—The Minister for the Interior (Mr. Johnson) has raised an old issue by referring to the condition of affairs in Australia when the Labour party came into power. I remind him of the attitude of the Labour party towards certain important defence works when it was in opposition. I remember when, after the outbreak of war, it sought to amend a motion to provide money for the construction of a graving dock in Sydney, which was obviously a war work. The Labour party voted against the scheme. In 1938, when new works of a defence character had to be undertaken, the cost of government in Australia leapt by £15,000,000 or £20,000,000 in a year.

MR. JOHNSON.—This Government provided the dock.

MR. ARCHIE CAMERON.—The honorable gentleman should not be so silly. I was a Minister in the Lyons Government, which signed the contract.

MR. JOHNSON.—It was completed only two years ago.

MR. ARCHIE CAMERON.—The work would not have begun if the Australian Labour party had had its way. Its members in this chamber voted against the proposal that the dock should be built. The reason they gave for so doing was that it could not be finished

before the war concluded. At that time they were looking longingly to Hitler. They thought that the war would be over in a matter of months.

In 1938 the Lyons Government put forward a proposal for an increase of defence works. It was suggested that some works should be undertaken in Darwin. It is on record that I suggested that they might be done by engineer troops. The attitude of the Australian Labour party then was the same as it is to-day. It holds that if defence works are to be undertaken, they must be done only under the catch-as-catch-can methods of Australian unionism, at the greatest possible cost. I ask honorable members opposite who talk about defence to say what the position of the French in North Africa would have been if they had not used troops to develop the country for military purposes. We are told that the Australian Government is shortly to take over Manus Island, but I suggest that until some Australian troops are enlisted for the purpose of working on defence projects we shall never have a defence scheme or adequate defence works. It is time that the Government, if it is considering anything in the nature of a regular army and permanent defence works, which it is not providing for in these Estimates—

The TEMPORARY CHAIRMAN.—If that is so, why is the honorable gentleman referring to that matter?

MR. ARCHIE CAMERON.—I am talking about defence works. Until the Government not only allots money, but also enlists men who are prepared to be soldiers and workers, these things will not be done. I do not propose to range over the whole gamut of matters that could be raised on this issue. The record of the Government in this connexion is one in which honorable members opposite can take no pride. All that it did was to complete defence works that were in progress when the previous administration had control of the country's affairs. I have heard the story of the man who believed that he dug the Murray, but when I hear honorable members opposite talk about defence works I am inclined to think that the only story that is appropriate to the present Government is

the one that is to be found in the Book of Job. I can imagine the Almighty addressing members of the present Government and saying—

Where wast thou when I laid the foundations of the earth?

One would think, to hear honorable members opposite talk, that everything in Australia was planned and done by them at their own expense. The true story, however, is a very different one.

Mr. POLLARD (Ballarat—Minister for Commerce and Agriculture) [9.5].—I should not have intervened in this debate had I not been provoked by the honorable member for Barker (Mr. Archie Cameron) and the honorable member for Wimmera (Mr. Turnbull). The honorable member for Barker related to the committee a story of the Labour party's opposition to defence projects. The fact is that in 1938 the Labour movement disagreed with the programme that was proposed by the Government that was then in power. The honorable gentleman talked of specially trained soldiers being employed upon building and other types of work. I remind him that compulsory military training was abolished in this country in 1931 by the Scullin Administration. Between 1931 and the outbreak of war in 1939 the destiny of this country was in the hands of anti-Labour governments. It is well known that the late Mr. Lyons, when he was Prime Minister, was pressed very hard, probably by a section of his party to which the honorable member for Barker belonged, to reintroduce compulsory military training. He did not do so, because a sufficient number of members of the Lyons Government feared that the reintroduction of compulsory military training would be unpopular in Australia.

The TEMPORARY CHAIRMAN.—The Minister is not entitled to refer to compulsory military training.

Mr. POLLARD.—Having dealt adequately with that matter, I return to the subject before the committee. The honorable member for Barker said that we want workers on buildings. I admit the need. However, some people give scant encouragement to such men who work well. I propose to refer to a statement about "still life" that was made

in this chamber by an honorable member who, I believe, viewed the good work to which he referred from the comfort of the parliamentary bar. He had the cheek to come into the chamber afterwards and to refer to the bricklayers who are working on the extensions of this building as, in effect, "still" workers, although he had watched them himself in his idleness from the parliamentary bar. My inquiries have elicited the fact that these men are rehabilitation trainees. Such men cannot be expected to lay the same number of bricks in an hour or a day as experienced bricklayers, who are fully skilled in the art of bricklaying. These rehabilitation trainees are men who fought for their country. They did not say that they would be on the first boat to leave Australia and, when they attended for their medical examination, found that their eyesight was not good enough.

Mr. GULLETT.—Does the Minister say that they are all rehabilitation trainees?

Mr. POLLARD.—The honorable gentleman is not going to sidetrack me. The reference of the honorable member for Deakin (Mr. Hutchinson) was to "still" work going on in the vicinity of Parliament House. He viewed it from the parliamentary bar at a time when he could well have been attending to his own work in the Parliament. Those who criticize the workers of this country must themselves expect to be criticized. The fact is that the honorable gentleman did not specifically refer to any section of workers on this building. I know something about hard work. I know that these men are rehabilitation trainees, who fought for their country. I know that they are not fully-trained bricklayers. I took the trouble to look at the brick-laying work that has been done. It is substantial and well done. As far as alignment is concerned, it does not measure up to the work that would be done by fully trained bricklayers. It is not characterized by the straight, clean lines that are typical of the work of experienced bricklayers, but it is effective and will serve its purpose. It ill-becomes those who have never done any hard work in their lives to criticize those who work hard. If the honorable gentleman will come with me to the nearest station,

where sheep are being sheared now, I undertake to shear sheep with him and see how he shapes at that task. That is a challenge.

The honorable member for Wimmera referred to shortages and to the difficulties of farmers in his electorate, which he invited me to visit. I shall be very pleased to accept his invitation as soon as possible. I shall find that conditions there are very different from those that obtained on the last occasion on which I visited the honorable gentleman's electorate. That was at a time when tory governments had brought settlers from the old country. I went to the Nowingi district, where settlers who had been put on to the driest part of the Victorian Mallee country—

The TEMPORARY CHAIRMAN.—The Minister must confine his remarks to the Estimates.

Mr. POLLARD.—At the time to which I referred, those people were inadequately provided for. They were heavily in debt. Their position ultimately became so desperate that the Victorian Government depopulated the Mallee by giving them £100 each to get out and to go somewhere else.

The TEMPORARY CHAIRMAN.—The Minister must confine his remarks to the Estimates.

Mr. POLLARD.—I am sorry that I cannot relate the full story. A striking change has occurred.

I shall deal now with the criticism that has been made of the expenditure on the various departments of state. In private business, increased revenue and expenditure indicate increased activity, prosperity, and higher purchasing power. Similarly, an increase of governmental expenditure and revenue, indicates expanding business and more prosperous conditions. In the past the heavy curtailment of governmental expenditure, including expenditure on works has invariably resulted in reduced prosperity, lower incomes and unemployment. To-day, side by side with the increased activity of private enterprise, there has been a substantial expansion of governmental activities necessitating larger administrative staffs. Upon the Govern-

ment lies the responsibility to house those staffs adequately, in a good environment and under hygienic conditions, so that their work will reach the highest standard of efficiency. There has been considerable mealy-mouthed criticism of this Government's action in purchasing land in Melbourne for the construction of new Commonwealth offices. This criticism, I have no doubt, is prompted by private landlords and estate agents who are interested in that particular locality. At present, it is one of the poorest quarters of Melbourne, and it would be a godsend if we had sufficient labour to clear the entire area to-morrow. The fact is that in times when there was ample labour and materials to build fine buildings to house government departments past administrations neglected to resume lands for that purpose. Contrast that neglect with the activity of the present Administration in spite of the great disadvantages under which it labours due to the heavy demands on available man-power and materials! I recall, as a young man, walking along Treasury Gardens in Melbourne, and taking great pride in seeing the present Commonwealth offices in course of construction. Those buildings were erected, if I remember correctly, during the régime of the Fisher Labour Government in 1910 or 1911. There was a howl of criticism at that alleged waste of public money. Governmental activities have expanded so much since those days, of course, that the accommodation provided is now hopelessly inadequate. How much worse would the position be to-day had the Fisher Government not ignored that criticism and proceeded with the erection of the new offices! At about the same period the present Melbourne General Post Office in Spencer-street, was built. What did the Tories say in those days? Men of the same political persuasion as the honorable member for Wimmera and the honorable member for Barker opposed the construction of the new post office. Their main criticism of the proposed post office was that a whole floor was to be devoted to a cafeteria and a postal workers' institute where young postal mechanics could be trained and so be better equipped to operate our postal services in the interests of the people of this country. To-day, the same old

criticism is offered of the proposal to provide reasonable accommodation for Commonwealth employees. I have never heard such nonsense as that uttered by honorable members opposite. Members of the Opposition parties are not game, of course, to criticize the standard of accommodation that is to be provided. In fact, they are all for it; but the Labour movement pioneered the way and made modern standards possible. Nowadays, even Tory governments in Victoria and in other States contribute substantially towards the provision of amenities for employees. In these circumstances, I fail to comprehend this frivolous and stupid criticism. I have not heard the honorable member for Wimmera say a word in this chamber about the provision for increased expenditure, under State direction, on an extension of the University of Melbourne buildings at Mildura in his own electorate. After all, that is a semi-governmental undertaking. Will he suggest that the Government of Victoria should not be expending money on improved educational facilities? Of course he will not; but he claims that the Commonwealth's own staffs should not be expanded, and that no new buildings should be provided for them. Does he not agree that the Commonwealth should endeavour to save the huge sums of money that it is expending on rented premises in Melbourne? Mr. King O'Malley, when he was Minister for Home Affairs, recommended to the government of the day that a substantial area of land adjacent to Martin-place in Sydney should be purchased at what was then a comparatively low figure. Unfortunately, for some reason or other, the government of the day—and I think that it was a Labour administration—did not approve the purchase. Many years later, another Commonwealth government—the Menzies Government I believe—paid a fabulous sum for a property adjacent to Martin-place to provide improved postal facilities. It is time that honorable members opposite talked common sense and realized that governments must expend money. The administration of this country must be carried on by employees who work under good conditions and in favorable surroundings.

Mr. Pollard.

Mr. TURNBULL.—What about materials?

Mr. POLLARD.—The honorable member for Wimmera asks, "What about materials?" He knows quite well that with the labour that is available, the essential materials are being produced as rapidly as possible. Listening to the honorable member for Barker, one realizes that at the back of the minds of some honorable members opposite is the desire once again to conscript and direct labour. Whilst I agree that in an era of great prosperity, when there is a temptation for luxury industries to compete for the labour that is available to the detriment of more essential undertakings, one of the only ways to overcome the problem is to direct people into essential trades: but the Labour movement opposes the conscription of labour. I warn the people of this country that in the absence of a Labour administration, they can expect conscription of labour to be fastened around their necks.

