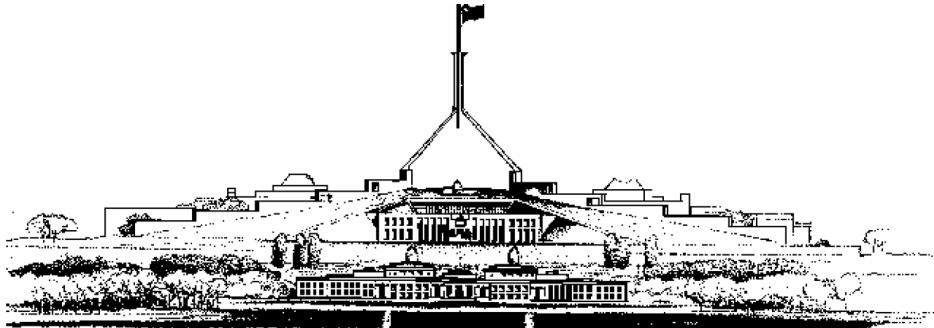




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



Senate Official Hansard

No. 45, 1952
Tuesday, 4 November 1952

TWENTIETH PARLIAMENT
FIRST SESSION—FIFTH PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

PARLIAMENT OF THE COMMONWEALTH.

TWENTIETH PARLIAMENT—FIRST SESSION: FIFTH PERIOD.

GOVERNOR-GENERAL.

His Excellency the Right Honorable Sir William John McKell, a member of Her Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of St. Michael and St. George, Governor-General and Commander-in-Chief in and over the Commonwealth of Australia, from the 11th March, 1947.

FIFTH MENZIES GOVERNMENT.

(FROM THE 11TH MAY, 1951.)

| | | | |
|---|----|----|--|
| Prime Minister | .. | .. | The Right Honorable Robert Gordon Menzies, C.H., Q.C. |
| Treasurer | .. | .. | The Right Honorable Sir Arthur William Fadden, K.C.M.G. |
| Vice-President of the Executive Council and Minister for Defence Production | | | The Right Honorable Eric John Harrison. |
| Minister for Labour and National Service and Minister for Immigration | | | The Honorable Harold Edward Holt. |
| Minister for Commerce and Agriculture | .. | .. | The Honorable John McEwen. |
| Minister for External Affairs | .. | .. | The Right Honorable Richard Gardiner Casey, C.H., D.S.O., M.C. |
| (¹) Minister for Defence | .. | .. | The Honorable Philip Albert Martin McBride. |
| Minister for Health | .. | .. | The Right Honorable Sir Earle Christmas Grafton Page, G.C.M.G., C.H. |
| Minister for Trade and Customs | .. | .. | Senator the Honorable Neil O'Sullivan. |
| Minister for Shipping and Transport | | | Senator the Honorable George McLeay. |
| Postmaster-General and Minister for Civil Aviation | | | The Honorable Hubert Lawrence Anthony. |
| Minister for the Army | .. | .. | The Honorable Josiah Francis. |
| Attorney-General | | | Senator the Honorable John Armstrong Spicer, Q.C. |
| Minister for National Development | .. | .. | Senator the Honorable William Henry Spooner, M.M. |
| Minister for Repatriation | .. | .. | Senator the Honorable Walter Jackson Cooper, M.B.E. |
| Minister for Supply | .. | .. | The Honorable Howard Beale, Q.C. |
| (²) Minister for the Interior and Minister for Works | | | The Honorable Wilfred Selwyn Kent Hughes, M.V.O., O.B.E., M.C., E.D. |
| Minister for Social Services | .. | .. | The Honorable Athol Gordon Townley. |
| Minister for Territories | | | The Honorable Paul Meernaa Caedwalla Hasluck. |
| (³) Minister for the Navy and Minister for Air | .. | .. | The Honorable William McMahon. |

(¹) Designation altered on the 17th July, 1951.

(²) Appointed 17th July, 1951.

(³) Designation altered on the 4th June, 1952.

THE MEMBERS OF THE SENATE.

(FROM THE 1ST JULY, 1950.)

TWENTIETH PARLIAMENT—FIRST SESSION : FIFTH PERIOD.

President—Senator the Honorable Edward William Mattner, M.C., D.C.M., M.M.

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

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

Chairman of Committees—Senator George James Rankin, D.S.O., V.D.

Temporary Chairmen of Committees—Senators John Archibald McCallum, Theophilus Martin Nicholls, Justin Hilary O'Byrne, Albert David Reid, M.C., John Percival Tate.

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

Deputy Leader of the Opposition—Senator the Honorable John Ignatius Armstrong.

| | | | | | |
|---|----|----|----|----|-------------------|
| 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 |
| Benn, Archibald Malcolm‡ | .. | .. | .. | .. | Queensland |
| Brown, Hon. Gordon† | .. | .. | .. | .. | Queensland |
| Byrne, Condon Bryan† | .. | .. | .. | .. | Queensland |
| Cameron, Hon. Donald† | .. | .. | .. | .. | Victoria |
| Chamberlain, John Hartley‡ | .. | .. | .. | .. | Tasmania |
| Cole, George Ronald† | .. | .. | .. | .. | Tasmania |
| (*) Cooke, Joseph Alfred† | .. | .. | .. | .. | Western Australia |
| Cooper, Hon. Walter Jackson, M.B.E.‡ | .. | .. | .. | .. | Queensland |
| Cormack, Magnus Cameron† | .. | .. | .. | .. | Victoria |
| Courtice, Hon. Benjamin‡ | .. | .. | .. | .. | Queensland |
| Critchley, John Owen† | .. | .. | .. | .. | South Australia |
| Devlin, John Joseph† | .. | .. | .. | .. | Victoria |
| Finlay, Alexander† | .. | .. | .. | .. | South Australia |
| Fraser, Hon. James Mackintosh† | .. | .. | .. | .. | Western Australia |
| Gorton, John Grey† | .. | .. | .. | .. | Victoria |
| Grant, Donald MacLennan† | .. | .. | .. | .. | New South Wales |
| Guy, Hon. James Allan‡ | .. | .. | .. | .. | Tasmania |
| Hannaford, Douglas Clive‡ | .. | .. | .. | .. | South Australia |
| Hendrickson, Albion† | .. | .. | .. | .. | Victoria |
| Henry, Norman Henry Denham‡ | .. | .. | .. | .. | Tasmania |
| Kendall, Roy† | .. | .. | .. | .. | Queensland |
| Laught, Keith Alexander† | .. | .. | .. | .. | South Australia |
| McCallum, John Archibald‡ | .. | .. | .. | .. | New South Wales |
| McKenna, Hon. Nicholas Edward‡ | .. | .. | .. | .. | Tasmania |
| McLeay, Hon. George‡ | .. | .. | .. | .. | South Australia |
| McMullin, Alister Maxwell† | .. | .. | .. | .. | New South Wales |
| Maher, Edmund Bede† | .. | .. | .. | .. | Queensland |
| Mattner, Hon. Edward William, M.C., D.C.M., M.M.‡ | .. | .. | .. | .. | South Australia |
| Morrow, William† | .. | .. | .. | .. | Tasmania |
| (*) Nash, Richard Harry† | .. | .. | .. | .. | Western Australia |
| Nicholls, Theophilus Martin‡ | .. | .. | .. | .. | South Australia |
| O'Byrne, Justin Hilary† | .. | .. | .. | .. | Tasmania |
| O'Flaherty, Sidney Wainman‡ | .. | .. | .. | .. | South Australia |
| O'Sullivan, Hon. Neil‡ | .. | .. | .. | .. | Queensland |
| Paltridge, Shane Dunnet† | .. | .. | .. | .. | Western Australia |
| Pearson, Rex Whiting† | .. | .. | .. | .. | South Australia |
| (*) Piesse, Edmund Stephen Roper‡ | .. | .. | .. | .. | Western Australia |
| Rankin, Annabelle Jane Mary‡ | .. | .. | .. | .. | Queensland |
| Rankin, George James, D.S.O., V.D.‡ | .. | .. | .. | .. | Victoria |
| Reid, Albert David‡ | .. | .. | .. | .. | New South Wales |
| Robertson, Agnes Robertson‡ | .. | .. | .. | .. | Western Australia |
| (*) Robinson, William Charles† | .. | .. | .. | .. | Western Australia |
| Ryan, John Victor† | .. | .. | .. | .. | South Australia |
| Sandford, Charles Walter† | .. | .. | .. | .. | Victoria |
| Scott, Malcolm Fox† | .. | .. | .. | .. | Western Australia |
| Seward, Harry Stephen† | .. | .. | .. | .. | Western Australia |
| Sheehan, James Michael‡ | .. | .. | .. | .. | Victoria |
| Spicer, Hon. John Armstrong‡ | .. | .. | .. | .. | Victoria |

THE MEMBERS OF THE SENATE—*continued.*

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| | | | | | | |
|--|----|----|----|----|----|-------------------|
| Spencer, Hon. William Henry‡ | .. | .. | .. | .. | .. | New South Wales |
| Tangney, Dorothy Margaret‡ | .. | .. | .. | .. | .. | Western Australia |
| Tate, John Percival† | .. | .. | .. | .. | .. | New South Wales |
| Vincent, Victor Seddon‡ | .. | .. | .. | .. | .. | Western Australia |
| Wedgwood, Ivy Evelyn† | .. | .. | .. | .. | .. | Victoria |
| Willesee, Donald Robert‡ | .. | .. | .. | .. | .. | Western Australia |
| Wood, Ian Alexander Christies‡ | .. | .. | .. | .. | .. | Queensland |
| Wordsworth, Robert Hurley, C.B., C.B.E.† | .. | .. | .. | .. | .. | Tasmania |
| Wright, Reginald Charles‡ | .. | .. | .. | .. | .. | Tasmania |

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

‡ The 30th June, 1956.

*(1) Death reported, 6th February, 1952. (1) Elected, 7th February, 1952, to fill casual vacancy; sworn, 26th February, 1952. (2) Death reported, 6th August, 1952. (4) Elected, 30th September, 1952, to fill casual vacancy; sworn, 7th October, 1952.

THE MEMBERS OF THE HOUSE OF REPRESENTATIVES.

TWENTIETH PARLIAMENT—FIRST SESSION : FIFTH PERIOD.

Speaker—The Honorable Archie Galbraith Cameron.

Chairman of Committees—Charles Frederick Adermann.

Temporary Chairmen of Committees—George James Bowden, M.C., Thomas Patrick Burke, The Honorable Allan McKenzie McDonald, John McLeay (from the 27th August, 1952), Rupert Sumner Ryan, C.M.G., D.S.O. (to the 25th August, 1952), Albert Victor Thompson, David Oliver Watkins.

Leader of the Opposition—(to the 13th June, 1951) The Right Honorable Joseph Benedict Chifley ; (from the 20th June, 1951) The Right Honorable Herbert Vere Evatt, Q.C., LL.D., D.Litt.

Deputy Leader of the Opposition—(to the 19th June, 1951) The Right Honorable Herbert Vere Evatt, Q.C., LL.D., D.Litt. ; (from the 20th June, 1951) The Honorable Arthur Augustus Calwell.

Leader of the Australian Country Party—The Right Honorable Sir Arthur William Fadden, K.C.M.G..

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

| | | | | | | |
|--|----|----|----|----|----|--------------------------|
| Adermann, Charles Frederick | .. | .. | .. | .. | .. | Fisher (Q.) |
| Anderson, Gordon | .. | .. | .. | .. | .. | Kingsford-Smith (N.S.W.) |
| Andrews, Thomas William | .. | .. | .. | .. | .. | Darebin (V.) |
| Anthony, Hon. Hubert Lawrence | .. | .. | .. | .. | .. | Richmond (N.S.W.) |
| Bate, Henry Jefferson | .. | .. | .. | .. | .. | Macarthur (N.S.W.) |
| Beale, Hon. Howard, Q.C. | .. | .. | .. | .. | .. | Parramatta (N.S.W.) |
| Beazley, Kim Edward | .. | .. | .. | .. | .. | Fremantle (W.A.) |
| Berry, Douglas Reginald | .. | .. | .. | .. | .. | Griffith (Q.) |
| Bird, Alan Charles | .. | .. | .. | .. | .. | Batman (V.) |
| Bland, Francis Armand | .. | .. | .. | .. | .. | Warringah (N.S.W.) |
| Bostock, William Dowling, C.B., D.S.O., O.B.E. | .. | .. | .. | .. | .. | Indi (V.) |
| Bourke, William Meskill | .. | .. | .. | .. | .. | Fawkner (V.) |
| Bowden, George James, M.C. | .. | .. | .. | .. | .. | Gippsland (V.) |
| Brimblecombe, Wilfred John | .. | .. | .. | .. | .. | Maranon (Q.) |
| Brown, Geoffrey William, M.B.E. | .. | .. | .. | .. | .. | McMillan (V.) |
| Bruce, Hon. Henry Adam | .. | .. | .. | .. | .. | Leichhardt (Q.) |
| Bryson, William George | .. | .. | .. | .. | .. | Wills (V.) |
| Burke, Thomas Patrick | .. | .. | .. | .. | .. | Perth (W.A.) |
| Calwell, Hon. Arthur Augustus | .. | .. | .. | .. | .. | Melbourne (V.) |
| Cameron, Hon. Archie Galbraith | .. | .. | .. | .. | .. | Barker (S.A.) |
| Cameron, Clyde Robert | .. | .. | .. | .. | .. | Hindmarsh (S.A.) |
| Cameron, Dr. Donald Alastair, O.B.E. | .. | .. | .. | .. | .. | Oxley (Q.) |
| Casoy, Rt. Hon. Richard Gardiner, C.H., D.S.O., M.C. | .. | .. | .. | .. | .. | La Trobe (V.) |
| Chambers, Hon. Cyril | .. | .. | .. | .. | .. | Adelaide (S.A.) |
| (¹)Chifley, Rt. Hon. Joseph Benedict | .. | .. | .. | .. | .. | Macquarie (N.S.W.) |
| Clarey, Hon. Percy James | .. | .. | .. | .. | .. | Bendigo (V.) |
| Clark, Joseph James | .. | .. | .. | .. | .. | Darling (N.S.W.) |
| Corser, Bernard Henry | .. | .. | .. | .. | .. | Wide Bay (Q.) |
| Costa, Dominic Eric | .. | .. | .. | .. | .. | Banks (N.S.W.) |
| Cramer, John Oscar | .. | .. | .. | .. | .. | Bennelong (N.S.W.) |
| Crean, Frank | .. | .. | .. | .. | .. | Melbourne Ports (V.) |
| Cremean, John Lawrence | .. | .. | .. | .. | .. | Hoddle (V.) |
| Curtin, Daniel James | .. | .. | .. | .. | .. | Watson (N.S.W.) |
| Daly, Frederick Michael | .. | .. | .. | .. | .. | Grayndler (N.S.W.) |
| Davidson, Charles William, O.B.E. | .. | .. | .. | .. | .. | Dawson (Q.) |
| Davies, William | .. | .. | .. | .. | .. | Cunningham (N.S.W.) |
| Davis, Francis John | .. | .. | .. | .. | .. | Deakin (V.) |
| Dean, Roger Levinge | .. | .. | .. | .. | .. | Robertson (N.S.W.) |
| Downer, Alexander Russell | .. | .. | .. | .. | .. | Angas (S.A.) |
| Drakeford, Hon. Arthur Samuel | .. | .. | .. | .. | .. | Maribyrnong (V.) |
| Drummond, Hon. David Henry | .. | .. | .. | .. | .. | New England (N.S.W.) |
| Drury, Edward Nigel | .. | .. | .. | .. | .. | Ryan (Q.) |
| Duthie, Gilbert William Arthur | .. | .. | .. | .. | .. | Wilmot (T.) |
| Edmonds, William Frederick | .. | .. | .. | .. | .. | Herbert (Q.) |
| (¹)Eggins, Eldred James | .. | .. | .. | .. | .. | Lyne (N.S.W.) |
| Evatt, Rt. Hon. Herbert Vere, Q.C., LL.D., D.Litt. | .. | .. | .. | .. | .. | Barton (N.S.W.) |
| (¹⁰)Ewert, Keith Walter Wilson | .. | .. | .. | .. | .. | Flinders (V.) |
| Fadden, Rt. Hon. Sir Arthur William, K.C.M.G. | .. | .. | .. | .. | .. | McPherson (Q.) |
| Failes, Laurence John | .. | .. | .. | .. | .. | Lawson (N.S.W.) |
| Fairbairn, David Eric, D.F.C. | .. | .. | .. | .. | .. | Farrer (N.S.W.) |
| Fairhall, Allen | .. | .. | .. | .. | .. | Paterson (N.S.W.) |
| Falkinder, Charles William Jackson, D.S.O., D.F.C. | .. | .. | .. | .. | .. | Franklin (T.) |
| Fitzgerald, Joseph Francis | .. | .. | .. | .. | .. | Phillip (N.S.W.) |
| Francis, Hon. Josiah | .. | .. | .. | .. | .. | Moreton (Q.) |
| Fraser, Allan Duncan | .. | .. | .. | .. | .. | Eden-Monaro (N.S.W.) |
| Fraser, James Reay | .. | .. | .. | .. | .. | (A.C.T.) |
| Freeth, Gordon | .. | .. | .. | .. | .. | Forrest (W.A.) |