Mr. WHITE (Balaclava) [9.18].—It seems to be forgotten that the subject of the debate is the annual vote for "Additions, new works, and other services involving capital expenditure". The Minister for Commerce and Agriculture (Mr. Pollard) seems to have made no allowance for Providence in his eulogy of the Government. He has forgotten that high prices for our primary products have had something to do with the prosperity to-day which, I believe, is partly fictitious. Our currency has far less purchasing power than it had a few years ago. I understand that the £1 note to-day is worth about half what it was worth fifteen years ago. The Minister sought to show that he is an enthusiast for public works, but I shall read to the House something that he said in 1938—not very long before the outbreak of war—so that honorable members, and the people of this country, who have heard him, may know what he really thought in those days. To-night, the Minister followed the honorable member for Barker (Mr. Archie Cameron), who explained how, as Minister for the Navy, he had signed the contract for the Captain Cook graving dock in Sydney—a project for which the Minister for

the Interior (Mr. Johnson) was trying to take some credit. On the 12th October, 1938, the present Minister for Commerce and Agriculture said—

Personally, I would not spend threepence on permanent works or on defence works of any kind in Australia.

If he has reformed since then, there may be some hope for him. I rise to-night mainly to refute an attack made by the Minister on the honorable member for Deakin (Mr. Hutchinson). The honorable member for Deakin volunteered for service at the outbreak of war, but was turned down on medical grounds.

Mr. HUTCHINSON.—If the Minister for Commerce and Agriculture likes to revel in filth, he can.

Mr. POLLARD.—I call your attention, Mr. Temporary Chairman, to the remark thrown across the chamber by the honorable member for Deakin, about whom I said something which I do not regret.

Mr. HUTCHINSON.—I said that if the Minister liked to revel in filth—

Mr. POLLARD.—I ask that the honorable member for Deakin withdraw his statement. I have no regrets about anything that I said, and if the honorable member for Deakin will come outside I will try him out.

Mr. HUTCHINSON.—I ask that the Minister be required to withdraw what he said about me.

The TEMPORARY CHAIRMAN (Mr. Lazzarini).—The honorable member for Deakin will withdraw the remark to which objection has been taken.

Mr. HUTCHINSON.—I will not withdraw it.

Mr. BEALE.—I rise to a point of order. The Minister for Commerce and Agriculture made an utterly unwarranted and disgraceful statement.

The TEMPORARY CHAIRMAN.—No point of order is involved. The honorable member is endeavouring to refute the statement of the Minister for Commerce and Agriculture.

Mr. BEALE.—Then I rise to another point of order. I ask that the Minister for Commerce and Agriculture be asked to withdraw the statement in which he attacked the honorable member for Deakin. I heard what he said.

The TEMPORARY CHAIRMAN.—What statement?

Mr. BEALE.—The statement that the honorable member for Deakin volunteered for military service, and then conveniently found that his eyesight was not good. That statement was offensive to me.

The TEMPORARY CHAIRMAN.—When the Minister made that statement in the course of his speech, neither the honorable member for Deakin nor the honorable member for Parramatta (Mr. Beale) objected.

Mr. POLLARD.—I did not say that the honorable member had conveniently—

The TEMPORARY CHAIRMAN.—Order! The honorable member for Balaclava will continue.

Mr. WHITE.—To-night, the honorable member for Wilmot (Mr. Duthie) delivered a eulogy—a “wrap-up”, as it is called—on the Minister for Air (Mr. Drakeford). When the Minister for Immigration (Mr. Calwell) came into the chamber, the honorable member delivered another eulogy on him. Had any more Ministers come in, I have no doubt that they would have been praised, also. When the honorable member began to discuss civil aviation, he got his head in the clouds, and demonstrated his unfamiliarity with the subject. Among other things, he said that this Labour Government was not a Socialist or Communist government. If that is so, the honorable member should not be sitting in his place in this chamber, because he signed a pledge in favour of socializing the means of production, distribution and exchange.

The honorable member said that all airlines in Australia should be under government control. He did not mention the loss of £700,000 by Trans-Australia Airlines during the last two years, or the loss of £11,000,000 by government airlines in England last year, and the £10,000,000 lost the previous year. Losses made by private enterprise are borne by the shareholders, but in government enterprises the taxpayers have to shoulder them. State enterprise leads to inefficiency and financial loss; private enterprise promotes efficiency and good service.

The Estimates provide for the expenditure of £50,000 on hostels for the accommodation of immigrants. The Minister did not say whether accommodation was to be provided for British immigrants, but I imagine that the money is to be expended on providing accommodation for foreigners only. On a previous occasion, I said that many British immigrants were leaving Australia because they could not find accommodation here.

MR. HAYLEN.—Those were not planned arrivals.

MR. WHITE.—Perhaps not, but the honorable member knows that thousands of British people who wish to emigrate to Australia have not been able to come because there is no guarantee of accommodation for them. There is no lack of jobs, but accommodation cannot be obtained for them, although accommodation, temporary or otherwise, can be found for Balts and Poles. They, I recognize, are good immigrants, and I am glad to see them coming to Australia, but I believe that temporary accommodation, at any rate, should be provided for British immigrants, also. The Returned Sailors, Soldiers and Airmen's Imperial League of Australia has canvassed its members in order to find out how many of them can provide accommodation for ex-servicemen from Great Britain, and 500 men are now on their way here under that scheme. Country towns in Australia could undertake to find accommodation for migrants from English towns with similar names. Balt immigrants are being housed in some military camps, but there are others, such as those at Nhill and Benalla, in Victoria, where British immigrants could be housed temporarily. Some military camps have been sold to private firms, and not half the accommodation is in use. The buildings could be used to house, not only single men, but families as well. Some of the camps are within easy distance by good road of country towns, and the accommodation of immigrants in such camps with adequate transport could be linked up with the general programme of decentralization. It is true that ships coming to Australia from Great Britain are crowded with migrants, but they represent only a small percentage of those who are anxious to come. While

it is admitted that Australian babies are the best immigrants, the next best are undoubtedly, people from Great Britain. We read every day about Italians coming to Australia in aircraft. We know that Italians make good citizens, but recently, when *Kanimbla* called at Genoa, members of the crew were ill used by the Italians, and the captain maltreated. I have suggested that visas be held up until an inquiry into the riot had been held, but my suggestion was not adopted. The Air Force Association has received many letters asking for addresses to which members of the Royal Air Force can come when they reach Australia. I suggest that the Government could do much more than it is doing to encourage organizations of various kinds to find accommodation for immigrants. The Government should certainly see that British people who come to Australia are not allowed to leave again for lack of accommodation.

A survey should be made of the activities of our various embassies, in particular those in Chile and Brazil, in order to save dollars wherever possible. Can any honorable member say what trade we have at present with Chile and Brazil? An amount of £59,000 is to be expended on the provision of buildings, equipment and furniture, for the Australian Embassy in France, and a total of £134,100 has been provided for capital works and services associated with our overseas representation. The establishment of embassies and diplomatic and trade representatives all over the world by a country with a population of only 7,000,000 might be satisfying to the Minister for External Affairs (Dr. Evatt), but it does not in any way raise the status of Australia in the eyes of the great nations. British consuls in overseas countries have done the work well for centuries, particularly in the minor South American countries. I suggest that the whole subject of diplomatic and trade representation abroad should be reconsidered. The Government should appoint an officer of the type of the Auditor-General to examine the work done in these embassies, legations and trade offices, with a view to ascertaining which are worthwhile. In addition to the establishment of embassies we have

in many countries trade representatives, the value of whose work is doubtful. I submit that an examination of the work done in these overseas offices would reveal avenues for effecting considerable economies. The time is over ripe to ascertain whether the establishment of these embassies and of legations in minor countries is warranted, and whether they are efficient.

Mr. DRAKEFORD (Maribyrnong—Minister for Air and Minister for Civil Aviation) [9.32].—Something has been said during the debate on this part of the Estimates about the waste of money and of materials on works for the Department of Civil Aviation. The charge of wasteful expenditure associated with the Department of Civil Aviation has been made for the second time by the honorable member for Wimmera (Mr. Turnbull) in one of those long-winded harangues which the honorable member is accustomed to make from time to time. When he made the charge on the last occasion I took the trouble to ascertain the facts. Speaking in this chamber on the 21st September last the honorable member said—

I remind the committee, too, that toward the end of last session, £2,400,000 was voted for expenditure by Qantas Empire Airways Limited. While I was in Melbourne last week I went to No. 341 Collins-street, and saw what was being done with the new offices of the Qantas organization. In their original state, the offices were good enough for any ordinary business concern in Melbourne, but they are now being converted into something in the nature of a palace for Qantas officials. Thousands of pounds are being expended unnecessarily on this work.

Here are the facts. The purchase of Qantas House, formerly Electra House, was approved by the board of Qantas Empire Airways Limited in December, 1946. It was agreed at that time that certain alterations to the ground floor of the building would be necessary in order to provide an efficient passenger booking office. The architect's plans for the proposed alteration were approved by the board in April 1947, but owing to delay in obtaining the requisite permits for materials, work was not commenced until early this year. It will be seen, therefore, that these premises were acquired and the alterations agreed to before the Government became the sole owner of

Qantas Empire Airways Limited. The work was authorized by a private company and not by the Government, as the honorable member stated in giving emphasis to his accusation that the Government was squandering money.

Mr. TURNBULL.—When was the work started?

Mr. DRAKEFORD.—The premises were acquired and the alterations were agreed to before the Government became the owner of the airline. Alterations have been made only to the ground floor. These were necessary as the offices in their original state were entirely unsuitable and did not provide the requisite accommodation for an efficient and up-to-date passenger and freight booking office for the company's service. The alterations were also considered to be necessary in order to enable the company to attract business in competition with other forms of transport. It would, no doubt, please the honorable member for Wimmera to see Australian National Airways Proprietary Limited, and other private airline companies establishing palatial quarters; but if expenditure is incurred by a government instrumentality in the provision of essential accommodation the honorable member characterizes it as a waste of money and of material sorely needed by the people for the building of homes and the like. The humorous aspect of the honorable member's accusation is that the materials for this work were allotted, not by the Australian Labour Government but by the State anti-Labour government, which he supports. Basically, the alterations were intended to improve the traffic booking facilities and no elaborate offices have been provided for any of the company's officials. The portion of the building not utilized by Qantas Empire Airways Limited is occupied by sub-tenants. In view of this explanation, I trust that unfair comments of that kind will not be repeated.

Mr. TURNBULL.—What is the estimated cost of the alterations?

Mr. DRAKEFORD.—I have no figures relating to the cost of the work. Whatever the cost may be, it was agreed to by the company before the Government acquired the undertaking, and the allocation of the requisite building

materials was made by the State anti-Labour government.

The references by my colleague the honorable member for Wilmot (Mr. Duthie) to civil aviation matters seemed to arouse the ire of the honorable member for Balaclava (Mr. White), when he said a word or two in praise of the Department of Civil Aviation. Listening to the honorable member for Wimmera, however, one would think that nothing good could be done by that department even though it has done much good in the Wimmera electorate. I remind the honorable member, however, that a portion of an aerodrome in his electorate was handed over to the authorities of the University of Melbourne in order to improve educational facilities in Victoria. The first country branch of the University of Melbourne was established at Mildura.

Mr. TURNBULL.—That has nothing to do with the matter.