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|---|----|----|----|-----------------------|
| Fuller, Arthur Neiberding .. | .. | .. | .. | Hume (N.S.W.) |
| Galvin, Patrick .. | .. | .. | .. | Kingston (S.A.) |
| Graham, Bruce William .. | .. | .. | .. | St. George (N.S.W.) |
| Grayden, William Leonard .. | .. | .. | .. | Swan (W.A.) |
| Griffiths, Charles Edward .. | .. | .. | .. | Shortland (N.S.W.) |
| Gullett, Henry Baynton Somer, M.C. .. | .. | .. | .. | Henty (V.) |
| Hamilton, Leonard William .. | .. | .. | .. | Canning (W.A.) |
| Harrison, Eli James .. | .. | .. | .. | Blaxland (N.S.W.) |
| (*) Harrison, Right Hon. Eric John .. | .. | .. | .. | Wentworth (N.S.W.) |
| Hasluck, Hon. Paul Meernaa Caedwalla .. | .. | .. | .. | Curtin (W.A.) |
| Haworth, Hon. William Crawford .. | .. | .. | .. | Isaacs (V.) |
| Haylen, Leslie Clement .. | .. | .. | .. | Parkes (N.S.W.) |
| Holt, Hon. Harold Edward .. | .. | .. | .. | Higgins (V.) |
| Howse, John Brooke .. | .. | .. | .. | Calare (N.S.W.) |
| (*) Hughes, Rt Hon. William Morris, C.H., Q.C. .. | .. | .. | .. | Bradfield (N.S.W.) |
| Hulme, Alan Shallcross .. | .. | .. | .. | Petrie (Q.) |
| Jack, William Mathers .. | .. | .. | .. | North Sydney (N.S.W.) |
| James, Rowland .. | .. | .. | .. | Hunter (N.S.W.) |
| Johnson, Hon. Herbert Victor .. | .. | .. | .. | Kalgoorlie (W.A.) |
| Joshua, Robert, M.C. .. | .. | .. | .. | Ballaarat (V.) |
| (*) Joske, Percy Ernest .. | .. | .. | .. | Balaclava (V.) |
| Kekwick, Bruce Huntley .. | .. | .. | .. | Bass (T.) |
| Kent Hughes, Hon. Wilfred Selwyn, M.V.O., O.B.E., M.C., E.D. .. | .. | .. | .. | Chisholm (V.) |
| Keon, Standish Michael .. | .. | .. | .. | Yarra (V.) |
| Lawrence, William Robert .. | .. | .. | .. | Wimmera (V.) |
| Lawson, Hon. George .. | .. | .. | .. | Brisbane (Q.) |
| (*) Lazzarini, Hon. Hubert Peter .. | .. | .. | .. | Werriwa (N.S.W.) |
| Leslie, Hugh Alan .. | .. | .. | .. | Moore (W.A.) |
| (*) Luchetti, Anthony Sylvester .. | .. | .. | .. | Macquarie (N.S.W.) |
| Luck, Aubrey William George .. | .. | .. | .. | Darwin (T.) |
| (*) Lucock, Philip Ernest .. | .. | .. | .. | Lyne (N.S.W.) |
| McBride, Hon. Philip Albert Martin .. | .. | .. | .. | Wakefield (S.A.) |
| McColm, Malcolm Llewellyn .. | .. | .. | .. | Bowman (Q.) |
| McDonald, Hon. Allan McKenzie .. | .. | .. | .. | Corangamite (V.) |
| McEwen, Hon. John .. | .. | .. | .. | Murray (V.) |
| McLeay, John .. | .. | .. | .. | Boothby (S.A.) |
| McLeod, Donald .. | .. | .. | .. | Wannon (V.) |
| McMahon, Hon. William .. | .. | .. | .. | Lowe (N.S.W.) |
| Menzies, Rt. Hon. Robert Gordon, C.H., Q.C. .. | .. | .. | .. | Kooyong (V.) |
| Minogue, Daniel .. | .. | .. | .. | West Sydney (N.S.W.) |
| Morgan, Charles Albert Aaron .. | .. | .. | .. | Reid (N.S.W.) |
| Mulcahy, Daniel .. | .. | .. | .. | Lang (N.S.W.) |
| Mullens, John Michael, C.B.E. .. | .. | .. | .. | Gellibrand (V.) |
| Nelson, John Norman .. | .. | .. | .. | (N.T.) |
| O'Connor, William Paul .. | .. | .. | .. | Martin (N.S.W.) |
| Opperman, Hubert Ferdinand .. | .. | .. | .. | Corio (V.) |
| Osborne, Frederick Mears, D.S.C. .. | .. | .. | .. | Evans (N.S.W.) |
| Page, Rt. Hon. Sir Earle Christmas Grafton, G.C.M.G., C.H. .. | .. | .. | .. | Cowper (N.S.W.) |
| Pearce, Henry George .. | .. | .. | .. | Capricornia (Q.) |
| Peters, Edward William .. | .. | .. | .. | Burke (V.) |
| Pollard, Hon. Reginald Thomas .. | .. | .. | .. | Lalor (V.) |
| Riordan, Hon. William James Frederick .. | .. | .. | .. | Kennedy (Q.) |
| Roberton, Hugh Stevenson .. | .. | .. | .. | Riverina (N.S.W.) |
| 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.) |
| Sheehan, Thomas .. | .. | .. | .. | Cook (N.S.W.) |
| Swartz, Reginald William Colin, M.B.E., E.D. .. | .. | .. | .. | Darling Downs (Q.) |
| Thompson, Albert Victor .. | .. | .. | .. | Port Adelaide (S.A.) |
| Timson, Thomas Frank, M.B.E. .. | .. | .. | .. | Higinbotham (V.) |
| Townley, Hon. Athol Gordon .. | .. | .. | .. | Denison (T.) |
| Treloar, Thomas John .. | .. | .. | .. | Gwydir (N.S.W.) |
| Turnbull, Winton George .. | .. | .. | .. | Mallee (V.) |
| Ward, Hon. Edward John .. | .. | .. | .. | East Sydney (N.S.W.) |
| Watkins, David Oliver .. | .. | .. | .. | Newcastle (N.S.W.) |
| Wentworth, William Charles .. | .. | .. | .. | Mackellar (N.S.W.) |
| Wheeler, Roy Crawford .. | .. | .. | .. | Mitchell (N.S.W.) |
| (*) White, Hon. Thomas Walter, D.F.C., V.D. .. | .. | .. | .. | Balaclava (V.) |
| Wight, Bruce McDonald .. | .. | .. | .. | Lilley (Q.) |
| Wilson, Keith Cameron .. | .. | .. | .. | Sturt (S.A.) |

(*) Death reported, 19th June, 1951. (*) Resignation reported, 21st June, 1951. (*) Elected, 28th July, 1951.
 (†) Death reported, 6th February, 1952. (*) Elected, 22nd March, 1952. (*) Appointed to Privy Council, 6th June, 1952. (*) Death reported, 26th August, 1952. (*) Death reported, 2nd October, 1952. (*) Death reported, 28th October, 1952. (**) Elected, 18th October, 1952.

THE COMMITTEES OF THE SESSION.

JOINT.

FOREIGN AFFAIRS.—Mr. Ryan (Chairman—to 25th August, 1952), Senator Gorton (Chairman—from 11th September, 1952), Senator Maher, Senator McCallum, Senator Wordsworth, Mr. Bostock, Dr. D. A. Cameron (from 17th September, 1952), Mr. Downer, Mr. Drummond, Mr. Osborne, Mr. Robertson, Mr. Wentworth.

HOUSE.—The President (Chairman), Senator Amour, Senator Aylett, Senator Critchley, Senator George-Rankin, Senator Wedgwood, Senator Wordsworth, Mr. Speaker, Mr. Andrews, Mr. Beazley, Mr. Corser, Mr. Costa, Mr. Gullett, and Mr. Hulme.

LIBRARY.—Mr. Speaker (Chairman), the President, Senator Arnold, Senator Cole, Senator Kendall, Senator McCallum, Senator Robertson, Senator Tangney, Mr. Beazley, Mr. Cremeann, Mr. Downer, Mr. Drummond, Mr. Duthie, and Mr. Wentworth.

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

PRINTING.—Mr. Wilson (Chairman), Senator Benn (from 29th May, 1952), Senator Gorton, Senator Hannaford, Senator Morrow, Senator Sandford, Senator Scott, Senator Seward, Mr. Cremeann, Mr. Griffiths, Mr. E. James Harrison, Mr. Leslie, Mr. Osborne, and Mr. Ryan (to 25th August, 1952).

PUBLIC WORKS.—Mr. McDonald (Chairman), Senator Henty, Senator O'Byrne, Senator Reid, Mr. Bird, Mr. Bowden, Mr. Cramer, Mr. O'Connor, and Mr. Watkins.

SENATE.

DISPUTED RETURNS AND QUALIFICATIONS.—Senator Hannaford, Senator Hendrickson, Senator Morrow, Senator Piesse (to 6th August, 1952), Senator Robertson, Senator Sandford, and Senator Wordsworth.

REGULATIONS AND ORDINANCES.—Senator Tate (Chairman), Senator Arnold, Senator Byrne, Senator Guy, Senator Maher, Senator Willesee (from 29th May, 1952), and Senator Wood.

STANDING ORDERS.—The President (Chairman), the Chairman of Committees, Senator Brown, Senator Guy, Senator McKenna, Senator Maher, Senator Nicholls, Senator Piesse (to 6th August, 1952), and Senator Vincent.

HOUSE OF REPRESENTATIVES.

PRIVILEGES.—Mr. McDonald (Chairman), Mr. Clark, Dr. Evatt, Mr. McLeay, Mr. Sheehan, Mr. Swartz and Mr. Turnbull.

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

PARLIAMENTARY DEPARTMENTS.

SENATE.

Clerk.—J. E. Edwards.

Clerk-Assistant.—R. H. C. Loof.

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

Usher of the Black Rod.—J. R. Odgers.

HOUSE OF REPRESENTATIVES.

Clerk.—F. C. Green, M.C.

Clerk-Assistant.—A. A. Tregear.

Second Clerk-Assistant.—A. G. Turner.

Sergeant-at-Arms.—N. J. Parkes.

PARLIAMENTARY REPORTING STAFF.

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

Second Reporter.—H. H. Temperly.

Third Reporter.—B. A. Goode.

LIBRARY.

Librarian.—H. L. White.

Assistant Librarian.—L. C. Key.

JOINT HOUSE.

Secretary.—R. H. C. Loof.

THE ACTS OF THE SESSION.

(FIRST SESSION : FIFTH PERIOD.)

- AIR NAVIGATION (CHARGES) ACT 1952 (ACT NO. 101 OF 1952)—
An Act relating to Charges in respect of Commonwealth Air Navigation Facilities and Services.
- ALIENS ACT 1952 (ACT NO. 68 OF 1952)—
An Act to amend the *Aliens Act* 1947.
- APPROPRIATION ACT 1952-53 (ACT NO. 59 OF 1952)—
An Act to grant and apply out of the Consolidated Revenue Fund a sum for the service of the year ending the thirtieth day of June, One thousand nine hundred and fifty-three, and to appropriate the Supplies granted by the Parliament for that year.
- APPROPRIATION (WORKS AND SERVICES) ACT 1952-53 (ACT NO. 60 OF 1952)—
An Act to grant and apply out of the Consolidated Revenue Fund a sum for the service of the year ending the thirtieth day of June, One thousand nine hundred and fifty-three, 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.
- AUDIT ACT 1952 (ACT NO. 79 OF 1952)—
An Act to amend the *Audit Act* 1901-1950.
- AUSTRALIAN NATIONAL AIRLINES ACT 1952 (ACT NO. 102 OF 1952)—
An Act to amend the *Australian National Airlines Act* 1945-1947.
- CANNED FRUITS EXPORT CHARGES ACT 1952 (ACT NO. 95 OF 1952)—
An Act to amend the *Canned Fruits Export Charges Act* 1926-1938.
- CANNED FRUITS EXPORT CONTROL ACT 1952 (ACT NO. 94 OF 1952)—
An Act to amend the *Canned Fruits Export Control Act* 1926-1950.
- CIVIL AVIATION AGREEMENT ACT 1952 (ACT NO. 100 OF 1952)—
An Act to approve an Agreement made between the Commonwealth and Australian National Airways Proprietary Limited, and for purposes connected therewith.
- COMMONWEALTH ELECTORAL ACT 1952 (ACT NO. 106 OF 1952)—
An Act to amend the *Commonwealth Electoral Act* 1918-1949.
- COTTON BOUNTY ACT 1952 (ACT NO. 61 OF 1952)—
An Act to amend the *Cotton Bounty Act* 1951.
- CUSTOMS ACT 1952 (ACT NO. 108 OF 1952)—
An Act to amend the *Customs Act* 1901-1951.
- CUSTOMS TARIFF 1952 (ACT NO. 82 OF 1952)—
An Act relating to Duties of Customs.
- CUSTOMS TARIFF (CANADIAN PREFERENCE) 1952 (ACT NO. 85 OF 1952)—
An Act to amend the *Customs Tariff (Canadian Preference)* 1934-1950.
- CUSTOMS TARIFF (NEW ZEALAND PREFERENCE) 1952 (ACT NO. 84 OF 1952)—
An Act to amend the *Customs Tariff (New Zealand Preference)* 1933-1950.
- CUSTOMS TARIFF VALIDATION ACT 1952 (ACT NO. 86 OF 1952)—
An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff Proposals.
- DAIRYING INDUSTRY ACT 1952 (ACT NO. 97 OF 1952)—
An Act to make provision, in connexion with a Scheme for the Stabilization of the Dairying Industry, for the Payment of Bounties on the Production of Butter and Cheese, and for other purposes.
- DEFENCE ACT 1952 (ACT NO. 98 OF 1952)—
An Act to amend the *Defence Act* 1903-1951, and for other purposes.
- DEFENCE FORCES RETIREMENT BENEFITS ACT 1952 (ACT NO. 93 OF 1952)—
An Act to amend the *Defence Forces Retirement Benefits Act* 1948-1951, and for other purposes.
- DEFENCE TRANSITION (RESIDUAL PROVISIONS) ACT 1952 (ACT NO. 104 OF 1952)—
An Act to give the Force of Law to certain Regulations and Orders, and for other purposes.
- DIPLOMATIC IMMUNITIES ACT 1952 (ACT NO. 67 OF 1952)—
An Act to confer certain Immunities on Representatives in Australia of certain parts of the Queen's dominions and on certain other persons.
- DISTILLATION ACT 1952 (ACT NO. 54 OF 1952)—
An Act to amend the *Distillation Act* 1901-1950.
- DRIED FRUITS EXPORT CONTROL ACT 1952 (ACT NO. 57 OF 1952)—
An Act to amend the *Dried Fruits Export Control Act* 1924-1938, and for other purposes.
- EXCISE ACT 1952 (ACT NO. 55 OF 1952)—
An Act to amend the *Excise Act* 1901-1949.
- EXCISE TARIFF 1952 (ACT NO. 83 OF 1952)—
An Act relating to Duties of Excise.

THE ACTS OF THE SESSION.

EXCISE TARIFF VALIDATION ACT 1952 (ACT NO. 87 OF 1952)—

An Act to provide for the Validation of Collections of Duties and Excise under Excise Tariff Proposals.

EXPLOSIVES ACT 1952 (ACT NO. 99 OF 1952)—

An Act relating to Explosives.

INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ACT 1952 (ACT NO. 91 OF 1952) —

An Act to impose upon Incomes a Tax by the name of Income Tax and Social Services Contribution.

INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ASSESSMENT (AIR NAVIGATION CHARGES) ACT 1952 (ACT NO. 103 OF 1952)—

An Act relating to the Assessment of Income Tax and Social Services Contribution in respect of Taxpayers affected by the partial Refund of, or the Settlement of Claims for payment of, Charges in respect of Commonwealth Air Navigation Facilities and Services.

INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ASSESSMENT ACT (NO. 3) 1952 (ACT NO. 90 OF 1952)—

An Act to amend the *Income Tax and Social Services Contribution Assessment Act 1936-1951*, as amended by the *Income Tax and Social Services Contribution Assessment Act 1952* and by the *Income Tax and Social Services Contribution Assessment Act (No. 2) 1952*, and for other purposes.

LAND TAX ABOLITION ACT 1952 (ACT NO. 81 OF 1952)—

An Act to abolish Land Tax.

LOAN (HOUSING) ACT 1952 (ACT NO. 78 OF 1952)—

An Act to authorize the Raising of Moneys to be advanced to the States for the purposes of Housing.

LOAN (INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT) ACT 1952 (ACT NO. 73 OF 1952)—

An Act to Authorize the Raising of a Loan from the International Bank for Reconstruction and Development and for purposes connected therewith.

LOAN (WAR SERVICE LAND SETTLEMENT) ACT 1952 (ACT NO. 64 OF 1952)—

An Act to authorize the Raising of Moneys for the purpose of Financial Assistance to the States in connexion with War Service Land Settlement.

NATIONAL WELFARE FUND ACT 1952 (ACT NO. 65 OF 1952)—

An Act to amend the *National Welfare Act 1943-1950*.

NATIONALITY AND CITIZENSHIP ACT 1952 (ACT NO. 70 OF 1952)—

An Act to amend the *Nationality and Citizenship Act 1948-1950*.

NAVIGATION ACT 1952 (ACT NO. 109 OF 1952)—

An Act to amend the *Navigation Act 1912-1950*.

NORTHERN TERRITORY (ADMINISTRATION) ACT 1952 (ACT NO. 71 OF 1952)—

An Act to amend the *Northern Territory (Administration) Act 1910-1949*.

OIL AGREEMENT ACT 1952 (ACT NO. 80 OF 1952)—

An Act to approve an Agreement made between the Commonwealth and the Anglo-Iranian Oil Company Limited, and for purposes connected therewith.

OVERSEAS TELECOMMUNICATIONS ACT 1952 (ACT NO. 69 OF 1952)—

An Act to amend the *Overseas Telecommunications Act 1946*.

PATENTS ACT 1952 (ACT NO. 42 OF 1952)—

An Act relating to Patents of Inventions.

PHARMACEUTICAL BENEFITS ACT 1952 (ACT NO. 74 OF 1952)—

An Act to amend the *Pharmaceutical Benefits Act 1947-1950*.

RE-ESTABLISHMENT AND EMPLOYMENT ACT 1952 (ACT NO. 89 OF 1952)—

An Act to amend the *Re-establishment and Employment Act 1945-1951*.

REPATRIATION ACT 1952 (ACT NO. 58 OF 1952)—

An Act to amend the *Repatriation Act 1920-1951*, and for other purposes.

SALES TAX ACT (NO. 1) 1952 (ACT NO. 45 OF 1952)—

An Act to amend the *Sales Tax Act (No. 1) 1930-1951*.

SALES TAX ACT (NO. 2) 1952 (ACT NO. 46 OF 1952)—

An Act to amend the *Sales Tax Act (No. 2) 1930-1951*.