Mr. DRAKEFORD.—Mildura is the centre of a great many air services. The honorable member, however, does not complain about that. He merely says that the Government is wasting money in providing aviation facilities in other places while facilities in his own electorate remain insufficient to meet requirements. The honorable member for Bendigo (Mr. Rankin) who has complained about the absence of aviation facilities in his electorate asked if I would see what could be done about establishing an aerodrome at Bendigo. Apparently, there is great difference of opinion among honorable members opposite on this subject. The honorable member for Wimmera seized on the discussion of this part of the Estimates to criticize the Department of Civil Aviation. He trots out the same old story every time the Estimates are under consideration. The honorable member for Wilmot, like the representative of his neighbouring electorate, the honorable member for Darwin (Dame Enid Lyons), has for some time pressed for the establishment of an aerodrome at Pardoe, near Devonport. Some honorable members opposite accuse the department of wasting money on the provision of new aerodromes. We cannot please everybody. I should like to see many additional air services provided in Aus-

tralia, but that is impracticable at the present time. The Government has adopted a balanced programme and the Department of Civil Aviation has asked for only a fair share of the moneys to be made available for new works and services.

Mr. ARCHIE CAMERON.—Can the Minister say anything about his projected visit to Kingscote and Naracoorte?

Mr. DRAKEFORD.—I hope to be able to visit those centres in the company of the honorable member. He would then be able to point out with great force what is required there. I ask him however, not to request the honorable member for Wimmera to accompany us as that honorable gentleman would undoubtedly say, "You are merely proposing to waste more of the people's money". The honorable member for Wilmot was justified in seeking an extension of air facilities in Tasmania. But for the air services between Tasmania and Victoria the people of Tasmania would have been very badly served indeed during the last two or three years. Only by that means have communications with that State been maintained. Provision is made in these Estimates for additional money to enable these services to be extended. The honorable member for Wilmot asked how much will be expended in the ensuing twelve months. I am unable to give him that information as it is not yet known what man-power will be available. Little or no difficulty is expected in relation to the supply of materials. An amount of £90,000 has been provided in the Estimates for this purpose. I hope that we shall be able to expend that amount during the current financial year. If we attain that objective the honorable member and his colleague, the honorable member for Darwin, will, I am sure, be very pleased.

The honorable member for Parramatta (Mr. Beale) made an interesting contribution to-night on the subject of the development of civil aviation. I was interested to hear the honorable member's speech, because his words would lead one to believe that he was sitting on this side of the chamber advocating what the Government itself has advocated for a number of years.

Mr. ARCHIE CAMERON.—What did the honorable member say that gave the Minister that impression?

Mr. DRAKEFORD.—It would have done the honorable member for Barker good to hear him advocate a policy which is in accordance with that laid down by the Labour movement and followed by it for a number of years.

Mr. ARCHIE CAMERON.—The Minister has hopes of inducing the honorable member for Parramatta to cross the chamber?

Mr. DRAKEFORD.—We have no hope for him while he remains a member of the Opposition. If he came over to this side of the chamber, he would probably be a great advocate of the people's rights, as are other honorable members who sit on this side. I remind the honorable member for Parramatta and his colleagues that at the Chicago conference in 1944 the Australian and New Zealand delegates, in consonance with the Anzac Pact, advocated the internationalization of airlines. They did not imagine that that policy would be accepted immediately, but it has been consistently advocated and is gradually gaining more adherents.

Mr. ARCHIE CAMERON.—Did the Minister refer to the "internationalization" or the "nationalization" of airlines?

Mr. DRAKEFORD.—I have said that they advocated the internationalization of airlines. I am speaking for the benefit of honorable members generally, and those who spend some portion of their time reading *Hansard*. I am explaining the Australian Government's attitude on this subject. The honorable member for Barker will ascertain what that policy is if he takes the trouble to read my explanation. What the honorable member for Parramatta says ought to be done, this Government has been doing for some time, although the honorable member does not seem to realize it. The Government's general policy is that the most satisfactory solution of the problems of international air transport is to be found in international control and operation of trunk air services, through the medium of an international organization that would own and operate the requisite aircraft and ancillary equipment. This view was expressed on behalf

of the Government, first, at the Chicago conference, and has been frequently reiterated since. The Government has been heartened by the pronouncements of additional governments which subscribe to this view. It realizes that the proposition of international ownership and control of international trunk routes has not yet secured a sufficient measure of general acceptance to justify pressing the proposal for general acceptance at this stage. Nevertheless, this objective must be constantly borne in mind and the Government is unlikely to subscribe to any arrangement which jeopardizes this objective. Further, any interim arrangements should, as far as practicable, permit and facilitate the achievement of this objective, and in particular, should facilitate the operations of joint international organizations which may be regarded as a stage towards general international ownership.

The honorable member for Parramatta, who has made a visit overseas recently, has realized that what the Government is doing is the proper thing to do. The Government has joint ownership in British Commonwealth Pacific Airways. Australia owns 50 per cent. of the shares, New Zealand 30 per cent., and the British Government 20 per cent. A service is operated to Vancouver three times a fortnight. Australia owns 30 per cent. of the shares in Tasman Empire Airways Limited, New Zealand 50 per cent. and the United Kingdom 20 per cent. The Government has also parallel partnership in the service operating between the United Kingdom and Australia. The honorable member for Parramatta, and presumably some of his colleagues, say that those are the sort of things that should be done, and the fact is that the Government has already done them. The Government proposes to extend such partnerships as far as it possibly can. I believe that it is in the interests of the whole world to have co-operation on international air routes. If one could get governments to join with one another in developing air services the world would be more likely to get satisfactory services than it would be from private enterprise which must rely on subsidies.

Reference has been made to the fact that the government airline is losing

money. Recently when the same subject was raised I referred to sixteen American airlines, only two of which had shown a profit in recent years. It can be said that government airlines lose money just as the British Overseas Airways Corporation loses money. The honorable member for Parramatta envisages a great British Commonwealth air corporation in which various parts of the Empire, including colonies, would operate.

Mr. ARCHIE CAMERON.—Including Eire?

Mr. DRAKEFORD.—Probably even including Eire, although I do not know what the honorable gentleman would do then. He would probably have convulsions. I hope something of the nature of the organization suggested by the honorable member for Parramatta will be achieved as the Labour party has been advocating it for years. There is much more I could say, but I suggest that if honorable members care to study what has been done already and what the Government proposes to do in this direction, they will favour the Government's present policy. It never seems to be realized that private airline companies are kept in operation by large subsidies. That applies to the only two big companies in Western Australia, to Guinea Airways and to practically every airline that has been established in Australia. In the judgment of honorable members opposite it was apparently all right for the Government to pay out money to support private companies, but when a government airline does not show a profit the same principle is considered to be all wrong. We must get away from that idea, and remember that if air services are to be established, we must give them government support. I believe that the Government is pursuing a wise policy and I do not complain that criticism of that policy is of an unfriendly nature. The people themselves will commend what the Government is attempting to do in their interest.

Mr. HAYLEN (Parkes) [9.46].—I refer to the item, "Capital Works and Services," Department of Immigration. I wish first, however, to reply to certain statements made by some honorable members opposite, particularly the statement made by the honorable member for Bala-

clava (Mr. White), in which he quoted from *Hansard* with reference to a statement regarding armaments allegedly made by the present Minister for Commerce and Agriculture (Mr. Pollard) in 1938. I remind the honorable member that there is always a danger in quoting statements out of their context. I can quote statements made by the honorable member for Balaclava. I shall quote from *Hansard*, volume 177, page 1083. The honorable member at that time, according to *Hansard*, used words with which I am sure he does not agree nowadays. In the 8th March, 1944, in reply to a Government member he said—

However, I warn him not to pin his faith to socialistic enterprises merely on cases of that kind. Many of us are socialistic at heart, but we must be practical.

On the 10th February, 1944, the honorable member said, according to *Hansard* volume 177, page 118—

At the present time Nazi-ism is crumbling to pieces and communism is becoming democratic.

I quote again from *Hansard*, volume 177, page 119, where he is reported as saying in reply to the Minister for Transport (Mr. Ward) the following:—

I remind him that I have lived in Russia and know something of what has taken place in that country. . . . Russia is fast becoming a democracy.

I do not think we require to investigate—

The TEMPORARY CHAIRMAN (**Mr. Lazzarini**).—Order! The honorable member must confine his remarks to the Estimates.

Mr. HAYLEN.—I rose to speak about the Department of Immigration and the expenditure of £1,000,000 in converting and refitting ships to transport immigrants, and on the provision of hostels and accommodation for them. Honorable members opposite have adopted a most miserable attitude towards immigration. They know that the immigration scheme is a wonderful one for the development of Australia, but because of their own inhibitions they cannot give praise to the Minister responsible for it. I heard the honorable member for Balaclava say something about putting British migrants in barracks. We can do

better than that. Surely British ex-servicemen have had enough of barracks. They were in barracks in various parts of the world during the last war. They have been living in Britain on the most meagre rations. In the name of justice and decency let us bring these British ex-servicemen to Australia on a nominated basis. We do not want to put them into huts.

Mr. White interjecting,

The TEMPORARY CHAIRMAN.—Order! The honorable member for Balacalva must desist from interjecting.

Mr. HAYLEN.—British ex-servicemen were in barracks in the Western Desert, in Malaya and in other parts of the world, and do not want to go into them again. Surely a population of 7,000,000 people can provide something better than that for them. The Minister's plan is the right one. He is appealing throughout the nation for nominators to bring Britons into their own homes. There are two aspects of the problem of housing migrants. First, there are hostels for refugees who come to Australia under an international agreement under the United Nations, and, secondly, there is the provision of accommodation for free and assisted British migrants. As the honorable member for Wilmot (Mr. Duthie) has pointed out, there is no question of where our preference lies. The preference is overwhelmingly in favour of our own kith and kin from Britain. The Repatriation Department provides tools of trade for them, and we find accommodation for them among our own people in our own homes. If this nomination plan is faithfully observed, there is no additional housing problem created. We absorb the migrants by sharing our homes with them. Consequently, it ill becomes the honorable member for Balacalva, who is an advocate of migration but is temporarily swayed by his political views, to refer in a derogatory manner to the plan. It is a good, strong plan. Do members of the Opposition want British migrants to be accommodated in hutments again? Do they want Britons, who have spent ten years of misery, to wait a further period before they begin to enjoy prosperity? We must accommodate them where they belong,

and that is in the heart of the Australian people in our own homes. The Minister for Immigration has made that plea.

Mr. WHITE.—Even in the Australian Capital Territory, British migrants are accommodated in hutments.

Mr. HAYLEN.—That applies to single men under certain conditions. The family scheme is different. The plan provides that British ex-servicemen shall not be accommodated in hutments, but that international refugees shall be accommodated in hutments. Incidentally, the term "refugee" is misunderstood in this country. The so-called refugees are displaced persons from camps in Germany.

Mr. ARCHIE CAMERON.—A few honorable members opposite will be in the category of displaced persons after the next election.

Mr. HAYLEN.—In view of recent happenings, I do not expect that I shall be numbered among them, but I am interested in the view which the honorable member for Barker (Mr. Archie Cameron) has expressed.

The point that honorable members opposite should consider is that there are two schemes in connexion with immigration. One is to bring Britons to Australia on a preferred basis. The Australian Government and the people of Australia insist that those migrants shall get preference to the degree that 60 per cent. of the total number of migrants shall be Britons. The remaining 40 per cent. consists of displaced persons. They will be accommodated in hutments, and will build houses for Australians. The honorable member for Wimmera (Mr. Turnbull), whose arguments never rise above the standard of a local governing body, has complained that some houses in his electorate are without roofs, and that some people are living under conditions of misery. In view of his vehement speeches in this chamber, and the torrent of words that he pours forth, I wonder that, by his own exuberance, he has not achieved something. Houses are being built. We are rushing forward a construction programme in excess of supplies. That is very gratifying.