SALES TAX ACT (NO. 3) 1952 (ACT NO. 47 OF 1952)—

An Act to amend the *Sales Tax Act (No. 3) 1930-1951*.

SALES TAX ACT (NO. 4) 1952 (ACT NO. 48 OF 1952)—

An Act to amend the *Sales Tax Act (No. 4) 1930-1951*.

SALES TAX ACT (NO. 5) 1952 (ACT NO. 49 OF 1952)—

An Act to amend the *Sales Tax Act (No. 5) 1930-1951*.

SALES TAX ACT (NO. 6) 1952 (ACT NO. 50 OF 1952)—

An Act to amend the *Sales Tax Act (No. 6) 1930-1951*.

THE ACTS OF THE SESSION.

xi

- SALES TAX ACT (No. 7) 1952 (ACT NO. 51 OF 1952)—
An Act to amend the *Sales Tax Act (No. 7) 1930–1951*.
- SALES TAX ACT (No. 8) 1952 (ACT NO. 52 OF 1952)—
An Act to amend the *Sales Tax Act (No. 8) 1930–1951*.
- SALES TAX ACT (No. 9) 1952 (ACT NO. 53 OF 1952)—
An Act to amend the *Sales Tax Act (No. 9) 1930–1951*.
- SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT 1952 (ACT NO. 44 OF 1952)
An Act to amend the *Sales Tax (Exemptions and Classifications) Act 1935–1951*.
- SEAMEN'S WAR PENSIONS AND ALLOWANCES ACT (No. 2) 1952 (ACT NO. 75 OF 1952)—
An Act to amend the *Seamen's War Pensions and Allowances Act 1941–1950*, as amended by the *Seamen's War Pensions and Allowances Act 1952*.
- SOCIAL SERVICES CONSOLIDATION ACT 1952 (ACT NO. 41 OF 1952)—
An Act to amend the *Social Services Consolidation Act 1947–1951*.
- SOCIAL SERVICES CONSOLIDATION ACT (No. 2) 1952 (ACT NO. 107 OF 1952)—
An Act to amend the *Social Services Consolidation Act 1947–1951*, as amended by the *Social Services Consolidation Act 1952*.
- STATES GRANTS ACT 1952 (ACT NO. 66 OF 1952)—
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 1952 (ACT NO. 63 OF 1952)—
An Act to make provision for the grant of Financial Assistance to the States in connexion with the administration of the Control of Prices and Rents.
- STATES GRANTS (SPECIAL FINANCIAL ASSISTANCE) ACT 1952 (ACT NO. 56 OF 1952)—
An Act to grant and apply out of the Consolidated Revenue Fund sums for the purposes of Financial Assistance to the States.
- STEVEDORING INDUSTRY CHARGE ACT 1952 (ACT NO. 105 OF 1952)—
An Act to amend the *Stevedoring Industry Charge Act 1947–1951*.
- STIRLING NORTH TO BRACHINA RAILWAY ACT 1952 (ACT NO. 72 OF 1952)—
An Act to provide for the Construction of a Railway from Stirling North to Brachina in the State of South Australia, and for other purposes.
- SUPERANNUATION ACT 1952 (ACT NO. 92 OF 1952)—
An Act to amend the *Superannuation Act 1922–1951*.
- TARIFF BOARD ACT 1952 (ACT NO. 43 OF 1952)—
An Act to amend the *Tariff Board Act 1921–1950*.
- TRADESMEN'S RIGHTS REGULATION ACT 1952 (ACT NO. 88 OF 1952)—
An Act to amend the *Tradesmen's Rights Regulation Act 1946–1947*.
- TRADING WITH THE ENEMY ACT 1952 (ACT NO. 77 OF 1952)—
An Act to amend the *Trading with the Enemy Act 1939–1947*.
- WHEAT EXPORT CHARGE ACT 1952 (ACT NO. 62 OF 1952)—
An Act to amend the *Wheat Export Charge Act 1948*.
- WOOL REALIZATION (DISTRIBUTION OF PROFITS) ACT 1952 (ACT NO. 76 OF 1952)—
An Act to amend the *Wool Realization (Distribution of Profits) Act 1948*.
- WOOL USE PROMOTION ACT 1952 (ACT NO. 96 OF 1952)—
An Act to amend the *Wool Use Promotion Act 1945*, as amended by the *Wool Tax Assessment Act 1952*.

BILLS OF THE SESSION.

- ACTS INTERPRETATION BILL 1951. Initiated in House of Representatives. Second reading.
- LIFE INSURANCE BILL 1952. Initiated in House of Representatives. Progress reported from committee in Senate.
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CONTENTS

TUESDAY, 4 NOVEMBER 1952

CHAMBER

| | |
|---|------|
| Assent To Bills..... | 4022 |
| Question | |
| SHIPPING | 4022 |
| Question | |
| POSTAL DEPARTMENT | 4023 |
| Question | |
| THE PARLIAMENT | 4024 |
| Question | |
| TRADE WITH THE UNITED STATES OF AMERICA | 4024 |
| Question | |
| PRIMARY PRODUCTION | 4025 |
| Question | |
| COMMONWEALTH ECONOMIC CONFERENCE..... | 4025 |
| Question | |
| IMMIGRATION..... | 4026 |
| Question | |
| FOOD PARCELS | 4027 |
| Question | |
| WOOL | 4027 |
| Question | |
| EMPLOYMENT | 4027 |
| Question | |
| RAIL TRANSPORT | 4027 |
| Question | |
| ARMED FORCES- NATIONAL SERVICE | 4027 |
| Question | |
| SNOWY MOUNTAINS SCHEME | 4028 |
| Question | |
| LAND SETTLEMENT OE EX-SERVICEMEN | 4028 |
| Question | |
| PUBLIC SERVICE | 4028 |
| Question | |
| WHALING | 4029 |
| Question | |
| COMMONWEALTH BANK | 4029 |
| Question | |
| CIVIL AVIATION..... | 4029 |
| Question | |
| PEARLING..... | 4030 |
| Budget Papers 1952-53 | 4031 |
| Question | |
| VIEW BUSINESS AFTER 10.30 P.M..... | 4031 |
| Apples And Pears..... | 4031 |
| Death Of Senator Edward Stephen Roper Piesse | 4045 |
| Death Of The Honorable Hubert Peter Lazzarini, M.p..... | 4045 |
| Civil Aviation Agreement Bill 1952. | |
| Second Reading..... | 4046 |
| Ee-establishment And Employment Bill 1952 | |
| Second Reading..... | 4051 |
| Income Tax And Social . Services Contribution Assessment Bill (No. 3) 1952..... | 4052 |
| Defence Forces Retirement Benefits Bill 1952 | |
| Second Reading..... | 4052 |
| Canned Fruits Export Control Bill 1952 | |
| Second Reading..... | 4053 |
| Canned Fruits Export Charges Bill 1952 | |
| Second Reading..... | 4054 |
| Wool Use Promotion Bill 1952 | |
| Second Reading..... | 4054 |
| Da Trying Industry Bill 1952 | |
| Second Reading..... | 4054 |
| Question | |

| | |
|--|------|
| Question | |
| ORDINARY ANNUAL SERVICES OF THE GOVERNMENT | 4064 |
| Tariff Board | 4077 |
| Hour Of Meeting..... | 4077 |
| Papers..... | 4077 |

Senate.

Tuesday, 4 November, 1952.

The PRESIDENT (Senator the Hon. Edward Mattner) took the chair at 3.30 p.m., and read prayers.

ASSENT TO BILLS.

Assent to the following bills reported:—
Overseas Telecommunications Bill 1952.
Nationality and Citizenship Bill 1952.
Northern Territory (Administration) Bill 1952.
Stirling North to Braching Railway Bill 1952.
Loan (International Bank for Reconstruction and Development) Bill 1952.
Pharmaceutical Benefits Bill 1952.
Seamen's War Pensions and Allowances Bill (No. 2) 1952.

SHIPPING.

Senator GUY.—Is the Minister for Shipping and Transport aware when the service that is maintained by the steamer *Taronga* between Melbourne and Tasmania will next be interrupted for the

overhaul or repair of the vessel or for any other purpose? In view of the fact that *Taroona* maintains the only passenger connexion by sea with Tasmania, will the Minister make early endeavours to secure another vessel to maintain the service while *Taroona* is out of action?

Senator McLEAY.—I understand that *Taroona* will be overhauled in July, 1953. I assure the honorable senator that every effort is being made to arrange for the service to be continued by another vessel while *Taroona* is not operating.

POSTAL DEPARTMENT.

Senator COOPER.—On the 23rd October, Senator Pearson asked the following question:—

By way of explanation of a question which I addressed to the Minister representing the Minister acting for the Postmaster-General, I state that my attention was recently drawn by a member of the South Australian Parliament to the fact that the Postal Department has proceeded with the erection of certain premises in the Adelaide metropolitan area for the housing of certain equipment and that those premises do not conform to the standards that have been laid down by the Local Government authority in the area. This circumstance led to conflict between the Postal Department and the local government authority. Will the Minister furnish the Senate with a statement as to whether it is the practice of the Postal Department to confer with the local authority concerned before proceeding with the erection of such premises? If it is not the policy will the department seriously consider making it its policy?

The Minister acting for the Postmaster-General has furnished the following information:—

It is the regular practice of the Postal Department and the Department of Works, which is the constructional authority for all Commonwealth buildings, to consult the local government authorities prior to the commencement of building works within the areas controlled by them.

However, it is not always practicable to adhere strictly to local building regulations, as it is sometimes necessary to erect a temporary structure in order to provide adequate facilities for the department's activities pending the erection of a permanent building.

It is regretted that a case occurred recently in South Australia where the local council was not consulted during the development of plans for a temporary structure adjoining the Walkerville Post Office. Subsequently, an officer of the Department of Works waited on the Council and following discussions amendments were made to the proposed building to the satisfaction of the council.

Senator TANGNEY.—Is the Minister representing the Minister who is acting for the Postmaster-General aware that the delay in the construction of a telephone exchange in West Perth is causing great inconvenience to the business community? I point out that equipment and materials have been available on the site for more than two years, and that the job should have been completed by the contractors, W. Fairweather and Sons, more than eighteen months ago. In these circumstances, will the Minister consider cancelling the present contract and entering into another contract with a firm that is prepared to complete the work with the minimum of delay, so that telephones may be provided to many business people in South Perth whose applications have been outstanding for a long period?

Senator COOPER.—I am not personally aware of the matters that have been mentioned by the honorable senator, but I shall be very pleased to direct the attention of my colleague, the Minister who is acting for the Postmaster-General, to the representations, and obtain a considered reply for her at an early date.

Senator COOPER.—On the 22nd October, Senator O'Byrne asked the following question:—

Have any of the tenders called for the construction of line yards for the Postmaster-General's Department at Deloraine, Oatlands, St. Mary's, Cygnet, Scottsdale and Wynyard been accepted? Is the Minister aware that the conditions under which the employees work at these line yards could scarcely be worsened? Has the Minister any information regarding the construction of depots for the Postmaster-General's Department at Sheffield and Huonville?

The Minister acting for the Postmaster-General has furnished me with the following information in reply to the honorable senator's question:—

The department has instituted action to provide modern line depot buildings at all the centres mentioned by the honorable senator. Contracts have already been let for the construction work at St. Mary's, Cygnet, Wynyard, Deloraine and Oatlands, and work has commenced at the two last-mentioned centres. Tenders have been received for Scottsdale and are under consideration by the Department of Works. Contracts have also been let for the erection of new line depots at Sheffield and Huonville and construction work should commence at an early date.

THE PARLIAMENT.

Senator COLE.—Now that the hurt of the Flinders by-election has healed a little, I should like the Minister for Trade and Customs to answer the relevant portion of a question that I asked him a fortnight ago. I inquired whether, with a view to ensuring stability of government in the next few years, he would investigate means to resolve deadlocks between the two houses of this Parliament. It seems certain that after the Senate elections next year, and again after the 1954 House of Representatives elections, deadlocks will occur.

Senator O'SULLIVAN.—I am sorry the honorable senator was hurt by the Flinders by-election. Apparently he is wiser than one of his Tasmanian colleagues and remembers what happened between 1929 and 1932. However, I am sure that the Government will give earnest consideration to means of resolving deadlocks between the houses.

ARMED FORCES.

Senator SPOONER.—On the 21st October, Senator Vincent asked the Minister representing the Minister for the Army the following question:—

By way of explanation of a question which I address to the Minister representing the Minister for the Army, I point out that cadets from the Royal Military College, Duntroon, who come from the eastern States receive free rail warrants for travel to their homes during term vacations. Cadets from Western Australia are unable to travel to their homes on such warrants because of the distances involved. Will the Minister consider the provision of air travel for Western Australian cadets during vacations?

The Minister for the Army has now supplied the following information:—

A general provision is made to enable members of the forces to return to their homes by rail or sea at public expense once annually. During the Christmas break, Royal Military College cadets have approximately seven weeks' leave and during short breaks in May and August, approximately seven days' leave, but, generally, other members of the forces are granted three weeks' annual leave only. Royal Military College cadets receive their annual free travel warrant to cover the Christmas vacation. Staff cadets who live more than one night's journey beyond Perth or two nights' journey beyond Brisbane, however, are provided with air passages from Perth or Brisbane to their homes in addition. During

short breaks in May and August, staff cadets may, if they so desire, go to their homes at their own expense. The question of air travel has received careful consideration on a number of occasions, but as cadets are able to spend more time at home during their seven-weeks' Christmas leave than other service personnel during their three weeks' annual leave, it would be unfair to extend special facilities to cadets and not to all service personnel proceeding on leave.

TRADE WITH THE UNITED STATES OF AMERICA.

Senator ARMSTRONG. — Has the Minister for Trade and Customs seen a report that the United States of America has totally banned the sale of Australian butter in that country and that its treatment of our wool and meat also makes trade in those items more difficult? When I have asked the Minister to use his efforts to protect Australian industries by restricting imports, as I did two weeks ago in reference to the tyre manufacturing industry, he has consistently taken the attitude that under the General Agreement on Tariffs and Trade he cannot use the tariffs for the protection of Australian industries. As the United States of America is a signatory to that agreement, can the Minister inform me under what power the United States of America excludes Australian products?

Senator O'SULLIVAN.—The subject-matter of the honorable senator's question could more appropriately be dealt with by the Minister for Commerce and Agriculture. The provisions of the General Agreement on Tariffs and Trade are the same now as they were when the honorable senator was himself a Minister. As that instrument was substantially forged by his colleague, the former honorable member for Corio, Mr. Dedman, he is probably more familiar with its details than I am. From my recollection of the instrument it contains many escape clauses which may be invoked from time to time by the contracting parties. The instrument established for the protection of Australian industries is the same now as it has been down the years, regardless of the kind of government in power. That instrument is the Tariff Board. Although import restrictions have temporarily assisted to protect Australian industries, the proper

instrument upon which Australian industries should rely for protection is not import restriction but the Tariff Board.

Senator ARMSTRONG.—Is the Minister able to inform me of the power invoked by the United States of America to exclude Australian products from that country?

Senator O'SULLIVAN.—I am not familiar with the fiscal machinery in operation in the United States of America.

PRIMARY PRODUCTION.

Senator LAUGHT.—On the 18th September, I addressed a question to the Minister for Trade and Customs and invited his attention to the excellent exhibits at the Royal Show in Adelaide of the district of Tanunda, the Murray Valley Development League and the Upper Murray district of South Australia. I then asked the Minister whether he would consider the possibility of staging a similar exhibit in London next year depicting Australia's increasing efforts in food production. The Minister was good enough to promise that he would discuss the matter with the Minister for Commerce and Agriculture. Has he anything further to report on the matter?

Senator O'SULLIVAN.—Pursuant to the promise given by me to the honorable senator, I discussed with the Minister for Commerce and Agriculture the possibility of staging in London, preferably at Australia House, an exhibit of the kind mentioned by the honorable senator. I showed my colleague the photograph kindly lent to me by the honorable senator of the exhibit at the Royal Show in Adelaide to which he had referred in his earlier question. The Minister was greatly impressed by the possibilities of such an exhibit and asked me to contact the honorable senator with a view to getting the districts concerned to elaborate their plans. As honorable senators are aware, the Minister for Commerce and Agriculture is leaving Australia for a visit overseas some time during this month. While he is in London he will be glad to explore the possibility of having such an exhibit permanently displayed there.

COMMONWEALTH ECONOMIC CONFERENCE.

Senator GRANT.—I direct a question to the Minister representing the Prime Minister with regard to the forthcoming Commonwealth Economic Conference in London. I believe that the Minister for National Development will also attend that conference. Two days ago the Prime Minister made the extraordinary statement that he expected the people of Australia to abide loyally by the decisions that would be reached at the conference. Is it the intention of the Minister to inform the Parliament on the discussions or is the Parliament to be faced with another *fait accompli*? Does the Prime Minister intend to inform the Parliament of the subjects that are to be discussed and if not, why not? Has the Prime Minister already arrived at a decision unbeknown to the members of the Parliament?

Senator O'SULLIVAN.—I am undecided whether to reply to the honorable senator because I cannot determine any clear question. I know that the Prime Minister and those who accompany him to the economic conference will discuss matters that affect Australia and the British Commonwealth of Nations, and that the welfare and interests of Australia will be safeguarded in the capable hands of the right honorable gentleman.

Senator GRANT.—I protest against answers of the type that have been given by the Minister. I repeat the question—

The PRESIDENT.—Order! The honorable senator will resume his seat.

Senator GRANT.—Ministers are unable to answer any questions. This has been going on for months.

The PRESIDENT.—Order! Senator Grant will resume his seat and stop interjecting.

Senator GRANT.—I address a question to the Minister for Trade and Customs. In view of the extraordinary statement of the Prime Minister that the country should accept the decisions that are likely to be reached at the forthcoming Commonwealth Economic Conference in London, is the Minister aware of the subjects that are to be

discussed at that conference? Will he kindly inform the Senate of the main topics of discussion, and will he also state whether he considers it proper for the Prime Minister to say that such decisions should be accepted before they are considered by this Parliament?

The PRESIDENT.—Order! The honorable senator has already asked that question. He will resume his seat.

Senator GRANT.—I am going to protest. I did not ask the question in a provocative way. Surely it is in order to ask a question. We are being treated as children.