Mr. RANKIN.—The housing programme cannot be expedited when a bricklayer will lay only 250 bricks a day.

Mr. HAYLEN.—That remark is probably intended to be one of the understatements for which the honorable member for Bendigo (Mr. Rankin) is famous. Every migrant who comes to this country is, to some degree, resented by Australians who have not yet become conditioned to the fact that we have a nation to develop and can see only the housing problem. From members of the Opposition, we hear all kinds of talk about refugees and migrants from Great Britain. I do not believe that in the final analysis, honorable members opposite, who were the party of privilege for many years, desire any immigrants to come to this country.

Mr. WHITE.—That is a disgraceful statement.

Mr. HAYLEN.—Migration policies in the past were frustrated, horrible little things, such as "Big Brother" movements and "Little Sister" movements, which did not provide for the real movement of a mass of people. The present plan is an imaginative programme.

Mr. McEWEN.—In the 1920's, nearly 250,000 migrants were brought to Australia.

Mr. HAYLEN.—Yes, and look what happened to most of them! I advise the honorable member for Indi (Mr. McEwen) to confine his remarks to the subject of wheat. The migration plan is a progressive plan. The Government is attempting to bring to this country approximately 70,000 people a year. The plan is overwhelmingly in favour of British ex-servicemen who are brought here under an assisted scheme. Forty per cent. of the migrants are displaced persons of Europe, who will come here under an assignment to do certain work for a specified number of years. Money is being expended on the building of hospitals and accommodation. Supporting the whole migration scheme is a strong constructive plan which has caught the imagination of the world, although it has not yet gripped Australians sufficiently. There is in process of achievement a great deployment of the people in this country, which must, in the

final analysis, be for our own benefit. If we expend £1,000,000 on the refitting of ships, and £500,000 on the refitting of hutments and other provisions for the care of migrants when they arrive, it will be little enough for their requirements. If the statement of the honorable member for Wimmera, that many houses in his electorate have no roofs, is correct, is it not the migrant man-power which will produce bricks and tiles for houses? If, as the honorable member has suggested, the great rural industries are languishing through lack of man-power, is it not to them that the migrants are being sent? The honorable member cannot have it both ways. The scheme which the Minister has evolved is strong and sensible. It is the first time that there has been a scheme for bringing people from the whole of Europe into this country. Following years of war and the destruction of many industries, people are migrating to Australia from Great Britain and Europe. In previous years plans for migration were constricted and frustrated because people were not thinking of coming to Australia in great numbers. When none came, no plans were formulated to attract them. To-day, however, as the result of insecurity in Europe, the possibilities of working in a congenial climate under excellent conditions, and under a government which believes that the labourer is worthy of his hire, are proving almost irresistible to hundreds of thousands of people, not the least among whom are many Britons. The names of approximately 250,000 British people are on the waiting list at Australia House. In displaced persons' camps in Germany and Austria, there are thousands of men who are eager and willing to meet our selection committee with a view to migrating to this country. Our migration plan has captured the imagination of the world. The many thousands of people who are waiting to come here have not been attracted by exaggerated statements about conditions in Australia. In the past, we spoke of the beautiful surfing beach of Bondi, but forgot to mention the sands inland. We spoke of Australia's prosperity, but a big majority of Englishmen who migrated to this country, finished in camps for the unemployed. Young people who migrated here under the

various schemes found they had no real brothers when the crisis came. However, the present scheme has the co-operation of the United Nations so far as it relates to foreign migrants, and the co-operation of the United Kingdom Government so far as it relates to our British kith and kin. Consequently, I am amazed to learn that the honorable member for Balaclava, who is very sound in his allegiance to Great Britain, has suggested that we should accommodate British migrants in barracks.

Mr. WHITE.—We are accommodating them in barracks in the Australian Capital Territory.

Mr. HAYLEN.—Reference has also been made to people who come to Australia "under their own steam". No government can do more than its best. There is no royal road to migration and no perfect scheme. It is true that Australia is still experiencing a housing shortage, but it is equally true that we have a shortage of man-power in our secondary industries. At this stage, we must accept immigrants, or all will be lost. Perhaps a valid criticism would be that we should not bring migrants to Australia at a time when Australian ex-servicemen are not adequately accommodated. However, we must weigh all considerations. Every migrant who comes to Australia is dedicated to the task of making himself a good Australian by work and by service to the country, and will help to reduce shortages. The only real shortage in this country is the shortage of man-power, and we are unable to overcome it without assistance. Our greatest import for many years must be migrants. All other considerations diminish in importance compared with immigration. We shall obtain invaluable human material which will pass through our melting pot and emerge as 100 per cent. Australian. It is very debilitating and distressing to hear all sorts of niggling senseless criticism by members of the Opposition of what is definitely hailed by other countries as a major plan for migration. The chairman of the International Refugee organization, Major Innes, who was in Australia recently, said that no other government in the world prepared for the reception of its migrants, provided educational facilities for them and sent them to the

jobs which they were to occupy so efficiently and swiftly as the Australian Government did. Even their fares to the waiting jobs were paid. He added that the plan was a pattern for other countries that were seeking migrants, and he commended it to South America, South Africa, America and New Zealand. Yet members of the Opposition refer in derogatory terms to the plan, and express the view that Australia should solve its housing problem before bringing out more migrants. The position is that our man-power problem is acute, and until we obtain sufficient man-power from other countries, we shall not solve it. The migrants will not be placed in clerical jobs. They will do some of the hard work required in this country. If British migrants, for instance, are tradesmen, they will turn their energies to their trade, and march with us to national prosperity. Eventually, by the increase of their numbers, they will help us to defend Australia, if they are called upon to do so.

Those are the main points I wish to raise in answer to the attacks made by the honorable member for Wimmera and the honorable member for Balaclava on the Government's immigration policy. The present flow of migrants to this country is one of the finest things that has happened in Australia's history. To-day, we have coming towards us an aggregation of people who wish to enter Australia, not on their terms, but on our terms. In effect, they say to us, "We will do what you want us to do". And what results have been achieved so far? The Polish migrants have done a magnificent job at Butler's Gorge. On the cane-fields in Queensland the Balts have done outstanding work in helping to save sugar crops to the value of £6,000,000. Migrants have also done a fine job in the fruit industries in Victoria and New South Wales. They are making bricks, tiles, and other housing requirements which are in short supply. They have provided us with man-power at the most critical moment of our need of man-power. These new Australians have helped us to save industries. So, the plan moves on. In my own electorate many migrants are employed on essential services. I wonder whether it was a subtle joke on the part

of the Minister that 1,000 migrants are employed on a sevage project in the electorate of the honorable member for Reid (Mr. Lang). However, that is merely a thought in passing the migrants generally are doing very good work in this country; we must do something in return. Are we to haggle about expending £1,000,000 on the conversion and refitting of ships for the transport of migrants to Australia, or about an expenditure of £500,000 for the provision of hostels for the housing of migrants on their arrival here? If that is our attitude we are not worthy of our responsibility to the dispossessed peoples of the world who simply ask for a chance to work for us. This scheme is so big and worthwhile from Australia's point of view that it should be considered completely outside the realm of party politics. There are 1,000,000,000 coloured people to the north of this continent. We are certainly not bringing migrants here to fight our battles for us, but we seek an aggregation of people who would be of value in the defence of Australia should it be challenged again. This is the greatest, and most significant chance for Australia to amount to something in the eyes of the world. If we do not now recognize our responsibilities to the rest of the world, history will record in 500 years time that there was once upon a time a white race in Australia. We cannot forever depend upon the help of powerful allies. We must grow up sometime, and our safety lies in numbers. Therefore, we should not be pernickety about how a migrant wears his tie or how an Englishman appears when he arrives here. They can give to us production, culture and the safety of numbers. The proposed votes in respect of immigration represent a very small cash payment for something of very great importance to the future of this country.

Mr. McLEOD (Wannon) [10.4].—I should not have spoken in this debate but for the criticism voiced by the honorable member for Wimmera (Mr. Turnbull) of the proposed vote for the provision of Commonwealth offices in Melbourne. His criticism merely reflects the mental calibre of himself and his colleagues in the Australian Country party. The proposed offices are required to house many

departments including those dealing with rehabilitation, repatriation, health and migration. At present, the offices of those departments are in buildings scattered around Melbourne, and the rental involved represents a heavy cost to the taxpayers of this country, running into millions of pounds over a number of years. Yet, the honorable member claims to be zealous for the interests of the taxpayers. From my experience as a member of the Public Works Committee, I know that much duplication is unavoidable under those conditions. Furthermore, valuable files are always subject to fire hazard. Yet the honorable member claims that these departments could carry on for another half a century in the offices which they now occupy. That has always been the outlook of members of the Australian Country party. If they ran their farms along similar lines I can visualize what would happen. They would have the stable in one corner of the farm, the chaff house in another and the harness room in another corner, and would be content to walk backwards and forwards all the time. Apparently, they believe that Commonwealth departments can operate efficiently along similar lines. The Government visualizes a comprehensive scheme of office accommodation which will enable departments to give efficient and economical service to the public. The honorable member for Wimmera opposes that proposal. He said that it would require too much material. Apparently, he is more interested in my electorate than in his own. He complained about a house at Macarthur being without a roof. Surely, he knows that the Commonwealth does not now exercise control over the allocation of building materials. He was informed of that fact twelve months ago, but, parrot-like, he repeats his complaint at every opportunity. Perhaps, he has not the intelligence to grasp a simple fact. If he knows of a house at Macarthur being without a roof he should take up the matter with the Acting Premier of Victoria, Mr. McDonald, because the State government now exercises complete control over the distribution of building materials. Recently I noticed in a country district in that State a fine

looking home alongside which another home was being built, in which sufficient timber to construct two ordinary homes was being used. Where would the owner of those two homes obtain the building materials used in their construction? Such a state of affairs would not exist were a Labour government in office in Victoria. Obviously, members of the Australian Country party do not want progress; but under their party's administration in Victoria a man with money can obtain all the building materials he requires whilst a poor man, such as the person mentioned by the honorable member at Macarthur, cannot obtain a roof for his house. The Country party, which is a partner in the coalition government in that State, is to blame for conditions of that kind. The honorable member for Bendigo (Mr. Rankin), who is interjecting, opposed the Government's proposal for the continuance of controls on an Australia-wide basis. What is happening in Victoria is evidence of what the Government claimed would happen should its proposals at the recent referendum be defeated. Owing largely to the maladministration of anti-Labour governments, the educational standard in that State is the lowest in any State, including even Tasmania. Less money was expended on the upkeep of schools in Victoria than in any other State. Those governments also reduced the Public Service of Victoria to the lowest level in the Commonwealth. Anti-Labour governments are reactionary. No sensible person begrudges the expenditure of money for a good purpose. I could not allow the statements made by the honorable member for Wimmera to go unchallenged. He would not grace an outback shire council if he really believes what he has said. I suppose that if he were a member of a shire council he would oppose the expenditure of 10s. on a water hole. When he argues that the Government can carry on in its present office buildings for another 50 years he has no claim to be a member of the National Parliament in a country which has as great a future as Australia has. From my experience as a member of the Public Works Committee, I know that this money will be expended in the interests of the taxpayers.

Proposed vote agreed to.