The PRESIDENT.—Order!

Senator GRANT.—It is a sensible question. I merely wish to know whether we are to get any protection—

The PRESIDENT.—Order! The honorable senator will resume his seat.

Senator GRANT.—Will you consider abandoning—

The PRESIDENT.—Order! The honorable senator will resume his seat. I am perfectly aware of his attitude, and I know what he expects me to do. However, when the honorable senator is removed from this chamber, it will be on grounds that I take, not on his.

IMMIGRATION.

Senator BENN.—On the 27th February last, I asked a question of the Minister representing the Minister for Labour and National Service and Immigration in which I suggested that he should inform his officers overseas of the growth of unemployment in Australia. I repeat the suggestion that intending immigrants to Australia should be informed of the unemployment situation. I now ask the Minister representing the Minister for Immigration whether he will consider immediately suspending all immigration activities of his department in order to avoid clashes between immigrants and the police? I make this suggestion because unemployment is expected to become much worse before February, 1953.

Senator SPICER.—In the first place, I assure the honorable senator that we on this side of the chamber are not so pessimistic as are honorable senators

opposite about the prospect of unemployment. I do not believe that the honorable senator has any justification for joining his colleagues in trying to create an atmosphere which suggests that he and his party would rather welcome an increase of unemployment. I think that that is very unfortunate. The policy of the Government with regard to immigration, having regard to the existing situation, has been explained fully by the Minister. The rate of immigration for the current half year could not be reduced owing to commitments that had already been made, but as soon as the present situation began to develop, active steps were taken to ensure that the rate of immigration for the first six months of 1953 will be reduced very greatly.

Senator HENTY asked the Minister representing the Minister for Immigration, upon notice—

Will the Minister give consideration, when the next vacancy occurs, to the appointment of a competent woman to the board of directors of Commonwealth Hostels Limited?

Senator SPICER.—The Minister for Immigration has supplied the following answer to the honorable senator's question:—

If it should become necessary to appoint another non-official member to the board of directors, I shall be happy to give consideration to the appointment of a competent woman. The honorable senator may be interested to know that when the board of directors was being constituted, a lady who is well known and highly respected in the catering industry was, in fact, invited to join the board, but unfortunately she was obliged to decline because of ill health.

Senator FINLAY (through Senator O'FLAHERTY) asked the Minister representing the Minister for Immigration, upon notice—

Has the Government made any agreement with the Premier of South Australia regarding the reconstruction of migrant hostels to permit migrants to do their own catering and cooking?

Senator SPICER.—The Minister for Immigration has supplied the following answer:—

Discussions have been proceeding with the Premier of South Australia regarding the conversion of one hostel to flats, thus permitting the residents to do their own catering and cooking. Firm proposals will shortly be put to the Premier of South Australia for his consideration.

FOOD PARCELS.

Senator WEDGWOOD.—Will the Minister representing the Postmaster-General state whether it is a fact that the permissible maximum weight for the postage of food parcels posted to the United Kingdom is still 11 lb.? If that is so, will the Minister consider lifting the maximum weight in view of the value of food parcels to the British people?

Senator COOPER.—I understand that the maximum weight is the weight that has been mentioned by the honorable senator. However, I shall bring the matter to the notice of the Minister who is acting for the Postmaster-General, and obtain a considered reply as soon as possible.

WOOL.

Senator McLEAY.—On the 21st October, Senator Amour asked me the following question:—

Will the Minister representing the Minister for Commerce and Agriculture inform the Senate when the profits arising from the operations of the Joint Organization will be paid to graziers who have left the wool industry?

I undertook to make inquiries about the matter and to inform the honorable senator of the result as soon as possible. I now inform him that I have nothing to add to my remarks about the Government's policy in relation to the distribution of Joint Organization profits during my second-reading speech on the Wool Realization (Distribution of Profits) Bill in this chamber on the 15th October.

EMPLOYMENT.

Senator FRASER.—I preface a question to the Minister representing the Minister for Immigration by stating that, according to a letter that I have received from an official connected with the mining industry in Boulder City in Western Australia, about 200 men who have worked in the mines there for many years, and who have established homes and reared families, have been dismissed from their employment and their places have been filled by new Australians. Will the Minister inform me whether that action has been in accordance with the Government's policy in relation to immigration?

Senator SPICER.—Nothing is further removed from the policy of the Government than is the suggestion which the honorable senator has made.

RAIL TRANSPORT.

Senator BROWN.—Last week I asked a series of questions of the Minister for Shipping and Transport relative to the amount of interest paid on government railways since their inception, the answers to which were incorporated in *Hansard*. On reading them, I find that, although particulars of interest amounting to a total of approximately £350,000,000 have been supplied in respect of five States, those in respect of the very important State of New South Wales have been omitted on the ground that the information was not available. I now ask the Minister whether he will make a further effort to obtain this most interesting information for me.

Senator McLEAY.—I am not sure whether the omission is due to the fact that records have not been kept, or whether it is that the New South Wales Government has refused to release the information. However, I shall bring the honorable senator's question to the notice of my officers and see whether it is possible to obtain the information for him.

ARMED FORCES—NATIONAL SERVICE.

Senator SPOONER.—On the 21st October, Senator Benn asked the following questions:—

1. Will the Minister for the Army, before authorizing the holding of another tattoo at the Exhibition Grounds, Brisbane, which are adjacent to the Brisbane General Hospital, cause the hospital authorities to be interviewed in order to avoid shock and inconvenience to the hospital patients?

2. Will he arrange to have special leave granted to university students who wish to attend supplementary examinations at a time when they are serving their periods of national service training?

3. Will the Minister also arrange the period of national service training of university students so that the university vacation period can be served in the training camps?

The Minister for the Army has now supplied the following information:—

1. This was done on the occasion of the last Army tattoo in Brisbane. In order to eliminate the possibility of excessive noise at the

tattoo, which might result in shock to patients of the Brisbane General Hospital, an officer was sent by Head-quarters Northern Command to the hospital during the rehearsal for the tattoo. This officer contacted the senior medical officer of the hospital who, at the end of the rehearsal, assured the officer from Northern Command that there was no cause for complaint regarding the noise. This officer again visited the hospital on the first night of the tattoo but received no complaint. As a result of a private complaint received by Northern Command on the following day that noise in one particular item was excessive, this item was modified on the second night of the tattoo to reduce the noise involved.

2. When it is necessary for a national serviceman to attend a supplementary or post examination and on production of documentary evidence that his career is likely to be affected adversely to a serious degree by failure to pass the examination, a national serviceman may, on application and conditional upon having used up all other leave credits, be granted seven days emergency leave which will include the days of the examination. This has been done in many instances.

3. Insofar as the Army is concerned, university students are called up to undergo their 98 days full-time training during their long vacation prior to the commencement of the second year of their course. Arrangements are made to commence the training period as early as practicable in January, which results in its completion early in April. For 1953, the relevant 98 days training period will be from the 5th January to the 12th April. With regard to their subsequent training with units of the Citizen Military Forces, university students are normally posted to the regiment associated with the university concerned. The 26 days training required annually of these national servicemen is mainly carried out in camps of continuous training which are arranged to take place within the university vacation periods.

SNOWY MOUNTAINS SCHEME.

Senator COLE.—Will the Minister for National Development officially forward to the commissioners of the Snowy Mountains Hydro-electric Authority my sincere thanks and the thanks of all members of the party that visited the works of the authority recently for their courtesy, organization and infinite patience? Will the Minister also convey our thanks to Mr. Higgins, his personal officer?

Senator SPOONER.—I shall have great pleasure in conveying the honorable senator's message to Mr. Hudson and his officers. I have been very glad to hear from many of those who made the tour of the Snowy Mountains undertaking that

they appreciated the opportunity to see the works and that they were very interested in them.

LAND SETTLEMENT OF EX-SERVICEMEN.

Senator McLEAY.—On the 9th October, Senator Finlay asked the following question:—

Can the Minister for Repatriation tell me what sustenance payments are made under the war service land settlement scheme to ex-servicemen whose blocks are not yet providing a living for them? I should also like to know how much an ex-serviceman may earn from his holding annually before his sustenance payment is affected?

The Minister for Commerce and Agriculture has provided the following reply to the honorable senator's question:—

Settlers allotted a holding are given an assistance period of twelve months during which they are paid a living allowance and are not required to meet any commitments in respect of rent and advances except advances for working capital. The minimum and maximum rates of living allowance are £6 and £8 respectively. The net proceeds from the farms during this period are credited by the authorities against the settlers' future commitments on advances. Where orchards or vineyards are being established it is necessary that the settlers be in occupation to safeguard assets and care for the plantings. However, it will be some years before the necessary standard of production will be achieved and in the meantime advances up to the level of the living allowance are made to the settlers. Provided the settlers comply with the terms of their leases they can carry out cash cropping or undertake part-time outside employment. There is no limit placed on the amount they can earn. It should also be borne in mind that the settlers do not pay any rental for their properties or their houses during this period..

PUBLIC SERVICE.

Senator ARMSTRONG.—Will the Minister representing the Treasurer ask the Treasurer to give earnest consideration to the introduction of a bill to increase superannuation payments to retired Commonwealth employees, many of whom are finding it very difficult to live owing to the high cost of commodities?

Senator SPOONER.—I shall bring the honorable senator's suggestion to the notice of the Treasurer. I have the impression that the pensions to which he has referred are reviewed periodically.

WHALING.

Senator PALTRIDGE asked the Minister representing the Minister for Commerce and Agriculture, *upon notice*—

1. What was the quota of whales allotted, for the season just ended, to (a) the Australian Whaling Commission; (b) the Nor-West Whaling Company; and (c) the Cheyne Beach Whaling Company?

2. What number of whales did each of these organizations take during the season?

3. What was the average oil yield per whale secured by each organization?

4. What is the capital of the Australian Whaling Commission?

5. What was the price paid by the commission for each unit of its fleet, and how much has been expended on its plant and equipment?

6. What was the amount of net profit and the percentage of profit on capital that resulted from the operations of the commission for the season just closed?

Senator MCLEAY.—The Minister for Commerce and Agriculture has furnished the following information in response to the honorable senator's questions:—

1. (a) The Australian Whaling Commission, 600 humpback whales; (b) the Nor-West Whaling Company, 600 humpback whales; (c) the Cheyne Beach Whaling Company, 50 humpback whales. The Cheyne Beach Whaling Company was, on the 6th August, 1952, granted an additional 25 whales for the 1952 season.

2. (a) 600 humpback whales; (b) 635 humpback whales; (c) 51 humpback whales.

3. (a) 52 to 53 barrels (six barrels to the ton); (b) 52 barrels (six barrels to the ton); (c) 63 barrels (six barrels to the ton). In addition, both (a) and (b) produced considerable quantities of whale meat and whale solubles.

4. £1,375,000.

5. Purchase prices of three catchers were £166,121, £68,830 and £18,806. Plant and equipment expenditure was £411,388 and on station works and buildings, £348,688.

6. If this question refers to the whaling season ending on the 31st October, 1952, it will not be possible to assess the net profit and the percentage of profit on capital until the close of the commission's financial year, the 31st March, 1953.

COMMONWEALTH BANK.

Senator PALTRIDGE asked the Minister representing the Treasurer, *upon notice*—

1. At what rate of interest does the Rural Credits Department of the Commonwealth Bank make advances to marketing organizations, and what is the general nature of the security accepted by the department in connexion with such advances?

2. Do some marketing organizations secure advances from the Rural Credits Department of the bank against the guarantee of the Commonwealth Government?

3. If so—(a) What are those organizations; (b) do they receive a concessional interest rate by virtue of the Commonwealth Government guarantee?

4. Does the General Banking Division of the Commonwealth Bank make advances to wool buying and/or wool exporting firms; if so, what is the rate of interest charged on such advances?

Senator SPOONER.—The Treasurer has supplied the following answers:—

1. The present rates of interest on advances by the Rural Credits Department of the Commonwealth Bank are—3½ per cent. per annum if secured by the guarantee of the Commonwealth or a State government, and 4 per cent. per annum if not so secured. Advances to marketing organizations are secured by charges over primary produce as defined by section 5 of the Commonwealth Bank Act 1945-1951, and, in some cases, by guarantees of the Commonwealth or State governments.

2. Yes.

3. (a) Australian Dairy Produce Board, Australian Egg Board, Australian Meat Board and Australian Wheat Board. (b) Yes; a concession of ½ per cent. per annum.

4. The General Banking Division of the Commonwealth Bank makes advances to wool buying and wool exporting firms at its general overdraft rate which is at present 4½ per cent. per annum. In this connexion it is pointed out that wool is marketed on a different system from that applying to certain other primary products such as wheat, eggs, dairy products and meat. In the case of wool, the producer generally sells his product at open auction. He receives full payment at this point, and the Government plays no part in the marketing arrangements. In the case of the other primary products mentioned, however, marketing is arranged either wholly or partly through statutory boards which, in effect, act as the grower's agent in selling his produce.

CIVIL AVIATION.

Senator CORMACK asked the Minister representing the Minister acting for the Minister for Civil Aviation, *upon notice*—

1. Is it a fact that it is proposed to expend large sums on the purchase of jet-propelled aircraft for use on Australian air services?

2. Is it a fact that the journey from Melbourne to Sydney by a jet-propelled aircraft would be only nine or ten minutes less than by a piston-engined aircraft of the most modern series?

3. Will the use of jet-propelled aircraft involve major reconstruction of the standings at airports?

4. Has consideration been given to the purchase of sound, second-hand piston-engined aircraft still with a long life before them, for illustration such as DC6 and the Constellation series, which are capable of providing a fast service more cheaply owing to their lower capital cost, as used aircraft?

Senator McLEAY. — The Minister acting for the Minister for Civil Aviation has supplied the following answers:—

1. Trans-Australia Airlines have entered into contracts for the purchase of six Vickers Viscount turbine propeller aircraft and the purchase of aircraft of this type is under consideration by Australian National Airways Proprietary Limited.

2. The time saved by the use of Viscount aircraft on the main trunk routes, as compared with the most modern types now employed on the domestic services, in Australia, would be—

Saving as compared with—
Convair 240. DC4.

| | | | |
|--------------------|----|------------|------------|
| Melbourne-Sydney | .. | 15 minutes | 35 minutes |
| Melbourne-Brisbane | .. | 30 minutes | 1 hour |
| Sydney-Adelaide | .. | 25 minutes | 50 minutes |
| Sydney-Brisbane | .. | 15 minutes | 35 minutes |

3. It is not expected that any major reconstruction work will be necessary.

4. The selection of the type of aircraft to be used by the operators is primarily one for themselves. The honorable senator is no doubt aware that there is a shortage throughout the world of second-hand aircraft of the DC6 and Constellation types, but should small numbers of these be available, their cost would be greater than that of the Vickers Viscount and would involve dollar expenditure not only for their initial purchase but also for the purchase of spare parts throughout their life. No dollar expenditure is involved in the purchase of Vickers Viscount aircraft.

Senator SCOTT (through Senator Guy) asked the Minister representing the Minister acting for the Minister for Civil Aviation, upon notice—

1. Is it a fact that the Government has purchased six Vickers Viscounts for Trans-Australia Airlines for use between the capital cities of Australia?

2. Have these machines a sufficient range to enable them to travel non-stop between Perth and Adelaide; if not, is it the intention of the Government to purchase faster aircraft than are now operating on this service?

Senator McLEAY. — The Minister acting for the Minister for Civil Aviation has supplied the following answers:—

1. The Australian National Airlines Commission has placed an order for six Vickers Viscount aircraft for use in the services of Trans-Australia Airlines.

2. The present economic range of the Vickers Viscount, with normal fuel reserves, is not sufficient for the journey Perth to Adelaide non-stop, but with an intermediate refuelling stop, the journey can be reduced by one and three-quarter hours on present schedules.

PEARLING.

Senator TANGNEY asked the Minister representing the Minister for Immigration, upon notice—

1. Following on the answer received by Senator Tangney on the 14th October, with reference to the proposed entry into Australia of Japanese pearl divers, will the Minister state—(a) on whose initiative steps were taken to secure the services of Japanese pearl divers into Australia, and what interests stand to profit thereby; (b) whether any protests on this subject were received from ex-servicemen's organizations?

2. In view of the reported success of native-born Australians as pearl divers, will he rescind the permit of entry for the Japanese divers, so that (a) encouragement can be given to native divers, and (b) security risks lessened?

Senator SPICER. — The Minister for Immigration has supplied the following answers:—

1. (a). The requests for permission to employ Japanese in the pearl industry emanated from the Pearlers' Association, who contend that because of the inferior labour available to them and the fact that new men were not being trained the industry was languishing and was faced with the possibility of extinction unless they were allowed to introduce Japanese labour. It was suggested that the sale of pearlshell provided a valuable dollar-earning source and that the greater returns which would result from the employment of the more efficient Japanese labour would be to the benefit of the Australian community as a whole. (b) Protests were received from four sub-branches of ex-servicemen's organizations. No resolutions have, however, been received from the central executives of any of these organizations protesting against the employment of Japanese at Broome.

2. The honorable senator has already been informed that Cabinet's approval for the employment of Japanese in the pearl industry was limited to Broome and was given after a thorough investigation of the labour position at that port had been made by a joint Commonwealth-State mission of inquiry and reports by Australian representatives at all likely centres had revealed that the prospects of obtaining other labour were negligible. The mission of inquiry in its report stated that it had been impressed with the necessity for new labour and assistance to develop the industry at Broome. The mission's report showed that only one half-caste and one aborigine were employed at Broome during the 1951 season out of a total of 83 divers and tenders. These figures confirm information previously supplied to the Department of Immigration that, so far as Broome is concerned, the Australian native shows little desire to engage in pearling. All available evidence indicates that efficient labour in sufficient numbers cannot be obtained either locally or from overseas sources

other than Japan to augment the present labour force, and to maintain the industry at its former standard. If it becomes evident at any time that efficient labour is available from other than Japanese sources the question of the admission of Japanese for this purpose will be immediately reconsidered. Of the 35 Japanese whose admission was approved for employment at Broome during the 1952 season, none has yet arrived in Australia.

BUDGET PAPERS 1952-53.

Senator SPOONER.—I lay on the table the following paper:—

The Budget 1952-53—Papers presented by the Right Honorable Sir Arthur Fadden in connexion with the Budget of 1952-53.

This paper is usually tabled at the same time as other budget documents, but this year its presentation to the Parliament has been unavoidably delayed because of the early presentation of the budget, and because of printing difficulties. I point out, however, that most of the information in the budget papers has already been supplied to the Parliament in a somewhat different form in the Estimates and in the tables accompanying the budget speech. Copies of the budget papers will be distributed to honorable senators at an early date as soon as supplies have been printed.

NEW BUSINESS AFTER 10.30 P.M.

Motion (by Senator O'SULLIVAN) put—

That Standing Order 68 be suspended up to and including Tuesday, the 11th November, 1952, to enable new business to be commenced after 10.30 p.m.

The PRESIDENT.—There being an absolute majority of the whole number of senators present, and no dissentient voice, I declare the question resolved in the affirmative.

APPLES AND PEARS.

FORMAL MOTION FOR ADJOURNMENT.

The PRESIDENT (Senator the Hon. Edward Mattner).—I have received from Senator Wright an intimation that he desires to move the adjournment of the Senate for the purpose of discussing a definite matter of urgent public importance, namely—

The imperative need so to reorganize port labour conditions before December as to assure a reliable shipping programme to carry the apple and pear exports in 1953.

Senator WRIGHT (Tasmania) [4.24].

—I move—

That the Senate, at its rising, adjourn to-morrow, at 10 a.m.

The PRESIDENT.—Is the motion supported?

Four honorable senators having risen in support of the motion,

Senator WRIGHT.—I have brought this motion before the Senate for the purpose of directing attention to conditions in an industry which is of prime importance, particularly to Tasmania, but also to other States, and, insofar as the export branch of the industry is concerned, particularly to Western Australia. The apple and pear export industry has been re-developed, after a very great threat to its continuance during the war, to a basis of very promising prosperity. Its markets in the United Kingdom and Europe were re-established very firmly as a result of the confidence instilled in buyers by Mr. J. B. Mills, the chairman of the Australian Apple and Pear Board and the honorable member for Franklin in the House of Representatives (Mr. Falkinder) when he was acting as Under-Secretary for Commerce and Agriculture, during their visit abroad. Those gentlemen took the then unprecedented action of discussing the resumption of the apple and pear export trade with British buyers and induced them to re-establish business relations with Australian exporters on a basis of forward buying, which, in view of the very high costs maintained during the post-war period, are deemed to be essential for the stability and security of the growers' returns.

If the industry had to revert to the hazards and risks of marketing its products 12,000 miles away on the pedestal of the very high costs that prevail to-day it would be in a very serious position. Last year's experience highlights a matter which is a very great urgency and demands the attention of the Government before the normal commercial arrangements in relation to the industry are made. These arrangements would usually be tentatively made by the end of November and would be confirmed by the end of December. I refer to the shipping arrangements which connect the

grower with his market. Due to the confidence that has been developed in the industry during the last 40 years, we enjoy a good programme of shipping over these distant routes. Plenty of overseas shipping is now available. But the programming of that shipping so as to ensure that ships arrive at the market at the appropriate time is a matter that is causing the greatest anxiety to ship-owners, exporters, the Australian Apple and Pear Board and growers. The success of the industry depends upon exports arriving in the Old Country between the middle of March and the middle of July when competing fruit is off the market. It is essential that the trade and the consumers should be able to rely upon an orderly flow of Australian supplies arriving at the main destination ports of London, Hull, Liverpool and Glasgow at the appropriate season.

In pre-war days shipowners could forecast accurately the date of arrival of an overseas liner at Hobart or Beauty Point. I am focussing my remarks particularly on Tasmania. I hope that my colleagues from other States will join in these representations as they affect the States which they represent. In pre-war days, overseas liners arrived at their port of destination in Australia usually within half a day of the programmed date. Their loading programmes could be forecast with reasonable certainty. They left the wharfs within two or three hours of the scheduled departure time. Not only is it necessary to concern ourselves with the conditions that affect the loading of apples at the ports, but in view of the larger ships now used, and their speed and construction, the loading programmes must be so determined as to fit in with the loading of other cargoes at other ports. It is of no use for ships to be despatched from, say, the port of Hobart, on time, if their loading arrangements are impeded at subsequent ports of call. The fact is that in the period from 1936 to 1939 the total average yearly deliveries of apples to the United Kingdom from Australia amounted to 3,700,000 cases. In the season that has just passed, exports of apples totalled 3,047,000 cases. Therefore, the exports in the 1952 season were

Senator Wright.

below the yearly average for 1936-1939. Between 1936 and 1939 the British market received only 16 per cent. of the deliveries outside the proper marketing season which extends from the middle of March to the middle of July. Even that proportion is too large, but this year, arrivals out of season amounted to no less than 48 per cent. of Australia's exports.

It is essential that every effort should be made by those responsible for port organization to ensure that the despatch of the 1953 crop is not exposed to the hazards that existed this year. In Tasmania the excess of deliveries on the wharfs over and above the programme of loadings mounted cumulatively throughout the season. In February last, the deficiency of loadings compared with deliveries was 188,000 cases, and by the second half of April, the total had risen to 814,000 cases. That is a particularly difficult period in the apple season because mid-season varieties, which are due for loading in April, are notoriously susceptible to internal breakdown, and it is most important that they should be loaded promptly if they are to arrive in the United Kingdom in a marketable condition. In addition to loading programmes falling behind schedule, the voyages of the ships have been exceedingly protracted although the ships that are now in service, if managed properly, should arrive overseas in a shorter time than those that were engaged in the trade before the war. The fact is that the voyages now, on the average, are taking much longer than they did before the war. The ship *Tasmanian Star* took 52 days actual travelling time on its voyage. It should complete the voyage in 38 days, but 72 days elapsed from the commencement of loading to the completion of discharge. During that period the fruit was in the ship's holds. The voyage of *Melbourne Star* occupied 79 days and the fruit was in the ship's holds for 101 days. I shall refer to that ship later because it illustrates another problem with peculiar clarity. Insofar as port conditions are contributing to these consequences, it is important that something should be done soon if the trade is to prosper in 1953, because growers and exporters, as well as

buyers in the United Kingdom, have to make their commercial arrangements by the end of December and complete them in January.

I wish to emphasize next the need to space arrivals in the appropriate ports in the United Kingdom evenly. It is no longer sufficient for those whose money is at risk in the trade and for the growers whose fruit is produced at heavy expense, simply to have a date of departure for a ship. In view of the disorganization of the programme this year, the buying section of the trade is demanding guarantees as to the dates of arrival of the ships in United Kingdom ports. To illustrate the importance of this matter, I shall relate several examples of the loss that was incurred because of delayed arrivals or congestion in the ports this year. It is competently estimated that the buying trade of Great Britain, upon which we depend for the maintenance of the forward buying policy, lost between £1,000,000 and £1,500,000 because of the destruction of the market owing to unco-ordinated arrivals of ships. The two ships to which I have already referred, *Tasmanian Star* and *Melbourne Star*, left the port of loading on the same day. The voyage of one vessel took much longer than that of the other. Apples of the Cleopatra variety unloaded from *Tasmanian Star* were sold at from 24s. to 31s. a case, and those out of *Melbourne Star*, which were delayed three or four weeks, were sold at from 8s. 6d. to 15s. a case. Apples of the Delicious variety unloaded from *Tasmanian Star* sold at from 27s. to 29s. a case, and apples of the same variety out of *Melbourne Star* brought from 6s. to 10s. 9d. a case. It is estimated that on the mean average of the quantities those vessels carried, the loss resulting from the delayed and disorganized arrival of *Melbourne Star*, amounted to £121,000, having regard to the difference in the prices. That was a considerable loss to the growers. The industry cannot survive unless the confidence of buyers can be maintained, and it will be destroyed unless our shipping arrangements are such that buyers can rely upon arrivals.

Having stated the problem, I wish to focus attention upon an aspect of the

matter in which I believe the federal authorities have responsibility. They maintain an organization to deal with labour on the waterfront and that has a particular bearing upon this export industry. The royal commission, which inquired very extensively into this matter in Hobart last year, reported that the main cause of the disorganization of shipping programmes had been the labour conditions in the port of loading, and that only 66 per cent. of the exporters' demands for labour during the fruit export season had been met. A similar state of affairs existed at Hobart during the last fruit export season. Honorable senators will recall that the Waterside Workers Federation banned the working of overtime from about the end of March. Although 3,020 day gangs were required at Hobart throughout the fruit export season, only 2,393 day gangs were available, and only 116 of the 1,543 evening gangs required were forthcoming. Before the war gangs worked round the clock to load fruit for export. Although the export fruit trade is vitally important to the growers in southern and northern Tasmania, only about five-sixths of the number of day gangs and an exceedingly small percentage of the night gangs that were required last season were available. To maintain the fresh fruit trade it is essential not only to get the fruit to the markets at receptive times, but also to ensure that it shall reach its destination in good marketable condition. It is absolutely imperative for us to maintain the regular loading and movement of shipping in order to retain the confidence of our overseas buyers. For a considerable period, the quota of labour for the port of Hobart was 670. Various interests urged an extension of the quota to 770 persons about this time last year, but it was not granted. Therefore it is appropriate for me at this time to direct attention to these matters. The request still stands, and it will be impossible for the board to carry out its functions efficiently unless the request is acceded to. From 952 to 1,000 men were regularly employed at Hobart during the fruit export seasons before the war. I believe that the quota should be so elastic as to permit of the employment of 950 watersiders, if necessary, to make the season a success.

Adequate labour must be readily available to load fruit for export. A system of first preference labour and second preference labour could be introduced.

I should like honorable senators to consider the organizations that is involved in planning the loading of twenty overseas liners at Hobart within a period of fourteen weeks. There must be the utmost co-operation by from 1,200 to 1,600 orchardists in order to ensure, as soon as a ship has berthed, delivery to the wharf of the requisite quantity of apples of a specified size and variety. Much skill and experience is necessary to make up the consignment. Then it is necessary for the loading authorities to co-operate in order to enable the ship to leave as soon as possible. The assistance of the loading authorities at the ports of call subsequent to the port of loading is needed in order that the ship may leave Australia as soon as possible. *Melbourne Star* came to Australia in ballast principally for the purpose of taking a load of apples to the Old Country. It was in port on the Australian coast for 53½ days. As its steaming time around the coast occupied four-and-a-half days, it was on the Australian coast for a total period of 58 days. Twenty days should have been ample time in which the various export commodities could have been loaded in Hobart, Sydney and Adelaide. Allowing five days for steaming around the coast, the vessel should have been able to quit Australia within 25 days of its arrival here. As a result of the considerable delay of the departure of the vessel, it arrived in London when that port was congested by the simultaneous arrival of other vessels, and, as I have already mentioned, the consequential delay resulted in a loss to the growers of more than £121,000.

Mr. Justice Foster has referred to the inter-action that is necessary in relation to agricultural industries. I urge the Government to take whatever steps may be necessary in order to ensure the success of the 1953 Tasmanian fruit export season. Although the Parliament will shortly go into recess, I hope that the Government will take appropriate action in connexion with the matters that I have raised. The success of the fruit export industry is vital to Tasmania. As a

representative of that State, I shall greatly appreciate governmental action to place loading operations on a proper basis, so that the exporters, the ship-owners and the buyers may make prior arrangements with confidence, and so that the growers can look forward to prosperous conditions in the Tasmanian fruit export industry.

Senator SPICER (Victoria—Attorney-General) [4.48].—The matter that has been raised by Senator Wright is of considerable importance to the apple and pear industry of Australia, particularly to the Tasmanian growers. The Government is not unmindful of the difficulties that arose in connexion with the industry last year, and the Australian Stevedoring Industry Board has been planning for some time to obviate the recurrence of similar problems during the next season. The chairman of the board is going to Hobart shortly to confer with all the interests concerned with this matter—the Tasmanian Government, the shipowners, the port authorities, the Waterside Workers Federation of Australia, and the fruit-growers. I am informed that it is likely that the Parliamentary Under-Secretary for Commerce and Agriculture also will be present. The whole purpose of the talks, which have been under consideration for some time, is to ensure that next season's fruit shall move smoothly and to schedule. It seems clear, from the whole of the evidence in relation to the disposal of last year's crop, that there were several factors which gave rise to the difficulties to which Senator Wright has referred. In the latter part of his speech, the honorable senator referred particularly to the deficiency of the labour force at the port of Hobart. He also reminded us of the fact—and I think that, in order to consider this position fairly, we need to remember it—that, throughout a great part of the relevant period, there was an overtime ban which had been imposed by the Waterside Workers Federation of Australia and which interfered very much with the loading of fruit. The Government took action in the Commonwealth Court of Conciliation and Arbitration in connexion with that matter, and honorable senators may remember that that action resulted in the withdrawal of

attendance money for a certain period in order to deal with the waterside workers who had imposed the ban.

My information is that, for most of the season, there was a labour force of more than 770 men available at the port of Hobart. In fact, more labour would have been provided at the port if accommodation in Hobart could have been obtained. One hundred and forty waterside workers were brought from the mainland. I am informed that many more could have been brought from Melbourne alone but for the fact that the board could not arrange accommodation in Hobart or persuade any one else to interest himself in the provision of accommodation for wharf labourers from the mainland. There was also, of course, during that particular part of last year, unprecedented congestion on the wharfs throughout Australia. The movement of inward cargoes at the beginning of the season caused congestion, which contributed, in some measure, to hindering, not only the loading of fruit but also the loading of other cargoes. The swift handling of cargo at the wharfs is of some significance in relation to the port of Hobart, because the port authorities have not yet introduced some of the economic measures which were recommended by Mr. Basten in his report and which have been successfully put into operation in some of the other ports.

Senator WRIGHT.—They made available a larger wharf during the relevant season, which was a great help.

Senator SPICER.—I am not referring to that matter. I am referring to other action by port authorities to speed the handling of cargoes on the wharfs—

Senator WRIGHT.—That does not apply to this wharf, which was available exclusively for fruit.

Senator SPICER.—Senator Wright has referred to the losses which were suffered by fruit-growers during the season. Whilst some of those losses must be attributed to the time taken in loading the fruit cargoes, it is only fair to say that a number of other contributing factors, beyond the direct control of the Australian authorities, also operated. I propose to mention one or two of those

factors. For instance, it is said—and I repeat information which has been supplied to me in this matter—that in some instances shipowners provided unsuitable ships, which caused deterioration of fruit in transit. Some of the ships went on what might be described as a "Cook's tour", which is not the best treatment for apples, however good it may be for human beings—

Senator GORTON.—Who said these things?

Senator SPICER.—This information has been supplied to me by the department. I am putting forward these matters as contributory factors—

Senator GORTON.—The Department of Labour and National Service?

Senator SPICER.—Yes. It is also said that the discharge of some of the cargoes in the United Kingdom was slow. I am not saying that those are the main causes; I say that they are contributing causes. I understand that there is controversy at the moment between the shipowners and the fruit-growers in relation to some of these matters, the shipowners saying, on the one hand, that the fruit ripened late, which contributed to the trouble, and the growers, on the other hand, saying that the ships arrived late. Somewhere amidst this mass of detail a judicial tribunal might be able to ascertain precisely the cause in each instance. We do not get very far by seeking to discover who was to blame last year, although we do travel some distance if we look to the records concerning last year in order to learn from the occurrences during that season and endeavour to avoid a recurrence of that kind of trouble.

In my opinion, there are in existence already elements which suggest, at any rate, that some of the difficulties presented last year will not recur. This Government can claim some credit for the fact that there is now a faster movement of vessels round the coast than there has been for some years. There will not be again, one imagines, the very great congestion which occurred during the season last year, due to the unprecedented arrival of vessels from overseas. As I have said, the matter has by no means escaped notice. For some

time the authorities have been planning to avoid the kind of difficulties to which Senator Wright has referred, and he may rest assured that all the valuable suggestions which he has made will be brought to the notice of the appropriate authorities. I have little doubt that everything he has said will be considered carefully by the conferences which are contemplated in the course of the next few weeks in order to plan the movement of the apple and pear crop, particularly from Tasmania, in the coming season.

Senator GUY (Tasmania) [5.0].—I am sure that there is unanimity among honorable senators on this subject of protection and preservation of an Australian industry. As has already been stated in this debate, the apple and pear exporting industry is important and valuable to Australia, particularly to Tasmania, and deserves every consideration. I fully support the remarks of Senator Wright. The Attorney-General (Senator Spicer) mentioned an incident which contributed to the disorganization of the export of fruit. Honorable senators will appreciate the significance of his remarks. However, a remedy for this state of affairs is required. I was glad to hear the Attorney-General say that the Government would do everything in its power to rectify this unfortunate position. Last season the industry was most adversely affected by the disorganization of overseas fruit marketing, due to the uncertainty of shipping. The amount of fruit exported from Australia is gradually being reduced. I think that Senator Wright mentioned that over 4,000,000 boxes of fruit were exported from Australia in 1936 but last season only a little over 3,000,000 boxes were exported.

The arrival of consignments of fruit in the United Kingdom has been insufficiently spaced, resulting in grave disabilities and severe financial losses to the industry. Instead of arriving in the United Kingdom in April, May or June or at the beginning of July, 48 per cent. of the fruit shipped from Australia during the last season arrived too late for the favorable market. Tasmanian exporters expected to export 188,000 cases of fruit last February but were unable

to ship any away. They expected to send 1,128,000 boxes in March but only 743,000 left Tasmania. They expected that slightly over 1,000,000 boxes would have been shipped in April, but only 871,000 boxes were sent. They anticipated that in May, a month of departure which was rather late, 570,000 cases would have been exported but over 900,000 cases were shipped in that month and they arrived too late for the favorable market. It was expected that in June, which was very late in the season, only 7,000 boxes would be exported, but 566,000 boxes were sent overseas, and these also were too late for the favorable market. Of approximately 3,000,000 boxes of fruit exported from Tasmania last season 48 per cent. was shipped too late.