Proposed votes—Part II., Business Undertakings, £10,760,000, and Part III.. Territories of the Commonwealth. £2,993,000, agreed to.

Motion (by Mr. LEMMON) agreed to—

That, including the sum already voted for such services, there be granted to His Majesty for the service of the year 1948-49, for the purposes of Additions, New Works, and other Services involving Capital Expenditure, a sum not exceeding £41,347,000.

Resolution reported.

Standing Orders suspended; resolution adopted.

In Committee of Ways and Means:

Motion (by Mr. LEMMON) agreed to—

That, towards making good the Supply granted to His Majesty for Additions, New Works, and other Services involving Capital Expenditure for the year 1948-49, there be granted out of the Consolidated Revenue Fund a sum not exceeding £31,550,000.

Resolution reported and adopted.

Ordered—

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

APPROPRIATION (WORKS AND SERVICES) BILL 1948-49.

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

INCOME TAX ASSESSMENT BILL 1948.

SECOND READING.

Debate resumed from the 8th September (*vide* page 274), on motion by Mr. DEDMAN—

That the bill be now read a second time.

Mr. FADDEN (Darling Downs—Leader of the Australian Country party) [10.15].—The measure now before the House is most complicated, and it deals with a highly complex technical subject. Indeed, the subject is so technical that I feel that I shall be excused the amount of research which I have had to make in an endeavour to place this complex matter before the Parliament and the people of Australia as adequately as lies within my power. In its present form this bill virtually rings the death-knell of upwards of 20,000 private companies in

Australia. It strikes also at the earning power of many of the 6,500 well recognized public companies.

The Minister has stated there is need to reform the present tax legislation because: (a) some private companies pay unduly heavy tax while others are favoured; (b) some companies, private in character, escape under the present definition of "private company"; and (c) tax payable by private companies and their shareholders is out of harmony with the liabilities of other taxpayers. The dominant intention appears to be to make an equitable adjustment of a most complicated branch of taxation law, in which the Government itself admits that the basis on which tax should be levied has been the subject of controversy for many years. No one will deny that the law for taxing private companies had to be amended sooner or later. It was full of anomalies and injustices between individual taxpayers. It is, I believe, a generally accepted principle that no unfair discrimination, as between company and company and between public companies, private companies, partnerships and ordinary taxpayers should exist, because if one class unfairly avoids taxation, other classes have to make up the revenue deficits by paying more heavily than should be necessary. Once we agree with the principle that private companies should be treated neither more nor less fairly than other taxpaying classes, whether incorporated or not, the only points at issue are the means whereby such a principle can be achieved. The Chartered Institute of Accountants, the tax reform crusader, Mr. John A. L. Gunn, taxpayers' associations, chambers of manufactures and of commerce, and many other bodies have submitted many well considered proposals for reform, but the Government has given scant consideration to their representations.

After making a careful study of the Government's proposals, I consider that its proposed plan has many shortcomings which fail to achieve the equitable ends desired. Consequently, before drastic legislation proposals are allowed to take effect, I believe that the Government should appoint a technically-qualified select committee of experts to sift all the technical evidence submitted and to make

recommendations on this important subject. Such a course would be preferable to attempting to cure the disease by methods that can only result in killing the patient. The patient is the source of production for a large proportion of goods and services consumed by Australians. Equally, it is the provider of jobs on a large scale for our working population. Any measure that vitally affects more than 20,000 producing and employing units is of first rate national importance. It must stand up to careful scrutiny, and, if it be found wanting in any respect, it should be withdrawn before far-reaching national damage can be done. In other words, this is not a mere tax-gathering measure. It is of vital commercial concern, and its hasty adoption can have very grave effects on the future of Australia's industrial life, on our production potential, and, indeed, on our living standard and war preparedness.

The evolution of the joint stock company was a milestone in the history of the industrial world, just as the evolution of the bill of exchange effected an unheard-of expansion in world trade. If the incorporated company had never come into being, we would never have had the vast industrial output of Britain and America to assist in the winning of World War II. These taxation measures should not be regarded as dry-as-dust technicalities unrelated to real life.

I repeat that the proposed legislation might well be the death warrant of the private company and the extinction of all it produces. We would then be thrown back three-quarters of a century in commercial practice, back to the old partnership acts of 1870 vintage, with all the disabilities and dangers of unincorporated associations. The timid investor might risk a few hundred pounds in a limited liability private company, but he would withhold his investments if all his property might eventually become involved through his participation in a partnership. Such a condition favours the creation of large monopolies, and tends to squeeze out the working proprietor and his family, who are the nucleus of the private company, and incidentally, form the backbone of a stable commercial and industrial community. There

is the ever-present danger that, in endeavouring to correct abuses by a few private companies, a disproportionately adverse effect will occur with regard to the large number of private companies which have not sought the technical loopholes of the present legislation for the purpose of minimizing or avoiding tax.

The method suggested in this legislation for varying the assessment of undistributed profits tax for private companies is thus most unfair to the majority. It will be more inequitable in its incidence than is the law which it purports to correct. It will be most detrimental to the national economy, because it will either discourage or virtually eliminate, as a class, one section of the community which has played its important part in the production field. In a post-war economy which looks to a reduction of taxes for the rehabilitation of industry and the encouragement of production, this legislation will increase rather than reduce the incidence of taxation on private companies and their shareholders. The far-reaching consequences of this will be grave economic repercussions, far more serious than the anomalies in current tax legislation which this bill purports to adjust.

Undoubtedly, there have been some types of private companies which have been less heavily taxed than comparable unincorporated bodies. The Government assertion is that the proposals will overcome these difficulties, and will place private companies on a comparable basis with business proprietors who are either sole owners or in partnership. However, the proposals go far beyond a correction of the admitted inequalities. They now go to such extreme and vicious limits as to place a savage penalization on the private companies and their structures. The fact is that while the smaller private companies do approximate to partnership in some respects, the larger private companies are closely akin to public companies in respect of the manner in which dividend and other policies are directed, and also regarding the nature of the business in which they engage. Whilst the proposed legislation might be equitable so far as private companies midway between these two extremes are concerned, it is cer-

tainly most inequitable to all others within its scope.

One defect in the bill is that it does not allow private companies to plough back sufficient earnings to provide against the hazards of business, to maintain capital equipment intact, and to provide a sound basis for industrial expansion. Reserves are the essential prerequisite for maintaining stability of production and, as a consequence, continuity of employment. No business dare, any more than individuals should, ignore the necessity for saving some of its earnings. The penalty for failing to build reserves is to succumb to the first puff of economic adversity. Yet this bill is drafted to encourage spendthrift distribution of earnings to be paid in high dividends. Shareholders in private companies are less prejudiced by discriminating taxation if they take out the largest possible amounts for spending on their personal wants. The resources of their businesses may thus be squandered. They are penalized by taxation when they leave earnings in the business as reserves to enlarge their factories, buy more up-to-date plant, carry larger stocks, or generally add to the nation's productive capacity by providing for the rainy day. This ridiculous result can best be illustrated by the following comparisons between a public company and a private company. Taxes on £100,000 income are £76,420 for a private company and £41,050 for a public company, if no dividend is paid. Taxes are £50,170 for a private company and £37,550 for a public company, if £35,000 is paid out in dividends. Taxes are £34,420 for a private company and £35,450 for a public company, if £56,000 is distributed in dividends.

The maximum amount that can be placed to reserves, consistent with the examples, is £23,530 for the private company, as against £58,950 for the public company, if shareholders go without their dividend altogether. The tax penalty against the building of reserves can also be shown by the average rates of tax. If there is no dividend, 8s. 3d. in the £1 is paid by the public company compared with approximately 15s. in the £1 by the private company. Should £35,000

be paid out in dividends, the rates are 7s. 6d. in the £1 for the public company and 10s. in the £1 for the private company. If, on the other hand, £56,000 is paid out in dividends, the rates are 7s. 1d. in the £1 for the public company and 6s. 11d. for the private company. In this example, it is assumed that shareholders in the private company pay maximum rates of tax. This example sufficiently illustrates the unsound principle on which the proposals have been framed. It is the direct opposite of what should be the policy for building up the nation's industrial strength. People should be encouraged to reserve a large proportion of business earnings instead of squandering them.

Already the Government is using the capital assets of industry to provide for day-to-day services. Every Australian should realize that his job depends on the ability of industry to keep plant and machinery in good condition with a rising efficiency to meet competition from other lands. A measure such as this threatens the livelihood of all. Not only jobs, but also the possibility of an improved flow of goods at cheaper prices, whereby the standard of living can be improved, are at stake. The need for reserves has increased since the war introduced inflationary methods of finance, with a steady fall of the purchasing power of all savings. Numerous private companies, as well as other kinds of businesses, have found they have not enough funds to replace worn out machines. Year by year, they have put aside sums for depreciation. But the price of a machine to-day is three or four times its original cost, and companies just have not enough money to buy new ones. The Government may say that the company should raise more capital. Many companies, it is true, have been forced to do this in recent years. A good deal of this extra capital is justified by the scope for industrial expansion in Australia. But an increasing proportion, it should be recognized, merely represents an effort to catch up with inflation. Any marked fall of overseas prices will catch such companies out. They will be so heavily over-capitalized as to cause loss to investors, shrinking of their activities, and the inevitable sacking of employees.

Mr. Fadden.

The last depression provided vivid examples of unemployment resulting from companies not having sufficient reserves with which to stand up to the economic blizzard. On the one hand, every weak company represents a menace to the security of the worker. On the other hand, substantial companies, with solid reserves, help to guarantee employment.

As Australia moves further through its post-war boom, the Government should be considering methods of helping industry to build up its resistance to inevitable future recession in trade. Nothing the Government does to ward off unemployment can equal the action private industry can take, if only the Government's taxation policy will enable it to do so.

Before the war, private companies engaged in legitimate production and trading were allowed to set aside one-third of their distributable income without incurring undistributed profits tax. The Government's proposal is to allow only 30 per cent. of the first £2,000 to be so set aside, and the proportion will rapidly decline until only 15 per cent. can so be set aside from £20,000 distributable income, or 12 per cent. from £40,000. If these amounts are subsequently distributed, shareholders will pay full rates of tax on them. This sliding scale is out of all relation to the legitimate reserve requirements of industry. Many companies need to put aside as much as 50 per cent. in their early years, or where their activities are specially risky, or entail the quick exhaustion of assets. Such a proportion is in keeping with the fall of the value of money since before the war. Sound industrial policy should induce the Government to allow an equitable and necessary proportion to be retained in the business. It should be remembered that such amounts have been taxed at the rate of 5s. in the £1 on the first £5,000 and 6s. in the £1 thereafter. Moreover, they will again be taxed, if ever they are distributed to shareholders, at high personal rates of up to 15s. in the £1.

Without an adequate reserve provision, a private company is grossly penalized in comparison with a public company. The maximum levy on all amounts placed to reserve by public companies is 2s. in the £1. But the levy on amounts reserved by private companies, under this bill, will

be anything up to 15s. in the £1 on 70 per cent. to 90 per cent. of the amounts ploughed back into the business. It is difficult to understand why the Government should desire to impose an unbearable penalty on companies which do not distribute the bulk of their current profits. The Labour Government in Britain takes the very opposite view and, by Board of Trade regulations, restricts the rate of dividends payable by companies.