Ships continually arrive in the United Kingdom behind schedule due to protracted voyages. As a result, the fruit arrives too late for the market; it is out of season and sometimes it has deteriorated. Insufficient fruit arrives early in the season for the favorable market and too much arrives after July when the bottom has fallen out of the market. United Kingdom buyers do not receive their fruit on the expected arrival dates. As Senator Wright has pointed out, the date of despatch of a vessel from Tasmania has little bearing on its arrival in the United Kingdom. Fruit should not remain in ships' holds for longer than from 40 to 50 days, but it is often in the ships for over 90 days. In one case, a shipment was over 100 days in the ship's hold. Fruit cannot be expected to remain in a good condition for such a long period.

I think that Senator Wright mentioned two ships which left Hobart on the 11th May carrying similar varieties of fruit, but one was three weeks later than the other in discharging its cargo in England. The average selling price of the fruit which was discharged in England first was about 31s. a box, but that which was discharged later sold for an average of about 18s. a box. The loss on the shipment which arrived in England last was about £120,000. The late arrival of fruit in the United Kingdom has resulted in a total loss to importers of over £1,000,000

sterling. This figure has been substantiated by the United Kingdom importers and the Australian Government fruit officer in the United Kingdom. If the industry is to survive the ships which convey the fruit to the United Kingdom must have fast voyages and their arrivals must be spaced. As Senator Wright has pointed out, we have more up-to-date ships than we had before the war and they should make the voyage faster, but they appear to be travelling more slowly. Senator Wright mentioned that the bulk of our exports to the United Kingdom was sold by a system of forward selling. Because of the disastrous loss that was suffered by the importers last season, due to the late and disorganized arrival of the ships, this type of business will be placed in a precarious position, not because the market is over-supplied but because of ill-spaced and badly timed arrivals in the United Kingdom. The nominated sailing dates under the forward selling arrangements have had no relationship whatever to the arrival of the commodities on the other side of the world. Unless we can assure the buyers that ships will arrive at or near a scheduled time our fruit exporting industry will be most disastrously affected.

Fruit is a perishable, seasonal commodity with a limited marketing period of about sixteen weeks. I suggest that something must be done in order to obviate delays in shipment. The export of fruit must be given a top priority. One exporter has said—

It is unmistakably clear that unless something is done in this direction importers will not be interested in purchasing apples or pears on an outright basis unless at a figure which must take into account the risk of a repetition of this season's chaotic arrivals.

The United Kingdom buyer must know when the vessel in which his purchase has been shipped will arrive in England before he will commit himself to speculation. At present, because of the disorganization of shipping, due to the shortage of waterside labour, it is not possible to advise overseas buyers of dates of arrival. The Attorney-General said that additional labour had been sent to Tasmania last season from the mainland. Additional labour is sent from the mainland to Hobart every year, but there is

still a labour shortage, or the ships are held up for some reason such as the waterside workers' ban on overtime employment. However, I was glad to hear the Attorney-General say that he would endeavour to rectify the position in the coming season. Senator Wright has raised this matter so that the Minister for Shipping and Transport (Senator McLeay) will have ample opportunity to make arrangements to avoid a repetition of last year's occurrence. I appreciate the difficulties of the Minister, but sufficient waterside labour must be provided for the loading of these exports in accordance with the recommendation of the royal commission which sat in Hobart some time ago. Senator Wright mentioned the terrible position of *Melbourne Star* which had been sent from the United Kingdom in ballast in order to fit into a programme and schedule to lift fruit from Tasmania. What happened? When the vessel arrived in Hobart it was delayed there for 24 days because of the shortage of labour. It was also delayed for 24 days in Adelaide when it could, and should have been cleared within seven days. That vessel was in Australia for 58 days, of which it spent 53½ days in port. The delay of that one vessel cost the industry £120,000. I know that the Minister for Shipping and Transport is aware of the position. The sale of fruit has now been freed of control by the United Kingdom Ministry of Food and is now arranged on a trader-to-trader basis; so it is imperative that suitable programmes and schedules for the export of the commodity should be arranged and maintained. The Australian Government, with the assistance of the port authorities in Hobart, must undertake to provide sufficient labour for the loading of fruit and ensure that the industrial disturbances that have caused delay and loss are obviated.

Senator HENTY (Tasmania) [5.13].—I support Senator Wright's remarks on this matter because the apple and pear industry is of vital importance to Tasmania. Except for the wool industry, the fruit industry brings more money to Tasmania than any other industry does. The fruit-growing industry distributes more money an acre than does any other

rural industry. Senator Wright presented an excellent case, on the preparation of which I congratulate him. He has given the Senate details of great importance. I listened with some interest to the Attorney-General (Senator Spicer), but I was very deeply concerned when I heard him say that the Minister for Shipping and Transport (Senator McLeay) intended to call a conference within the next few weeks. There is not a few weeks to spare. This is a matter of grave urgency. If the shipping programme is not adjusted within the next two weeks then no effective programme can be prepared for the export of apples, and the sale of our fruit will be severely hampered. I trust, therefore, that when the Minister used the words "a few weeks", he did not mean what he said. This problem must be tackled urgently. Last year, conditions at the port of Hobart were chaotic. This had a serious effect on every rural industry in Tasmania. One vessel, which was to call at Hobart to load apples, was diverted by the Australian Shipping Board to Beauty Point to take on a shipment of peas for the United Kingdom. However, rain fell at Beauty Point, and the vessel did not even open its hatches. It would not wait more than one day for fear of losing its place in the "apple queue", as it was called, at Hobart. The vessel sailed from Beauty Point without its cargo of peas. The peas had to be transported overland to Launceston and then railed to Hobart. All the additional expense came out of the pockets of the producers. The ship then remained at Hobart for five days before it could get alongside a wharf. I believe that conditions next year will be a little better, but we must make certain of that. As has already been pointed out, the value of the apple export industry depends entirely upon the willingness of British importers to offer an f.o.b. price. The cost of cases, packing and freight would be more than individual orchardists could carry. Only because British importers have been prepared to offer prices f.o.b. Hobart and take upon themselves the burden of freight and delivery charges, has it been possible for the fruit industry of Tasmania to flourish. Last year importers

Senator Henty.

suffered heavy losses, and unless they can be sure that their purchases of Australian fruit will not clash on the market with imports from nearby countries and with English fruit, they will not be prepared to continue to pay f.o.b. prices. Prompt action must be taken, therefore, to iron out the difficulties if the fruit industry of Tasmania is to be saved from collapse. I trust that other honorable senators will join with Tasmanian representatives in emphasizing to the Government the urgency of this matter.

Senator MORROW (Tasmania) [5.19].—I agree with what has been said by Senator Wright and other honorable senators about the importance of the apple and pear industry to Tasmania. I also agree that apples and pears must be delivered in good condition in London and at the right time of the year. Gluts must be avoided. Senator Wright has blamed the waterside workers of Hobart for some of the delays that have occurred in the shipment of fruit from Tasmania. I submit that the delays were due not to the waterside workers, but to the congestion on the wharfs at many Australian ports. London shipping authorities had declared that they would not send their vessels to Australia to be used as floating warehouses. That statement has been reported freely in our press. What was the cause of the congestion? As we all know, because of shortages in this country of many commodities, there was heavy ordering in Great Britain by Australian importers. For a long time, deliveries from Great Britain were slow but, last year, a recession in the United Kingdom enabled exporters to send goods to Australia in huge quantities. The result was that wharfs and sheds in this country became severely congested. At Hobart and other ports, vessels had to stand by awaiting an opportunity to discharge their cargo. I pointed out in this chamber at that time that, whereas the waterside workers were working two shifts, the people engaged in transporting goods from the wharfs to the warehouses were working only from 8 a.m. to 5 p.m. Thus, wharf space left by the clearance effected during the day, was very soon filled by cargo unloaded by waterside workers on the afternoon shift. Then, on

the following day when the day shift was due to commence, the waterside workers frequently had to wait around until space could be cleared on the wharfs and in the sheds. On numerous occasions, waterside workers who attended for duty at 8 a.m. were unable to start work until 9 a.m. or 10 a.m. Warehouses, too, became overcrowded and warehousemen were unable to take deliveries from the wharfs. At Hobart, I have seen warehousemen making up orders in the sheds on the wharfs. They would come down to a wharf and say that they wanted a certain case which was perhaps at the back of the shed. They would get the case and strew its contents all over the floor, thus further impeding the work of unloading. The congestion on the wharfs was due, in such instances to the failure of warehousemen to take delivery of their goods.

I agree with the Attorney-General (Senator Spicer) that the labour force at Hobart has been adequate. During a previous discussion of this matter Senator Wright said that the waterside workers at Hobart were not up to the strength authorized by the Australian Stevedoring Industry Board. That was incorrect as I pointed out at the time. The figure that the honorable senator gave was 670, but I found out that the actual number of workers on the wharfs at that time was 769. Now that has been confirmed by the Attorney-General. Due to seasonal transfers from other ports—at the expense of the waterside workers themselves—and to transfers by shipping companies, there were 99 more waterside workers on the wharfs at Hobart than the number scheduled by the Australian Stevedoring Industry Board. Therefore, it is of no use saying that the delays were caused by the waterside workers. Any one who knows anything about the loading of ships will realize that the waterside workers cannot work any faster than the winches will allow them to work. Usually there are two working winches to each hold. Once a skip has been loaded, the wharf labourers have to wait until it is returned empty before they can resume their work of loading. Therefore, the winches are the controlling factor. At Hobart,

it is a common sight to see a number of dollies loaded with apples waiting their turn to go under a hook. About the time this matter was being discussed in this chamber last year, an inquiry was conducted in Hobart by a committee which included representatives of the Australian Council of Trades Unions, the Tasmanian Government and the waterside workers. The finding of that body was that labour was not being utilized to the best advantage. The waterside workers made a certain suggestion for the speedier handling of cargoes, but it did not suit some of the transport people who convey the apples from the orchards to the Hobart wharfs. Adoption of the suggestion would have meant that the ships would move down the channel where they could be loaded directly and transport interests would have lost a part of their revenue.

Senator WRIGHT. — The honorable senator is very poorly informed on this subject.

Senator MORROW.—What I am saying is correct. Frequently there are 20 or 30 lorries waiting to unload at the sheds. When the apples are unloaded at the sheds, they are placed on dollies and conveyed to the ship's side by the waterside workers. I say, therefore, that the motor transport interests have played a very important part in delaying the turn-round of ships. The Attorney-General also supported the committee's contention that some of the ships were unsuitable for this work. I have been informed by the waterside workers that this is so. They say that the ships are unsuitable, mainly because of the winches with which they are equipped. Stowing interruptions in the holds of the ships also cause delays. Therefore, I believe that departures from Hobart cannot be speeded without improved organization. If more notice were taken of the recommendations of the waterside workers themselves, the turn-round of vessels would be more expeditious. It is claimed that the ships were held up for 24 days longer than they should have been. That may be so, but the delays were not due to the waterside workers. As I have said, there was ample labour. The number of waterside workers was 99 more than the complement

scheduled by the Australian Stevedoring Industry Board. I remind the Senate that the number of waterside workers at any port is decided not by the waterside workers themselves, but by the Australian Stevedoring Industry Board. Appearance money has to be paid to waterside workers and the board will not allow a labour force to be greater than is necessary. We have heard a great deal about the ship that arrived at Beauty Point to load peas and sailed away without them. Senator Henty suggested that the peas were left unloaded because of the action of the waterside workers.

Senator HENTY.—I did not say anything of the kind.

Senator MORROW.—That was the implication in the honorable senator's remarks. He said that the hatches of the vessel had not been opened. He omitted to say that they were left unopened because the ship was tied up at the wharf in wet weather. As honorable senators know, the shipping companies will not allow a vessel to be loaded or unloaded in wet weather. The owners would not delay the departure of the vessel from Beauty Point for a couple of days because they wanted it to proceed to Hobart, and the peas were left on the wharf. Thus, the shipping company, and not the waterside workers, was the cause of the inconvenience and expense to which the exporters were put in sending the consignment of peas from Beauty Point to Hobart for shipment.

The PRESIDENT.—The honorable senator should discontinue his references to peas. The motion concerns the transport of the export crop, not of peas, but of apples and pears.

Senator MORROW.—I am merely replying to statements made by Senator Henty about the hold-up of the shipment of peas from Beauty Point. I have explained the reason why the hold-up occurred.

Senator HENTY.—I have already done so.

Senator MORROW.—There has been a falling-off of the production of apples in Tasmania. In 1936, the export crop totalled 4,000,000 cases; but by 1952

the number of cases exported dropped to 3,000,000. Senator Wright and other Tasmanian senators know that many orchardists have left the industry and are now devoting their activities to wool, dairy products and other forms of primary production. Many apple and pear trees have been uprooted in order to make way for other forms of primary production. Government supporters have implied that the orchardists left the industry because of their dissatisfaction with the turn-round of ships. I do not hesitate to place the blame where it belongs. Responsibility for the slow turn-round of ships does not by any means lie with the waterside workers. The Attorney-General (Senator Spicer) confirmed the truth of that statement when he said that sufficient labour was made available on the wharfs to enable ships to be expeditiously handled. Senator Guy contradicted him and said that insufficient labour was made available for that purpose. Senator Guy's contention was entirely incorrect.

Senator WORDSWORTH (Tasmania) [5.34].—I support the remarks of Senator Wright, Senator Henty and Senator Guy, and I oppose the views stated by Senator Morrow on this subject. The apple and pear industry is the second largest industry in Tasmania, and its retention is vital to the preservation of the economy of that State. Having regard to the vast sums of money that have been invested in the industry, and to the great number of persons employed in it, every possible step should be taken to foster it. I am astonished that so far only Tasmanian senators should have participated in this debate.

Senator BENN.—But there are ten Tasmanian senators.

Senator WORDSWORTH.—I trust that honorable senators from other States will take part in the debate because the interests of the people whom they represent are involved to some degree in this matter. The best apples grown in the Commonwealth come from Tasmania.

Senator O'FLAHERTY.—No fear!

Senator WORDSWORTH.—Naturally, the people prefer Tasmanian apples to those grown in other States. If the export trade is not properly handled, and as a result Tasmania exports only 2,000,000 cases this year, the remaining 1,000,000 cases will be available for consumption in Australia, thus affecting the growers in other States. Accordingly the representatives of other apple-growing States should press home the urgency of the subject-matter of this motion.

Apples and pears are perishable, seasonal products. The export of fruit is not at all like, say, the export of frozen mutton. Frozen mutton will keep for a long time, but fruit rapidly deteriorates. Frozen mutton is consumed in the United Kingdom all the year round, but the United Kingdom season for Australian fruit lasts for only about three months, at the end of which the locally grown fruit becomes available. It is essential that adequate arrangements be made to enable Australian fruit to be shipped at the most appropriate time to ensure the retention of its high quality, and that it will arrive on the overseas markets at the appropriate time to enable the growers to sell their products at the best prices. Last season our fruit arrived a little late on the United Kingdom market and there was a glut at the end of the season. In the middle of the season good prices prevailed, but towards the end of the season prices dropped considerably, with consequent loss to the growers. What are the reasons for shipping delays? Senator Morrow has said that there was no shortage of labour on the wharfs to handle the export crop, but that the winches were not kept in operation. I do not pretend to speak with authority on this subject, but even the veriest tyro in this matter knows that the winches were not kept continuously in operation because of the overtime ban imposed by the Waterside Workers Federation.

I was pleased to hear the Minister state that the Government is giving consideration to this matter. I stress that the time for its consideration is quickly running out and that a decision must be made without delay. Overseas buyers are ready to buy our apples and pears, but

they will not do so until they receive an assurance that the ships will leave Australian ports and arrive at their destination on time. I realize that certain factors are beyond our control. All I ask the Minister to do is to ensure that every possible step shall be taken to have the ships leave Australian ports on time.

Senator MCKENNA (Tasmania — Leader of the Opposition) [5.40].—I rise to make a brief contribution to the debate. This matter has been very properly brought before the Senate by the mover of the motion and its discussion will, I hope, do much good. I was pleased to hear the Minister say that a conference of representatives of all interests connected with the apple and pear industry is to be held and that the views expressed at the conference will be considered by the Government. The basic difficulty connected with the apple-growing industry lies in the nature of the commodity itself. In other words, apples of the several varieties reach export condition over a period of three or four months. When apples of each of the respective varieties mature, they have to be picked and packed for export. After they have been picked and packed they must be placed in refrigerated space as soon as possible. As Senator Wright has said, after the apples have been picked, the growers are faced with great difficulties. They must, in a very limited time in which the apples are at the right stage for export, summon together a very considerable labour force to pick them and pack them and arrange for their transport to the wharfs. The difficulty that I see is in connexion with the timing of the arrival of ships to fit in with all these necessary processes. The apples will not wait for the ships. They reach export condition at a particular time when it is necessary to arrange the requisite refrigerated space for their immediate storage. Thus, there must be an orderly storage and shipping programme to fit in with the picking programme. The ripening of apples is dependent upon nature and it cannot be controlled to fit in with the availability of shipping. Since the Government assumed office it has had experience of three seasons and is now facing the very

important fourth apple season. I urge it to concentrate its efforts on the provision of the necessary refrigerated space at the right times for the shipment of apples of the various varieties as they mature to export condition. If that is done many other arrangements will fall into place. The orchardists will know when they are picking that a ship will be available to transport their apples and there will not be a long period of stowage on the wharfs during which the fruit may lose its export condition and ultimately begin to disintegrate. If the growers are assured of a steady flow of ships at the right time for each of the varieties of apples grown they will know when to pick and pack their fruit and they can make forward arrangements for its transport to the ports. The Government should give first attention to that matter. It should also concentrate on getting the shipowners and representatives to co-ordinate their efforts to formulate a rational programme of ship departures to fit in with the needs of the industry.

I do not propose to traverse the matters that have already been discussed in relation to this industry, which is of great importance to Tasmania and to Western Australia. I realize what a vast difference would be made to the economy of Tasmania if the export of apples were suddenly stopped or substantially reduced. I join with other honorable senators in urging the Government to give special attention to the provision of adequate facilities at ports for the shipment of the apple and pear crop and to do everything possible to ensure that the fruit shall arrive at the ports of destination at the appropriate times.