The effect of this bill in regard to dividend policy will aggravate present inflationary trends. Money distributed as dividends will add to the pressure of spending money in the people's pockets. Money retained by the companies and re-invested in capital goods reduces the inflationary pressure. The penalty on building up reserves will have a particularly detrimental effect on private companies engaged in primary industries. The primary producer has always faced the necessity of retaining in his business a substantial proportion of his current earnings. The income of good seasons must be balanced against the losses of bad seasons. The world parity of his products is subject to considerable fluctuation, and the good must be taken with the bad. Furthermore, his profits are frequently represented, not by cash, but by growing live-stock which cannot be divided amongst shareholders.

Generally, private companies are not very different from public companies. They provide similar goods and services, use similar machines and raw materials, and give employment to similar people. Although in point of form there are restrictions on the control of private companies, and theoretically control can be secured by the shareholders of public companies, there is often little difference in this respect. Effective control is capable of being exercised by just as few men in a public company as in a private company. Indeed, all companies are, to use the words of the bill, "capable of being controlled" by seven or fewer persons.

The only appropriate basis of distinction is that public companies are those whose ordinary shares are listed on the stock exchange. This means that any member of the public

can buy a share in the business, can obtain full information about the company's activities and accounts, can attend meetings, and, separately or in association with others, can exercise some influence on the management. The stock exchanges themselves require that there shall be a "sufficient distribution" of a public company's shares and that voting power at meetings shall not be unduly concentrated

In some respects, a private company may be held to resemble a partnership. This is less so in the case of genuine productive organizations than in the case of purely investment ones. An illogical position is created again. I have already shown that private companies are subject to ridiculous discrimination, compared with public companies, in the taxes imposed on their reserves. But equally ridiculous discrimination occurs if the private company is regarded as being like a partnership for tax purposes. Members of a partnership are taxed at personal exertion rates and are given the full benefit of concessional rebates. But the bill provides that members of a private company will lose all their previous concessional rebates and be taxed at the much higher property rates. Furthermore, the earnings of a private company will be multiplied in the same primary tax of 5s. in the £1 on the first £5,000, and thereafter 6s. in the £1, as is imposed on public companies. Needless to say, partnerships do not have to pay any company taxes.

The implication that, under the proposed amendments, the incidence of taxation on private companies and partnerships respectively will be brought into line is without foundation. My earlier example assumed a company with an income of £100,000. Let us go to the other end of the scale and assume that a company comprising six equal shareholders derives an income of £6,000. These shareholders are "little people" and have no income from other sources. Assume that each is married and has one child. The company will pay £1,550 in primary tax. To avoid undistributed profits tax, the company will have to distribute £3,260 as dividends, upon which the shareholders will pay further tax of £384, with a future liability to meet when eventually the

balance of the year's profits are distributed, either as a later dividend or on liquidation. Thus, taxes amounting to £1,934 are paid at the present juncture, and an unknown amount some time in the future. If the shareholders prudently desire to leave the year's profits in the business for the purpose of expansion or to meet future contingencies, undistributed profits tax of £613 will be payable in addition to the primary tax of £1,550, or a total of £2,163. If, instead of incorporating as a private company, the six parties carry on the business as a partnership, with all the consequential disabilities as to the stability of business, each partner will pay personal tax of £171 on his share of the income, or £1,026 for the group of six. If the example is taken further by assuming that twelve persons instead of six group themselves together to earn an income of £6,000, the discrimination is even more marked. The partners will pay an aggregate of £431. The company and shareholders, if dividends of £3,260 are distributed, will pay £1,283. The company, if no dividends are distributed, will pay £1,534. So the private company gets it "in the neck" both ways. In some respects, it is to be taxed more severely than a public company, particularly because of the discriminatory punitive levy on its reserve allocations. In other respects, it is to be taxed more harshly than are partnerships or private traders, because, unlike them, it has to meet ordinary company rates, property rates instead of lower personal exertion rates, and gets no benefits from concessional rebates. The chief of the alleged defects of the existing law is that when determining a company's undistributed income for a given year for the levy of provisional tax thereon, a deduction of any undistributed profits paid during that year is allowed.

The Government argues that this is unjustified and points to the fact that individuals receive no like reduction in determination of their tax; but it omits to mention the most important point already touched upon, namely, that a private company must pay a primary income tax at present of 6s. in the £1, and a proposed tax of 5s. in the £1, on the first £5,000 and 6s. thereafter, whereas individuals pay no such comparable tax.

Mr. Fadden.

In such circumstances, the allowance objected to by the Government existed to ameliorate the effect of primary tax.

The following example shows the confiscatory nature of the primary tax if the abovementioned allowance is withdrawn:—

A.—INDIVIDUAL EARNING £1,000 PERSONAL EXERTION INCOME		
Would pay at 1947-48 personal exertion income rates (adopted as most comparable)	1,937	£
B.—COMPANY EARNING LIKE AMOUNT VIZ., £4,000.		
(i) £1,000 thereof would pay in hands of company tax 20s. in £1 (equivalent £1,000 at 5s. primary tax payable by company)	1,000	£
(ii) £2,150 balance at property rates (as undistributed profits tax payable by company)	916	£
(iii) £850 balance (if distributed) taxable—to shareholder at property rates	219	£
Consequential additional undistributed profits tax that year	360	£
	579	
£4,000	2,495	1,937

The basis of the figures in B (iii) above should be clearly understood, as there is no "sting" in the Government's proposals unless and until the part exempted from the undistributed profits tax is distributed to the shareholders. Otherwise, the individual and private company taxation commitments are very close, if there is never any distribution by the private company of profits not subject to undistributed profits tax. The £219 stated in the example is the income tax and social services contribution upon £850 dividends as property income. The £360 would be the additional undistributed profits tax payable if the shareholder received the £850 in dividends. In such circumstances, the undistributed profits tax would be the tax on £3,000—£2,150 undistributed income, plus £850 dividends out of the previous year's profits—less the tax already assessed to the shareholder on the £850 dividends.

I have assumed, for the purpose of simplicity, that the 1947-48 rates are still operating when the £850 dividend is distributed. It is true that the 1947-48 rates have already been altered, but I am illustrating a principle and, further, it is not known what the rates will be in subsequent years. There can be no comparison of taxes on individuals and partnerships on the one hand and private

companies on the other so long as there is a primary company tax of 5s. and 6s. in the £1 and the deduction of undistributed profits tax is withdrawn. The obvious remedy is to reduce substantially, abolish, or rebate the tax. The treatment of primary company tax as suggested for private companies would not give them any advantage over public companies, for the latter pay undistributed profits tax at 2s. in the £1 only. Other objections to the bill are—

- (a) Assessing tax at the amount shareholders would have had to pay and requiring the company to pay without any disclosure of the separate amounts attributable to each shareholder, thereby compelling the tax to be borne by the shareholder at the same or average rate irrespective of the fact that shareholders would have paid the tax in entirely different proportions had it been assessed on them. Indeed, some would have paid no tax themselves. That happens in many cases.
- (b) Levying of a tax, the accuracy of which cannot be checked by the company obliged to pay it—assuming that the company is unaware of the shareholder's income.
- (c) Refusal of tax-free exemption to shareholders of profits on which undistributed profits tax has been paid, if shares change hands before distribution, under proposed section 107 (2).

The remedy for the first objection obviously is to abolish, reduce substantially or rebate primary tax; tax undistributed profits at a flat rate; tax shareholders on all dividends, but rebate undistributed profits tax, refunding any excess. If the present scheme is carried out, many companies will be liquidated and trading conducted by partnerships or individuals to avoid the heavy additional tax. The discouragement of company formation is a retrograde step, and will, as stated before, lessen production at a time when maximum production is necessary. Incorporated bodies are the ideal type of organization for business purposes. The shareholders know the

extent of their liabilities while creditors and bankers have more knowledge of the affairs of the debtor. All this was recognized and led to the "company idea". The bill seeks to take us back to the Victorian age in our commercial practice. The Government should have confined its attempts to preventing abuses permitted by the present law and should not have made such a major assault upon one element of company structure. The bill suggests a vendetta against private companies. The Government has only itself to blame if the measure is interpreted as part of a totalitarian plan to abolish anything private to the citizen, to build up an all-powerful socialist state. The private company, historically, has been the seed of all industrial development ever since the joint stock company act encouraged investment by protecting personal goods and chattels from the inevitable risks of industrial ventures. Without proprietary companies, most of Australia's industries would never have started, and small private individuals would never have been able to acquire shares in industry, which has made for a substantial redistribution and evening out of wealth. Partnerships never could, and never will, serve the same purpose.

Unless the Government wants to stifle future progress and development, it must withdraw and amend this bill to enable the private company to survive as a vital pioneering medium. Failure to do this will result in a virtual business revolution, as the bulk of 20,000 producing units are driven to change form or go out of existence. Many of the smaller private companies will be driven into liquidation. They have large bank overdrafts and other liabilities in many cases, and no prudent banker, including the Commonwealth Bank itself, can ignore the threat to securities in this punitive measure. Foreclosures, receiverships, and the like, will be needed to pay off overdrafts, and to liquidate other liabilities. More firmly established private companies will have other courses open to them, all of which will involve disturbance, legal expenses, stamp duties, dislocation, waste of effort and resources, and the concentration of industry into more monopolistic forms. They can sell out to large public companies. Then we

have the absurdity that the private company can be operated as a subsidiary and make the same or larger profits, but be taxed at the much lower public company rates. The directors of an absorbing public company will increase their power as captains of industry. The private companies can go to the public and seek enough capital to become public companies. The old proprietors, of course, must not show sufficient confidence in the business to take up too large a proportion of the shares, otherwise the advantage of public company rates will be lost and they will be in no better position after the conversion.

The Government does not seem to mind if the proprietors make a large capital gain on flotation, perhaps charging large premiums for the shares and indirectly capitalizing goodwill at dangerously high levels. Apparently the investing public can bear all these risks. Alternatively, the private companies may revert to partnerships. Because of the unfair risks entailed, such a course, generally, will be unacceptable and proprietors will prefer liquidation. All stock exchange securities will tend to be driven down in price by the flood of new capital issues directly from private companies, and indirectly from absorbing public companies. Surely, the Government owes more consideration to the investing public, from whom it seeks its loan raisings, than to pass a measure which will cause that to happen, and which assuredly will cause economic dislocation and insecurity. Shares in many recently floated companies will lose value and cause loss to investors.

The Government should withdraw this bill and appoint an independent committee of experts to recommend a more equitable system of taxing private companies. The committee would certainly be required to give consideration to the abolition of the present system of double-taxing all companies, that is, taxing profits in the hands of the company and then taxing them again when received as dividends by shareholders. This system was a purely war-time economic revenue requirement, and, in the third year of peace, should be speedily adjusted. In place of this system, the entire tax could be met by the companies, and rebates allowed to shareholders when paying

Mr. Fadden.

taxes on dividends when received. Such a system would eliminate tax-free dividends altogether. The Government is not opposed to these in principle, as this bill shows. In effect, the Government says that some tax-free dividends are all right; but not all of them. At the same time, the inequities between shareholders that are perpetuated by this bill would be eliminated. The poorer shareholder pays towards the greater benefit from tax-free dividends secured by richer shareholders. A thorough reform of the system would avoid the menace to industrial activity and employment contained in the bill. That is what I should like to see, and what the national interest demands.

In view of the considerations that I have mentioned, I move—

That all words after "That" be left out, with a view to insert in lieu thereof the following words:—"the bill be withdrawn and referred to an independent committee of experts for recommendation for a more equitable system of taxation in relation to private companies".

Mr. CHIFLEY (Macquarie—Prime Minister and Treasurer) [10.58].—I hope that I shall not detain the House unduly in rebutting some of the alarmist prophesies of the Leader of the Australian Country party (Mr. Fadden). The right honorable member may rest assured that his utterances to-night about the ruination of industry will be completely disproved in the next couple of years, because nothing of that kind is likely to occur. Let me make just a few main points. The present system gives some private companies a great advantage over other taxpayers. The three taxation experts who interviewed me on behalf of the Chamber of Manufactures, the Chamber of Commerce and the Institute of Chartered Accountants put their case very ably. I cannot think of any other deputation which put its case more fairly. The taxation experts had their duty to perform to their clients, and they performed it ably. The fact remains, however, that, over the last ten or twelve years, some private companies have enjoyed a great advantage over other taxpayers. The matter was dealt with in the report of Mr. Justice Ferguson and Mr. E. V. Nixon, who laid down a principle which, in their opinion, ought to be applied. The whole case for the

private companies was exploded in a book called, *I can get it for You Tax-free*, written, appropriately enough, by E. Kelly. He was a noted accountant and a member of the Advisory Taxation Committee, so he knew something of the subject. All the cases cited in an endeavour to explain the working of the amended provisions are hypothetical. The deputation which waited upon me submitted returns which, they said, they had obtained from 96 persons in Sydney, but there was no mention of what happened in regard to taxation during the previous year. All the cases mentioned by the Leader of the Australian Country party were hypothetical. There are 20,000 private companies in Australia, 8,000 of which do not pay income tax, because all the profits are taken up in remuneration of principals. Of the rest, 10,000 companies, with incomes up to £10,000 a year, are in a position to gain something out of the amended legislation. There are a further 1,250 companies which will not be affected very much one way or the other. Now we come to the real bone of contention. There are 750 private companies in Australia which will, I admit, lose something under this legislation, because, for the last ten years or more, they have been enjoying great advantages in comparison with other taxpayers. I do not expect people who are having something taken away from them not to complain, but in this case it is being taken away from them because, in the past, they have been enjoying an advantage over other taxpayers and, indeed, over other private companies. Some of the companies which have been so favorably treated are very wealthy concerns. Let me dispose of the suggestion that private companies should be treated in the same way as public companies. No government has ever recognized that principle.

Mr. FADDEN.—I did not suggest that.

Mr. CHIFLEY.—No; but it has been suggested by other advocates. The right honorable gentleman has a greater technical knowledge of these matters than I have, though I have given some thought to them. A public company is one in which the shareholders are members of the public, who can exercise some influence over the policy of the company,

and over the distribution of profits. However, there are private companies in Australia with great aggregations of capital where the business is entirely controlled by two or three men. Indeed, in some instances, it is controlled by one man. In the case of all private companies, those who control the enterprises have a limited liability. That is one of the benefits of forming themselves into a private company. It cannot be conceded that companies which operate under such conditions should be treated in the same way as public companies. Some of the private companies, because of the taxation advantages they have enjoyed, have accumulated large reserves of capital. The proprietor of one such company is extraordinarily rich, but he pays less tax than some of the people who work for him.

Mr. HUTCHINSON.—How does the Treasurer account for that?

Mr. CHIFLEY.—It is easily done. This is not a hypothetical case.

Mr. FADDEN.—How does the Treasurer know about it?

Mr. CHIFLEY.—Because the employees of the company have themselves told me.

Mr. FADDEN.—How did they know how much tax the employer paid?

Mr. CHIFLEY.—I do not propose to go into details, but if I were disposed to take up ten minutes of the time of the House I could explain mathematically how the result was achieved. There are in Australia 70,000 partnerships. There are 500,000 private traders in the Commonwealth. Is there any reason why two or three men who form themselves into a private company should get advantages in trading transactions over members of partnerships whose liability is unlimited, or over private traders competing with them?

Mr. ANTHONY.—The right honorable gentleman wants to destroy private companies.

Mr. CHIFLEY.—This legislation is based on the principle enunciated by Mr. Justice Ferguson and Mr. E. Nixon in their report. The principle is that private companies should not be entitled to receive any greater concessions than are

granted to partnerships and to private traders in competition with them.

Mr. FADDEN.—They do not do so now.

Mr. CHIFLEY.—They do, under the present law. A number of expert committees have been established to inquire into this important subject. One committee was presided over by Mr. Trebilco, the Deputy Commissioner of Taxation, and included Mr. Kelly and Mr. Buckley, both of whom are practising accountants. The subject was also examined, as I have already indicated, by Mr. Justice Ferguson and Mr. E. V. Nixon. Mr. Nixon is a well-known accountant of Melbourne. All of these people found the greatest difficulty in pursuing their investigations. As the Leader of the Australian Country party knows, this is a very thorny subject which very few governments have had the courage to tackle. I do not have access to all the tax returns in Australia, and I do not seek it; but the Commissioner of Taxation has all the returns at his disposal and it was on his advice that this bill was drafted. It is based on the principle that the shareholders of private companies, particularly of the large and important private companies, shall be no better off from a taxation viewpoint than are members of partnerships and private traders in competition with them. I can well understand that differences of opinion exist as to the percentage of profit that may be set aside for tax reserves. Recently I received a letter from one of the wealthiest men of Australia, who is interested in both public and private companies. He draws a very great income from companies of both kinds. He wrote—

I am surprised you did not do something about this long ago; but I do feel a bit bitter about the percentage you have laid down.

The percentage is based on a graduated scale varying from 30 to 10 per cent. Some say that 10 per cent. is too little. It is inevitable that there should be a difference of opinion on such a subject; but all honorable members must agree that the general principles of the bill are fair, having regard to our responsibilities to all people engaged in trade in the community. I have gone to a great deal of trouble to discuss this subject with a great number of companies; but not one

small private company in Australia has approached me in regard to it. All the approaches have been made by representatives of big companies. I agree that those in receipt of incomes of £20,000 a year or more from private companies will be affected by the provisions of this bill. The provisions of the law relating to private companies have been used to evade the payment of taxes. That is very well known to the Leader of the Australian Country party. Proposed new section 105A is intended to cover people who are interested in two or more private companies. It is proposed that the income from each company shall be consolidated and that tax shall be levied on the consolidated income. Proposed new section 107 is designed to prevent certain companies from deliberately planning to evade taxation. The Leader of the Australian Country party himself introduced an amendment to the act in 1940 which was designed to make liable to tax the whole of the undistributed profits of a private company.

Mr. FADDEN.—That was a war-time measure.

Mr. CHIFLEY.—I should hope that the right honorable gentleman would not be guilty of inflicting an injustice on any section of the community, whether in time of war or otherwise. Frankly, I agree with what he then did. Let us consider what happens to the money set aside for tax reserves by a big company with capital assets valued at, say, £1,000,000 owned by one or two men. Very few of the big companies are owned by many more than four men. All that money merely increases the wealth of the individual concerned. When I pointed that out to a representative of one of the companies who approached me, he said, "That is perfectly true. That increases his wealth and his capital assets but you get it when he dies in probate duty". I said, "That does not suit me. I might die before he does". The idea that some time, some day, the Treasurer will get back in probate duty or death duties some money which a man has been able to enjoy throughout the years, does not strike a responsive chord in me. The Leader of the Australian Country party has indulged in alarmist

statements. Many people who own private companies want to enjoy the benefits of limited liability and at the same time retain complete control of the policy of the companies. If they still desire to do so after the law is amended as is now proposed, they may easily convert their companies into public companies. It is true that if they did so, they might have to forgo from 20 to 30 per cent. of their shares; but what is to prevent them from doing that if they want to avoid the dire happenings about which the Leader of the Australian Country party has complained? If they so wish, they can convert their companies into partnerships. Private company law has been the refuge of people who want to control their businesses entirely, and at the same time to enjoy the benefits of limited liability. We do not believe that they should be given any greater concessions than are enjoyed by members of partnerships and private traders.

Mr. FADDEN.—Do not the partners control their own businesses?

Mr. CHIFLEY.—Partners who control their own businesses are in the same position as honorable members of this Parliament who earn their salaries. It has been suggested that private companies must set aside amounts for the development of their businesses. Is it suggested that all the partnerships and all private traders in Australia should be allowed to set something aside and get a special percentage?

Mr. FADDEN.—Private companies pay tax on the amounts that they set aside.

Mr. CHIFLEY.—I am not arguing about that. The private trader or the partnership has the same problems regarding the renewal of stock and plant as the private company has and may require reserves for it the same as any other business. But it is suggested by honorable members opposite that the private company, which might consist of a few men, should be able to set aside reserves to add to its already great wealth. That would be the only purpose of setting aside such amounts.

Mr. FADDEN.—They are taxed on the amounts set aside. They do not dodge any taxes on them.

Mr. CHIFLEY.—I have already stated that the private company is no more entitled to concessions than any other section of the taxpaying community such as partnerships and private traders. The scale is designed, as far as is mathematically and humanly possible, to place them in the same position as the partnerships and private traders. That was the principle enunciated by Mr. Justice Ferguson and Mr. Nixon sitting as a royal commission. Although portions of the commission's report have been quoted by honorable members opposite, nobody has been able to refute what I say in that connexion. In respect of reserve-for the provision of new plant, the present taxation law provides that when private companies buy new plant they are allowed 20 per cent. depreciation immediately they purchase it, and 10 per cent. depreciation for the first year of its use. That means that they have 30 per cent. depreciation allowance in the first year the plant is in use. Let us state a hypothetical case of a machine worth £100 on which 10 per cent. depreciation has been allowed for ten years. The owner has £100 to buy a new machine which may be higher in price than the old one. He has £100 allowed for the purpose of the new machine and in addition has 20 per cent. depreciation allowance immediately on purchase of the new machine and 10 per cent. depreciation allowance for its first year of use. It can be assumed that during the life of a machine the allowances for depreciation will pay the cost of its replacement.

Mr. LANG.—If a private company wished to change to a public company, would it have any difficulty in the matter of obtaining permission from the Advisory Committee on Capital Issues to arrange to raise capital?

Mr. CHIFLEY.—I cannot deal with specific cases, but I should not imagine that it would meet any difficulty in that respect. It has been pointed out to me that in some cases private shareholders could add to their assets by turning a private into a public company and raising capital by debenture, which, as the honorable member for Reid (Mr. Lang) would know, would be regarded as a deduction on the interest. That, in effect, would be a way of avoiding some of the

intentions of the bill. I see no reason at all why a reputable private company should not become a public company. There have been several instances of that in recent years. One big canning company in my own electorate has done it, and the company which publishes the *Melbourne Age* has either already done it or proposes to do it very soon. In such cases there would be no attempt to refuse permission for the necessary capital to be raised.

I rose to speak on this matter only because I had heard the alarming statements made by the Leader of the Australian Country party about the destruction of industry. I assure honorable members that they can put any such thought out of their heads. It is perfectly true that some of the big private companies may find it to their advantage to become public companies. The Government had a case brought before it where experts had worked out figures, and when the Commissioner of Taxation looked into that company's accounts he found that it was out by £14,000 in its tax. For the last ten or twelve years the bigger private companies have been getting a big advantage. They will now be brought into equality with other private traders. Of course, something is being taken away from them and they are entitled to complain, but they cannot prevent the Government from continuing with its policy. The Leader of the Australian Country party has raised some technical aspects, which he is more fitted to do than I am. I do not deny his ability as an accountant, but I am quite satisfied that many of the cases he read out to-night are hypothetical cases made out for him by taxation experts and accountants and are not based on actual facts. Some private companies might become partnerships or public companies, but, apart from some minor changes of that kind, honorable members will find that this bill does nothing more than effect equalization of taxation as between private companies and ordinary partnerships and private traders, which was the principle enunciated by Mr. Justice Ferguson and Mr. Nixon.