Senator KENDALL (Queensland) [5.45].—I was intimately connected with the apple trade for many years and I believe that if we could revert to some of the arrangements that were followed in those days, it would be possible to speed the shipping arrangements between Australian ports and overseas. In those days not only Australian ships and those carrying apples to New South Wales and Queensland loaded at Port Huon and Cygnet in Tasmania. Large overseas ships also called at those ports. There was no trouble with waterside workers because the fruit-growers themselves formed the

entire labour force that was required. Ships had no trouble in getting full cargoes of apples and pears away to time. Senator Morrow suggested that ships could discharge cargo only as quickly as their winches would work. That is utter nonsense. The winches can work only as fast as the men in the holds and on the wharfs will allow them.

Senator MORROW.—Do they deliberately hold up the winches?

Senator KENDALL.—No, but they work so slowly or do so much less than they did before the war that the winches have less work to do. The winches that are used to-day are better and more modern than they were before the war. Some years ago quite a number of world records in the working of cargo were established in Australia. Sydney was considered to be one of the finest ports in the world for working cargo and Brisbane was almost as good. In those days the average rate of loading was 38 to 39 tons an hour for each gang, and there were fourteen men in a gang compared with nineteen now. It is nonsense to say that the waterside workers are not one of the causes of the trouble. Of course they are. There are many contributory factors affecting the slowing of cargoes but waterside workers are one of them. I do not wish to attack the waterside workers while speaking of apples and pears and I rose only because Senator Morrow's references to the winches appeared to me to be so much nonsense. The Leader of the Opposition (Senator McKenna) struck a good note when he referred to the proposed conference. I congratulate the Government upon the arrangement of the conference at which representatives from both sides of the various industries will meet. If we had more discussions of that type in Australia, we might get somewhere towards the solution of our problems. Undoubtedly the number of tons of cargo that is handled per gang hour is roughly half what it was before the war.—

Senator MORROW.—Apparently Senator Kendall has not read the report of the Australian Stevedoring Industry Board.

Senator KENDALL.—I am not interested in the report at present. I am

speaking from my personal knowledge. I know what the waterside workers did in earlier years and I know what they do now. The rate of handling cargo has become slower and we should look for the reason. It is nonsense to say that the delay is due entirely to cluttering of the sheds so that traders cannot get goods away from the wharfs.

Senator MORROW.—I said that that was a contributory factor.

Senator KENDALL.—I know, but the honorable senator went too far on that point. I have several suggestions to make with regard to the Tasmanian trade. In the first place, I suggest that suitable ships should be used for the interstate service. The ships that are engaged in that trade now are too big. They are travelling around the coast with only a half to a third of their cargo space filled. They are not fully laden because they are of the wrong type and they are too big. Secondly, if the appropriate authority repaired the Port Huon wharf and built a modern wharf at Cygnet, the waterside trouble there could be solved. The growers would be willing to load all the ships that called there. I suggest that the Government submit those ideas to the conference. The wharfs as Port Huon and Cygnet should be placed in the first priority.

Senator COLE (Tasmania) [5.51].— Senator Wright has brought before the Senate a matter that is of prime importance to Tasmania. He has stressed the need for reliable arrangements for marketing Tasmanian fruit. The Huon Valley is suited almost exclusively to the production of apples. The land is not suitable for other types of agriculture. As a result, about 20,000 people who live in that locality rely almost entirely upon apple-growing and associated enterprises. It is a thriving community and we should endeavour to ensure that the people get a just reward for their labour. Tasmania produces too many apples for the Australian market. Therefore it must export overseas to provide a market for the growers. A wider vision is needed in arranging shipping for the apple industry. In the United States of America, the apple shipping trade has been raised to a high standard

of efficiency. In Australia our methods of handling apples are rather primitive.

Sitting suspended from 5.54 to 8 p.m.

Senator COLE.—In Tasmania the apples must be loaded into overseas ships as soon as possible after picking, whereas in America considerable use is made of freezing chambers. Several honorable senators have referred to the deterioration that has occurred in cargoes of apples during protracted sea transport. Senator Wright did not blame the waterside workers solely for the slow turn-round of shipping, but Senator Kendall expressed the opinion that they have been principally responsible for delays in loading. I believe that the waterside workers are doing a very good job at Hobart, which is Tasmania's principal port. I do not think that a recurrence of the delays that occurred at Hobart during the last export fruit season could be obviated by an increase of the labour quota at Hobart, because considerable congestion is caused during loading operations by the practice of loading apples into the holds of vessels direct from motor lorries.

Senator WRIGHT.—That does not happen in one-half of 1 per cent. of loadings.

Senator COLE.—I recall that on one occasion, when I was watching the loading of apples at Hobart, it became necessary for the waterside workers to cease work at 5 p.m. because of the congestion that had been caused by that practice. Otherwise they could have continued to work until 9 p.m.

Senator GUY.—The Waterside Workers Federation imposed a ban on overtime.

Senator COLE.—Yes, but that was not the reason why work was discontinued at 5 p.m. on the occasion that I have mentioned. I consider that there is room for a great deal of improvement in the management of the Tasmanian apple industry. Apples for export could be loaded at the Huon wharf thus obviating the necessity to cart them to Hobart. Of course I realize that opposition to the adoption of that practice would probably be raised by some merchants in Hobart. Senator Kendall suggested that the orchardists could themselves

load the apples into the ships, in order to expedite loading. I do not think that the adoption of that suggestion would result in a great improvement, because the time of the orchardists is already fully occupied in attending to their orchards and transporting the apples to the ships. Ultimately, waterside workers would have to be brought from Hobart to do the job.

Senator KENDALL.—Nonsense! The orchardists did the job themselves before the war.

Senator COLE.—The waterside workers are skilled in the loading of apples.

Senator KENDALL.—Some of them are.

Senator COLE.—The loading of apples into ships is much more arduous than appears at first sight. The export apple industry is vitally important to Tasmania, as the income that is derived from that source contributes greatly to the welfare of the people of Tasmania. I hope, therefore, that the Government will take whatever steps may be necessary to assure the future prosperity of the apple industry. Unless the growers can be assured that facilities will be provided to get the apples to the London market expeditiously, the apple-growing industry in the Huon valley will suffer. I urge the Government to take any steps that may be necessary to preserve the export apple industry of Tasmania, which is so important to our economy.

Senator CHAMBERLAIN (Tasmania) [8.8].—In view of the statements that have been made by honorable senators during this debate, one could be pardoned for believing that the royal commission that inquired into the Tasmanian export apple industry last year failed—as have other royal commissions—to accomplish very much. Senator Wright represented the exporters before the commission. I took a very keen interest in the evidence that was given, and I cannot remember hearing a complaint about the ships that take our apples overseas. I am pleased that an inquiry is to be held regarding the matters mentioned by Senator Wright, and I am sure that he and his friends in Tasmania will be able to furnish to the committee much valuable evidence about the Tasmanian

apple industry, as a result of which it should be possible to obviate a recurrence of the unfortunate events of the last season. As the Port Huon wharf will be available for use during the next apple season, it should be possible to relieve the congestion at Hobart. I hope that the inquiry will be commenced as soon as possible.

Senator O'BYRNE (Tasmania) [8.11].—I rise to support the motion. I am the eighth Tasmanian senator to support it, and I am very glad that Senator Kendall, of Queensland, has also done so. It is quite evident from the statements that have been made by honorable senators that there should be a thorough investigation of the industry in order to enable the Government to take steps to ensure that Tasmanian apples shall reach the London market expeditiously and in good condition. I am quite sure that it will be possible to overcome some of the difficulties that have been encountered in the past, just as bottlenecks in connexion with transport and distribution of various commodities have been overcome. I commend Senator Wright for having moved his motion, the purpose of which should be supported by all honorable senators.

Senator SEWARD (Western Australia) [8.13].—I support the motion. The subject that has been raised by Senator Wright is of very great concern not only to Tasmania but also to Western Australia, which has a large export apple trade. Many orchardists in Western Australia have not yet fully recovered from the restriction on the export of apples during the war. At that time huge quantities of apples were wasted. The Western Australian export apple trade depends to a large degree on ships arriving on time. The apples have to be brought from country packing sheds and cool stores to be loaded into ships on arrival. When fruit has been kept in cold storage it is essential that it shall be loaded as soon as possible after being taken from the cold stores. It is therefore very important to the Western Australian orchardist that ships shall arrive on time. If arrangements could be made for overseas ships to call at Albany to load apples from the lower

Great Southern, the necessity to transport them for 300 miles to be loaded at Fremantle would be obviated. There is a deep water harbour at Albany—

Senator TANGNEY.—And another at Bunbury.

Senator SEWARD.—Yes. The use of both those ports by overseas ships would greatly relieve congestion at the port of Fremantle. Whilst I do not wish to introduce controversial matters, I must comment on the statement made by Senator Morrow that no difficulty has been experienced in the loading of these vessels. Honorable senators may remember that last year I referred in the Senate to a refrigeration ship, which I saw at Fremantle, that had loaded 500 tons of frozen lamb, butter and bacon. It had taken a whole week to load that 500 tons of cargo at a cost of more than £2,000 to the shipping company concerned. That excessive cost was due solely to the slow loading methods that were adopted. However, I believe that we are now in the process of overcoming such methods. If the stevedoring industry body which is to go to Tasmania can afford the time also to come to Western Australia and to consult with our fruit-growers and port authorities, I am sure that better arrangements can be made to ship fruit from the west. If such a visit can be made, the Western Australian people will be very grateful, because this is a most important matter from their point of view.

Senator WRIGHT (Tasmania) [8.16].—*in reply*—As is well known to you, Mr. President, the procedure which has been adopted in this matter has been followed in order to afford honorable senators an opportunity to express their views. Before I ask for leave to withdraw the motion, I wish to express my pleasure at the whole-hearted support which I have received. I also wish to record the pleasure which I feel at the change of atmosphere in the Senate from one week to another.

The Leader of the Opposition (Senator McKenna) referred to the problem of co-ordinating deliveries from packing sheds to ships. That problem, to a great degree, has been solved, and the attention of the Senate is not required in that

connexion. Senator Cole was sufficiently ill-informed to suggest that loading should be carried out at Port Huon and Cygnet. I point out to the honorable senator that no overseas vessel has ever entered Cygnet harbour and that an interstate vessel, which had the temerity to attempt to do so this year, landed on the rocks. It is hoped that the Port Huon wharf may be ready to commence work this year, after a construction effort by the Tasmanian Government which has lingered on for three and a half or four years. It is pitiable for an honorable senator to suggest that, when such ports are opened up as supplementary outlets to Hobart, wharf labour to operate them should be recruited from Hobart. The whole advantage of utilizing such wharfs is that the orchadists in the surrounding districts are registered as wharf labourers. When they have packed their fruit and it is ready to be loaded on to the ship, they come into the port and load the ship. Incidentally, they do so at a much faster rate than is usual at Hobart. That is all that I wish to say, and I now ask for leave to withdraw my motion.

Leave granted; motion withdrawn.

DEATH OF SENATOR EDWARD STEPHEN ROPER PIESSE.

The PRESIDENT.—I desire to inform the Senate that I have received from the widow of the late Senator Piesse a letter of thanks for the resolution of sympathy passed by the Senate on the occasion of her husband's death.

DEATH OF THE HONORABLE HUBERT PETER LAZZARINI, M.P.

The PRESIDENT.—I wish to inform honorable senators that I have received from the widow and family of the late Honorable Hubert Peter Lazzarini, M.P., an expression of thanks for the resolution of sympathy passed by the Senate on the occasion of the honorable member's death.

CIVIL AVIATION AGREEMENT BILL 1952.

Bill received from the House of Representatives.

Standing Orders suspended.

Bill (on motion by Senator McLEAY) read a first time.

SECOND READING.

Senator McLEAY (South Australia—Minister for Shipping and Transport) [8.20].—I move—

That the bill be now read a second time.

This bill seeks the approval of the Parliament to an agreement made by the Government with Australian National Airways Proprietary Limited. That agreement proceeds from this Government's belief that, under conditions of competition, the best services will be provided for the travelling public. Its aim is to ensure that the major air services flown by Australian National Airways Proprietary Limited and Trans-Australia Airlines are conducted under conditions of fair and active competition.

Civil air services were pioneered in Australia in the 1920's on the west and north-western coasts of Western Australia, and in central Queensland. These pioneering activities have been continued by successive Australian companies into the present day, when we find many small operators providing extensive services in the outback areas of the Commonwealth. I might say that these operators receive every assistance possible from the Government. As my remarks will refer principally to Trans-Australia Airlines and Australian National Airways Proprietary Limited, I do not want it thought for one moment that the Government fails to appreciate the tremendous value of the smaller, but vital, services conducted by those other operators. The growth of civil air transport in Australia has indeed been amazing. It has grown to a position of such importance in the community that far more passenger miles a head of population are flown than in any other country in the world, including the United States of America, which is popularly regarded as possessing the most highly developed air services in the world.

The first trunk route between the capital cities was developed only in 1932, whilst in 1939 the regular air transport services were flying approximately 45,000,000 passenger miles. By June,

1946, this had increased to 228,000,000 passenger miles. It was at this point that Trans-Australia Airlines entered the field. The increase in popular demand for air transport continued. For the year ended on the 30th June, 1952, 756,000,000 passenger miles were flown. But it was really no surprise that flying has become such a popular mode of transport in Australia. We have social, geographical and weather conditions which are ideal for the operation of an air transport network. As a nation we have grown up with aviation. Among the pioneers, we are proud to number Hargrave. From the days of the Royal Australian Flying Corps in World War I., through the pioneering flying of the 1920's and the 1930's, and in the tremendous air-borne attacks of the 1939-45 war, this nation has produced a band of intrepid flyers out of all proportion to its small population—small when compared with that of the great powers of the world. But in the middle of the twentieth century, when flying has developed to a precise art, civil air services are important because of the widely scattered nature of this continent. They possess a greater flexibility than other forms of transport. Civil air services are now a vital and indispensable part of Australian life and the Australian economy.

In our important air transport industry, the large part of the services—85 per cent.—are provided by the two major operators, Trans-Australia Airlines and Australian National Airways Proprietary Limited. For the year ended the 30th June, 1952, Australian National Airways Proprietary Limited flew 277,000,000 passenger miles, while Trans-Australia Airlines flew 320,000,000. Australian National Airways Proprietary Limited flew 14,000,000 freight ton miles, while Trans-Australia Airlines flew 7,500,000. The fleet of Australian National Airways Proprietary Limited consisted of nine D.C.4's, 27 D.C.3's and three Bristol freighters, whilst that of Trans-Australia Airlines consisted of four D.C.4's, five Convairs, 24 D.C.3's and ten smaller types.

Australian National Airways Proprietary Limited came into existence in its present form in 1936 and it was as

a direct result of the formation of the company in that year that the inter-state network joining all capital cities and providing Australia with a civil air transport service from Cooktown, in the north of Queensland, to Perth, in Western Australia, came into being. It was Australian National Airways Proprietary Limited which had, by the outbreak of war, established the aircraft as a major mode of transport between the capital cities of Australia. It was Australian National Airways Proprietary Limited which, during the war, apart from providing aircraft for service with the defence forces, maintained a network of trunk services in Australia which was of inestimable value as a line of communication between the various headquarters of our forces, particularly in the critical year 1942. And it was under the ægis of Australian National Airways Proprietary Limited that the public demand for air transport had risen so much that, with the advent of Trans-Australia Airlines in 1946, the climate was right for the growth of these two major airlines to serve the needs of the Australian people. Both Trans-Australia Airlines and Australian National Airways Proprietary Limited are among the finest airlines in the world. They can each take pride in the fact that they give to the Australian public air services which are, I think, unanimously regarded as being among the finest internal air services in the world.

Yet the melancholy fact was that, despite its long history in Australian civil aviation, and despite its contribution to the development of air services in Australia, for some years Australian National Airways Proprietary Limited had been running at a loss on its internal services. At the same time, Trans-Australia Airlines was showing a profit, due largely to the monopoly of airmail revenue which it enjoyed. Australian National Airways Proprietary Limited was in the difficult position that it needed new equipment. It particularly needed to order the latest passenger aircraft if it was to provide competition on Australian air services.

As honorable senators know, the cost of new civil aircraft is now very high.

The modern aircraft is a complex machine, and the capital investment demanded of an air transport company is great. The directors of Australian National Airways Proprietary Limited, therefore, approached the Government and proposed the amalgamation of Trans-Australia Airlines and Australian National Airways Proprietary Limited. I believe that this proposal was first advanced by the company to Mr. Chifley, but the proposal came to nothing during his term of office. When the company renewed this proposal to this Government, we rejected it. We are opposed, in principle, to monopoly, and we shall seek to avoid it wherever we can. We believe that competition between Australian National Airways Proprietary Limited and Trans-Australia Airlines has produced advantages for the travelling public and has assisted in the creation of a technical efficiency of operation which it is the duty of the Government to maintain. It followed that both Australian National Airways Proprietary Limited and Trans-Australia Airlines must be retained as the major operators of air transport in Australia.

I said earlier that the Australian internal air services were the finest in the world. Their excellence was, in the Government's opinion, due, on the part of each organization, to the competition which the other provided. In such conditions of active competition, neither organization for one moment could sacrifice its standards one iota. If it did, it knew that business would be lost to its competitor. The Government believed that it was its duty to ensure that the excellent services provided by the two operators should be maintained for the benefit of the Australian people. The main principle of its policy in civil aviation is to ensure that civil air services are provided domestically under conditions of fair and active competition. But active competition could not be maintained if one of the two competitors had a precarious existence, depending on the policy of the government of the day. The very uncertainty in this situation had led Australian National Airways Proprietary Limited to a point where it was, as I say, operating at a loss and would have been

faced with great difficulty in raising its capital requirements to re-equip its fleet in the course of the next two or three years. No major airline, whatever its ownership, can operate on a basis of existing from year to year. Its very nature requires that it should be in a position to plan ahead for ten or fifteen years. Aircraft must be ordered some years ahead and when they are obtained, the operator must be able to foresee sufficient years of profitable operation to ensure that the investment will be recouped.