Debate (on motion by Mr. WHITE) adjourned.

Mr. Chifley.

ADJOURNMENT.

OVERSEAS INVESTMENTS IN AUSTRALIA.

Motion (by Mr. CHIFLEY) proposed—That the House do now adjourn.

Mr. ANTHONY (Richmond) [11.30].—To-day, at question time, I asked the Prime Minister (Mr. Chifley) a question concerning a statement made by one of his Ministers, the Minister for Supply and Development (Senator Armstrong). As the Prime Minister expressed some doubt as to the bona fides of the statement that I quoted, I shall read it as reported in the press. It is as follows:—

Australia's immediate development would be more associated with America than Great Britain, Senator Armstrong said last night.

Senator Armstrong, Minister for Supply and Development, was speaking at a luncheon of the Australian-American Society.

He added that, while the British were conservative in business dealings, Americans would always take a risk.

Australia had reached the stage when she needed men of terrific courage who were not afraid to risk their money.

"On my recent visit to New York, I told some leading Americans that the future of Australia would be assured if we could induce the type of men who had built New York to come to our country", he said.

"There is something in the American that is characteristic of what we need to develop this country.

"It is something that, unfortunately, you do not see in the Englishman, who is characteristically European.

"British interests came out to Australia, had a look around and bought a race-course.

"But when the first Australian car leaves the factory it will be built by an American firm."

In my opinion, those comments should not be allowed to pass without challenge in this House, and perhaps a brief statement recognizing some of the debt that we owe to the people of whom the Minister for Supply and Development has spoken so disparagingly. I have taken the trouble to refer to the Commonwealth *Year-Book* and to the budget papers, and I find that Australia has borrowed from Great Britain, whose people took the risk and staked their confidence in this country, a sum of not less than £1,200,000,000. A big percentage of that amount was expended to finance the construction of Australian railways, harbours, roads, bridges and other developmental works which have made it possible for this country to attain to its present status.

That amount of £1,200,000,000 represents the savings of rich and poor. In addition, 97½ per cent. of the people who have developed this country are of British stock. Therefore, it is not necessary for the Minister for Supply and Development to go to New York and suggest that, if Americans had settled in Australia 100 or 150 years ago, they would have done a better job than the original British pioneers and settlers did. I am not speaking disparagingly of the United States, because I believe that our future is closely associated with that country.

Mr. CHIFLEY.—The honorable member is having “a couple of bob each way”.

Mr. ANTHONY.—I am not, but I do not run down my friends in order to keep in with somebody else. It is not necessary to disparage the British people, from whom Australia received its impetus, in order to gain favour elsewhere. The Americans do not need to be told that they are better than the British. As Australia is an integral part of the British Commonwealth of Nations, it behoves Australian Ministers, when they are abroad, to speak more favorably of our old associates. If the sneering reference to a great firm which “came out to Australia, had a look around and bought a race-course”, is intended to apply to the Nuffield organization, the Minister should have told all the facts, and stated that the person most responsible for the Nuffield organization not proceeding with the erection of a factory in Sydney was the then Premier of New South Wales, Mr. McKell, and his Government.

Mr. CHIFLEY.—That is not true.

Mr. ANTHONY.—It is the reason which Lord Nuffield and his organization gave for not proceeding with the work at that time. If Australia owes anything to American manufacturers, it is not necessary to make derogatory statements about one of the foremost manufacturers in the United Kingdom whose organization enabled Spitfires and other aircraft to resist the Luftwaffe. The Prime Minister has said that he does not believe the newspaper report of the Minister’s statement.

Mr. CHIFLEY.—I said that I did not accept newspaper reports.

Mr. ANTHONY.—In fairness to the people of Australia, who want the truth, the Prime Minister should ascertain from the Minister whether he did make the statements which have been attributed to him, and if the report is correct, the right honorable gentleman should state how much responsibility for those statements the Australian Government accepts.

Mr. WHITE (Balaclava) [11.36].—The Minister for Supply and Development (Senator Armstrong) should not be in the Cabinet if he does not make correct statements. He has no right to criticize Lord Nuffield, who is a great industrialist and who has endowed Australia with considerable sums of money to assist child welfare. If the Minister is so irresponsible as to make statements which are hurtful to individuals of that character or to Britain, the Prime Minister (Mr. Chifley) should ask him to retract them. I notice that the Prime Minister is turning tail and walking out of the House. I remind honorable members that another British company, the Rootes organization, which makes the Rolls-Royce motor car, is established in Melbourne, where it manufactures an almost complete motor car, and assembles the parts. The young Minister for Supply and Development, who has not travelled overseas until recently, should be taken to task, and asked to retract his remarks.

Question resolved in the affirmative.

PAPERS.

The following papers were presented:—

- Australian Broadcasting Act—Regulations—Statutory Rules 1948, No. 134.
- Defence (Transitional Provisions) Act—Regulations—Statutory Rules 1948, No. 131.
- Lands Acquisition Act—Land acquired for—Council for Scientific and Industrial Research purposes—Kojonup, Western Australia.
- Department of Civil Aviation purposes—Hamilton, Victoria.
- Kalgoorlie, Western Australia.
- Western Junction, Tasmania.
- Postal purposes—
 - Bellerive, Tasmania.
 - Mornington, Victoria.
 - Parkes, New South Wales.
- Navigation Act—Regulations—Statutory Rules 1948, No. 132.
- Quarantine Act—Regulations—Statutory Rules 1948, No. 133.

House adjourned at 11.38 p.m.

ANSWERS TO QUESTIONS.

The following answers to questions were circulated:—

PETROL.

MR. CHIFLEY.—On the 14th October, the honorable member for Deakin (Mr. Hutchinson) asked me a series of questions relating to petrol. I am now able to furnish the honorable member with the following information:—

Production of crude petroleum in Netherlands East Indies, prewar was 9,000,000 tons, in 1947 1,075,000 tons, and at present is at the rate of 4,200,000 tons per annum. How much of this is refined into petrol, however, is not known. It is understood that refineries in Netherlands East Indies are not operating to full capacity because of the shortage of local crude oil. All the petrol refined in Netherlands East Indies goes to countries, including Australia, in the Netherlands East Indies geographic zone, and none goes to the United States of America. Australian consumption of petrol is somewhat in excess of 1,300,000 tons per annum, not 380,000 tons, as stated by the honorable member. Previous reports were to the effect that there was every likelihood that the United States of America would this year be a net importer. However recent reports indicate an improvement in the United States of America petrol position, due to an increase in output coupled with lower domestic demand caused by unfavorable weather restricting the use of the 31,000,000 private cars in the United States of America and restriction of demand in other countries due to dollar shortage. Irrespective of a world shortage of petrol, the dollar position of Australia and of the sterling area precludes an increase of imports into Australia of petroleum products. If further quantities are imported, even from sterling areas, it means that the sterling area, as a whole, has to increase its imports from dollar sources. Petrol represents only about half of the total consumption in Australia of petroleum products, the remainder includes diesel oil, fuel oil, gas oil, power and lighting kerosene and lubricants, all of which are very important for industry. The honorable member has asked what progress has been made with synthetic fuels, particularly the development of the shale oil deposits at Newnes and Glen Davis. Attention has been paid in many parts of the world to the obtaining of motor spirit from sources other than crude oil, as, for example, from shale and from brown or black coal, or from various types of power alcohol. The Minister for Supply and Development has recently approved that an officer of this department, Mr. L. J. Rogers, who is the Commonwealth Fuel Adviser, shall go overseas to study the latest developments in these methods. In general terms, it seems to be the position that although motor spirit can be obtained from black or brown coal, the processes have not yet

been shown to be able to compete on an economic basis with petrol refined from crude oil. The plant required for experiments in this field is very large and very costly and unlikely to be ventured upon in this country by any commercial organization at this juncture. In any event, coal is not available in sufficiently large quantities to permit of its being diverted from its current uses. The Government, before embarking on any enterprises of this nature, will endeavour to avail itself of the experience of other countries where there is a good deal more knowledge of oil production than can be drawn on here. The shale oil operations at Glen Davis have been maintained, not without difficulty, and at a considerable expense to the Commonwealth Government. This expenditure will have been beneficial results, as considerable progress has been made in refining methods: an advance on existing processes will be achieved, it is hoped, from the Renco retort, an American installation erected at Glen Davis and shortly to be given a run of sufficient size to enable its qualities to be gauged. The refining facilities are sufficient, or could be made so at short notice, for an annual output of 10,000,000 gallons. The shale mined, however, is sufficient only for an output of 3,000,000 to 4,000,000 gallons annually. I would invite attention to the fact that even if the maximum output possible from Glen Davis, with existing equipment, were obtained, this would represent approximately some 3 per cent. only of current consumption of motor spirit. It will be of interest to honorable members to learn that negotiations have just been concluded to bring to this country a skilled and experienced colliery manager, who will take charge, when he arrives, of the mining operations at Glen Davis. The new manager will be under a three-years' contract with National Oil Proprietary Limited, which company, as the House is aware, is under the control of directors, whose appointment is approved by the Government of New South Wales and the Commonwealth. It is hoped that the arrival of the new manager of the mine will result in a marked improvement in the mining side of the Glen Davis operations. In respect to power alcohol, although some production does occur in Australia and there were war-time efforts to produce power alcohol from wheat, and again the quantities are not significant in relation to Australian needs, the major supplies of motor spirit must be those from crude oil, produced by current refining methods. As I indicated earlier, though some easing of the world-wide refining position may be expected, the dollar stringency imposes financial limits on the quantities of petrol and petroleum products which can be imported. The levels and types of demand for these commodities are under close and constant review by the officers of the departments concerned. If any opportunity occurs to increase the quantities which can be imported, the opportunity will be taken, but it will be realized that there are many commodities which compete for the limited dollar resources of the country.

COAL.

Mr. CHIFLEY.—On the 1st October, the honorable member for Capricornia (Mr. Davidson) asked a question regarding subsidies payable on the operations of the Bowman Coal Mining Syndicate of Central Queensland. I am now able to furnish the honorable member with the following additional information:—

The Bowman Syndicate has been paid a subsidy of 2s. per ton by the Commonwealth Government in respect of its operations for the year ended the 30th June, 1948. With a view to eliminating further subsidy payments, the syndicate, on an application made through the Queensland Coal Owners Association, was authorized to increase its selling price to the same extent as increases were authorized for mines in the Bluff District of Queensland. This allowed the syndicate an immediate increase in price of 1s. 10d. per ton, as from the 1st June, 1947, and subsequent increases allowed to the syndicate enabled it to raise its selling price by a further 4s. 1d. from various dates. These price increases should have obviated the necessity for the payment of further subsidies, which the honorable member states the syndicate has applied for, but the Coal Commissioner is examining the syndicate's position in the light of its audited accounts. His examination of accounts must be thorough and will take some time to complete. The decision of the Commonwealth Government will be communicated to the syndicate as soon as possible.