As I have said, the main principle of the Government's policy was to maintain these two major operators, Trans-Australia Airlines and Australian National Airways Proprietary Limited, in existence to provide internal air services under conditions of active competition. To this end, the Government arranged for an independent analysis of the financial structure and operating costs of both airlines to be made on a basis of strict comparison. After a period of losses, and despite a broad equality in popularity with the travelling public, the figures supplied to us, as a result of this analysis, were as follows:—

| | Trans-Australia Airlines Profit. | Australian National Airways Proprietary Limited Loss. |
|---------------|----------------------------------|---|
| 1949-50 | £ 214,818 | £ 216,682 |
| 1950-51 | 205,799 | 10,221 |

For the period of six months to the 31st December, 1951, Australian National Airways Proprietary Limited's loss was £201,775. This analysis also revealed that Trans-Australia Airlines possessed one very great advantage over its competitor. Trans-Australia Airlines possess, as I have said, a virtual monopoly in the carriage of airmail. While Trans-Australia Airlines was receiving an annual amount of over £500,000 per year for the carriage of mail, Australian National Airways Proprietary Limited was receiving something under £50,000. Trans-Australia Airlines also possessed a monopoly of business transacted on government account. As honorable senators know, they could travel by air to

attend the sittings of this Parliament only by Trans-Australia Airlines. They were precluded from travelling by Australian National Airways Proprietary Limited.

I stress again the main principle of the Government's policy of desiring to ensure that the internal air services of Australia are conducted under conditions of active competition so that the best possible service will be available to the Australian travelling public. But competition implies an equal right of access to available business. It also requires that each of the major operators should be in a position to operate on a basis of solvency and that each should have such security of tenure as is necessary to enable it to plan its finance and future development particularly in the ordering and operation of its fleet of new aircraft. The problem is a complex one. After the most earnest consideration, the Government adopted a series of principles which followed from its basic policy that the major internal services should be conducted under conditions of active competition. Briefly these principles are:—

- (1) Each operator to be given a proper and substantial share of airmail.
- (2) Government business to be freely available to both airlines.
- (3) Each operator to be assisted financially to acquire new heavy flying equipment.

But from the analysis presented to it, the Government found that these three principles of themselves would not ensure that each operator would show a profit on its operations, no matter how excellent the service which is provided. It adopted, therefore, four additional principles. The first related to air-route charges. The operating costs of airlines have risen greatly over recent years. The greatest single factor in those costs is the price of aviation spirit, which, due to events in Persia and to a general rise in overseas costs, has increased enormously to a point where it bears hardly upon the conduct of air transport. If air-route charges at the rates imposed in 1947, were added to these increased operating costs it would be impossible for either operator to show a profit. Consequently, air-route charges had to be reduced.

As honorable senators know, the competition between the two operators, Trans-Australia Airlines and Australian National Airways Proprietary Limited has been intense. This intense competition has led in many cases to the maintenance of competing services which were not required by the public demand and to the development of uneconomic practices. We therefore thought that the two operators should discuss routes, time-tables, fares and freight rates and other related matters so that overlapping and uneconomic practices would be eliminated. In other words there should be a rationalization of services. We recognized, of course, that the two operators in their individual enthusiasms might not find it easy to agree on several of these matters of routes, time-tables and fares. Therefore, the third additional principle adopted was that a small body should be set up under an independent chairman who would have the power to settle finally any differences which arose between the two operators in rationalizing their services, his decision being subject to confirmation by the Minister or Director-General of Civil Aviation under the Air Navigation Regulations. The Government's policy is to ensure that the civil air services of Australia are conducted under conditions of active competition. It is of the very essence of that policy that each of the two major operators should be secure to plan for the conduct of air services in Australia for many years to come.

The fourth additional principle was that the foregoing principles should be embodied in a long-term arrangement with the operators and that that arrangement should be approved by this Parliament. To this end an agreement has been made with Australian National Airways Proprietary Limited which has just been signed. That agreement embodies the principles which I have mentioned and the purpose of the bill is to give the approval of this Parliament to the agreement.

I shall now outline the provisions of the agreement which is contained in the schedule to the bill. Trans-Australia Airlines has ordered for its services in Australia six Vickers Viscount aircraft. This aircraft is considered by the

technical experts to be the best type for operation on Australian trunk routes. Australian National Airways Proprietary Limited also proposes to order six of these aircraft. In passing, I should like to say how pleased I am to see that the United Kingdom aeronautical industry is again in the forefront of the world in providing civil aircraft types. Clause 3 of the agreement provides for the Commonwealth to guarantee borrowing on overdraft by Australian National Airways Proprietary Limited up to £3,000,000 for the purposes of acquiring these six Vickers Viscounts. There is a subsidiary obligation on the part of the Commonwealth to guarantee further borrowing up to a total of £4,000,000 including the £3,000,000 referred to for the purchase of replacement aircraft in some period in the future, which would be at least, I should think, seven years off.

As honorable senators will see, there are extensive provisions protecting the Commonwealth's position in relation to the guarantee. As I have mentioned, the position of air-route charges looms very large. The whole question of whether air transport services can be conducted in Australia at a profit or at a loss depends to an important extent on the level at which air-route charges are fixed. After most earnest consideration the Government decided that the level of air-route charges for the period from the 1st August, 1947, to the 30th June, 1952, should be reduced by two-thirds. I might say that under the legislation of the Chifley Government, which imposed these charges, the very gravest doubt exists on whether they were legally payable by any operator. Honorable senators will note that the agreement contains a firm obligation by Australian National Airways Proprietary Limited to pay the charges at the reduced rate.

Refunds will be made to those airlines which have paid air-route charges at the full rate originally contemplated. These refunds will be tax free and subsidiary legislation will be introduced later to iron out taxation problems which arise by making all operators liable to taxation in the same manner as if the charges had operated at the reduced rate since the 1st

August, 1947. As to air-route charges payable after the 1st July, 1952, the Government has decided that these should be at 50 per cent. of the rate originally imposed, or originally thought to be imposed in August, 1947. As I have said, the whole question of whether air transport can be profitably conducted in Australia depends to an important extent on the level of these charges and the Government has fixed this particular rate of 50 per cent. of the 1947 charges only after the deepest consideration of what the air transport industry could bear. Any air transport operator could be crippled by a change in the rate of air-route charges. The Government has therefore undertaken in the agreement that the rate fixed to operate from the 1st July, 1952, will not be increased during the term of the agreement except so far as an increase becomes necessary because of the provision of additional or improved facilities and services or because of higher costs of maintaining and operating facilities and services.

I have said that the imposition of the charges in their original form in 1947 is open to grave legal doubt. This was due to the manner in which the charges were imposed, that is, by an order of the Minister under regulations made under an act. The legal doubts arise on whether the act authorized the regulations and whether they in turn authorized the Minister to impose the charges. It is therefore the Government's intention to introduce a substantive bill to impose air-route charges as from the 1st July, 1952.

Clause 5 of the agreement provides for Australian National Airways Proprietary Limited to have a right to carry airmail which, I am sure it will be conceded, is only just and equitable. Honorable senators will note that the right to carry mail is contingent upon the company providing sufficient services and suitable time-tables in accordance with the requirements of the Postmaster-General. Clause 6 is designed to give the company a right of access to Government business. This has been done by providing that the holder of a government warrant shall have a free right to choose by which airlines he will travel. Clause 7 provides for what I have already called "rationalization" for the

purpose of eliminating wasteful and uneconomic competition. There is no doubt that substantial savings to both operators will result from this provision. Clause 8 gives to each operator an equal right of access to aircraft which are available for disposal by the international airlines in which the Commonwealth has an interest. Aircraft equipment is the key to success in the air transport industry and it is obvious that fair competition between the two operators cannot be maintained if one or the other of them has an option to purchase or otherwise obtain all aircraft which become available from international operators.

Honorable senators will recall that in the debates which have taken place in this Senate from time to time on civil aviation policy, charges have been made that the previous Government exercised its powers of control over imports so as to discriminate against Australian National Airways Proprietary Limited and in favour of Trans-Australia Airlines. It has been said that when Trans-Australia Airlines was provided with dollars and an import licence to purchase its five Convairs, a request for dollars by Australian National Airways Proprietary Limited was refused. There is no value now in trying to assess the accuracy or otherwise of those charges. The government of the day may have had very good reasons for the refusal to which I have referred but the factual result was that whereas Trans-Australia Airlines obtained new equipment, Australian National Airways Proprietary Limited did not. Clause 10 is therefore designed to ensure that in the exercise of any Commonwealth power under, or by virtue of, an act or regulations, the power will not be exercised so as to discriminate against the company.

If active competition is to be maintained, it is essential that the major operators should compete on a basis of equality and that neither one nor the other should receive advantages over its competitor. The agreement therefore provides for substantially equal treatment for Trans-Australia Airlines and Australian National Airways Proprietary Limited in relation to the grant of import

licences and the allocation of airport facilities. The agreement naturally insists that all aircraft purchased by the company or acquired by it by virtue of the provisions of the agreement shall be retained for use on Australian internal services and the Government has also insisted that the company shall at all times maintain efficient services. In order to protect the Commonwealth's interest, the agreement provides that if the company fails to perform any of its obligations under the agreement, the Commonwealth will have the right to terminate the agreement.

I think that this is a sufficiently detailed account of the agreement for the purpose of acquainting the Senate with its provisions. I have mentioned earlier that bills will be introduced to impose air route charges and to deal with the taxation aspects of refunds of charges already paid. In addition, other subsidiary legislation will be necessary. A bill to amend the financial provisions of the Australian National Airlines Act will be introduced and other amendments will be made which experience of the working of the commission show to be necessary. So that a strict basis of comparison will be available between the two airlines, this legislation will also make Trans-Australia Airlines subject to income tax in the same way as is Australian National Airways Proprietary Limited.

In commending the bill to the Senate, I point out that Australia is a country which by the very nature of its geography and the distribution of its population requires the very best internal air services. The conduct of these services under conditions of active competition have produced Australian air services which are among the best in the world. The Government believes that its duty is to ensure that those services are continued at the present high standard under conditions of active competition by the two major operators. Internal air transport should, like the other basic industries and services in the community, be free to carry on its business undistracted by any constant worry that its future depends on the whim of the government of the day. I commend this bill to the Senate in the firm belief that it will assure the continuance of

Australian air transport at a high standard of service and on a sound economic basis for the next fifteen years.

Debate (on motion by Senator ARMSTRONG) adjourned.

RE-ESTABLISHMENT AND EMPLOYMENT BILL 1952.

Bill received from the House of Representatives.

Standing Orders suspended.

Bill (on motion by Senator SPICER) read a first time.

SECOND READING.

Senator SPICER (Victoria—Attorney-General) [8.48].—I move—

That the bill be now read a second time.

The first and main purpose of this bill is to continue for another three years the rights to preference in employment which the servicemen of the 1939-45 war, and others, have enjoyed under the Re-establishment and Employment Act 1945. As honorable senators are aware, preference in employment was originally given for a period of seven years after the cessation of hostilities in World War II. This period ended on the 2nd September, 1952. In accordance, however, with the promise made earlier by the Government, this bill is made retrospective to the first moment of the 3rd September, 1952, so that continuity will be maintained and there will have been no gap in the serviceman's rights.

The Government's decision to maintain preference for a further three years was made in the light of representations by ex-servicemen's organizations and of the experience of those Commonwealth departments which have been concerned with the preference provisions. The representations that flowed in towards the end of the preference period prescribed by the act showed how highly the ex-servicemen themselves have valued this particular right. I am sure that all honorable senators will endorse the Government's decision to keep in force for another three years, in the light of existing conditions, the preference provisions of the act. Honorable senators will recall

that under the 1945 act preference has been enjoyed, not only by discharged servicemen, but also by those who, in recognition of special services during the war, were admitted to a register by one of the preference boards constituted under the act. This great privilege has been sparingly granted. Those who have been so registered will continue, like the ex-servicemen, to enjoy their rights for another three years. As might be expected, however, the flow of applications for registration under these special provisions has virtually ceased. The work of the preference boards is thus very nearly complete. At the end of the seven-year period there were still a handful of applications pending before the Central Preference Board, so it has not seemed quite fair to abolish the boards at this stage. It is therefore proposed in the bill that, after the 2nd September, 1952, no application for registration under these special provisions may be received. In effect, the boards will remain in existence only for the purpose of clearing up the balance of existing applications. But I repeat that the rights of registered persons will be continued.

It will be recalled that, in 1951, a new Part XI. was inserted in the Re-establishment and Employment Act to extend certain of its benefits to members of the special overseas forces in Korea and Malaya. Opportunity has been taken in this bill to remove some imperfections in the provisions relating to re-establishment loans for and the re-instatement in civil employment of the members of these forces. The amendments proposed are rather technical, and if a detailed explanation of them is required it can best be given in committee. Broadly, the object is to ensure that re-instatement facilities are available for all discharged members of the Malayan and Korean forces and that the requirements for making applications under the act are adjusted to present conditions of service. A further amendment is to give effect to the Government's decision to increase by 30s. a week the rates of business re-establishment allowances payable under the act to ex-servicemen and widows of ex-servicemen who enter into business on their

Senator Spicer.

own account. It was considered that the existing base rate of £3 15s. for a single man or woman was inadequate. I commend this bill to the Senate.

Senator MCKENNA (Tasmania—Leader of the Opposition) [8.52].—The bill has been briefly but, I believe, adequately described by the Attorney-General (Senator Spicer), and I could serve no useful purpose by traversing its provisions. The Opposition supports the bill, and offers no criticism of it. The principle of preference was established under the Chifley Government and in the light of existing circumstances we think it proper that preference should be extended, as is provided in this measure, for a further three years. We welcome, of course, the inclusion in the provisions of the principal act, of our overseas forces in Malaya and Korea. I should not like the Senate to think that my brevity in dealing with this measure indicates any lack of interest on the part of the Opposition in this very important bill. The Opposition has pleasure in supporting the measure.

Question resolved in the affirmative.

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

INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ASSESSMENT BILL (No. 3) 1952.

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

DEFENCE FORCES RETIREMENT BENEFITS BILL 1952.

SECOND READING.

Debate resumed from the 23rd October (*vide* page 3606), on motion by Senator O'SULLIVAN—

That the bill be now read a second time.

Senator CRITCHLEY (South Australia) [8.56].—The Opposition does not oppose this bill and will not delay its passage. However, there is one aspect of the measure on which I should like some enlightenment. I believe that an opportunity should be given to retired members of the defence forces who enter

the Commonwealth Public Service as temporary clerks to enjoy the benefits of superannuation. A large proportion of such men would be eligible for superannuation benefits were they permanent public servants.

As the Minister pointed out in his second-reading speech, this bill will remove certain anomalies which have become apparent in the principal legislation, and will further increase pension payments in consonance with increased living costs since the original measure was passed in 1948.

Senator WORDSWORTH (Tasmania) [8.59].—I commend the Government upon the introduction of this measure. To me, it is most important that retired members of the defence forces should receive adequate pensions. Service in the armed forces is entirely different from employment in the Public Service. Because of the nature of their calling, members of the armed forces are obliged to retire earlier in life than are those engaged in other professions. The services demand that those who serve in the defence forces shall be young, efficient, energetic and active. At an age when those engaged in other professions may look forward to earning a comfortable living, members of the defence forces are compelled to retire because they are regarded as no longer fit for active service. Training for upwards of 30 years in the military profession limits the types of occupation which a member of the forces may follow when he is forced to retire. In other words, his useful working life comes to an end at an earlier age than is the case of those engaged in other professions. It is extremely hard for him to find another job, and therefore he must be looked after for a greater number of years than his opposite number in civil life. In war-time, when the nation is fearing a crisis, it is extremely important that the fighting forces should be efficient. In order to attract men of the right type to join the services not only the pay prescribed but also the pensions due to them on retirement must be good. I commend the Government for having introduced this bill. The only criticism I offer of it is that the pensions provided in it could have been more generous.

Question resolved in the affirmative.

Bill read a second time.

In committee:

The bill.

Senator CRITCHLEY (South Australia) [9.3].—I should like the Minister to comment on my suggestion that those who resign or retire from the defence forces and enter the Public Service as temporary officers should have the period of their service in the armed forces counted for pension purposes.

Senator O'SULLIVAN (Queensland—Minister for Trade and Customs) [9.6].—Senator Critchley and I share common views about the position of temporary public servants. All governments, regardless of their political complexion, view this matter with great concern. It is the earnest desire of all governments to appoint as many officers as possible to the permanent staff, and to restrict the temporary staff to a minimum. In present circumstances, it is not practicable to appoint all public servants on a permanent basis. While the system of recruiting temporary staffs remains, a line of demarcation must be drawn between the two classes of officers in the granting of privileges. The remarks of the honorable senator will be borne in mind and given earnest consideration by the Government.

Bill agreed to.

Bill reported without amendment; report adopted.

Bill read a third time.

CANNED FRUITS EXPORT CONTROL BILL 1952.

SECOND READING.

Debate resumed from the 23rd October (*vide* page 3607), on motion by Senator McLEAY—

That the bill be now read a second time.

Senator COURTICE (Queensland) [9.6].—The Opposition will facilitate the passage of this bill. The main purpose of the measure is to give effect to the request of Queensland pineapple canners that the Canned Fruits Export Control Act 1926-1950 be so amended as to bring within the jurisdiction of the Australian

Canned Fruits Board tropical fruit salad and canned pineapple juice for export from Australia. The board is a statutory authority responsible for the supervision and regulation of our export trade in specified varieties of canned fruits. At present it has a charter to ensure orderly overseas marketing arrangements for canned apricots, peaches, pears, pineapples and fruit salad consisting in the main of any one or more of those varieties of canned fruits. The bill seeks to add canned tropical fruit salad and canned pineapple juice to the list of canned fruit products which come within the control of the board. The Opposition supports the bill.

Question resolved in the affirmative.

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

CANNED FRUITS EXPORT CHARGES BILL 1952.

SECOND READING.

Debate resumed from the 23rd October (*vide page 3607*), on motion by Senator McLEAY—

That the bill be now read a second time.

Senator COURTICE (Queensland) [9.9].—This bill has been made necessary by reason of the measure which the Senate has just passed. It proposes to amend the Canned Fruits Export Charges Act 1926-1938 to provide for the payment of export levies on certain canned mixed fruits and canned pineapple juice which it is proposed to bring within the sphere of operation of the Australian Canned Fruits Board. As the Minister has pointed out, the Canned Fruits Export Charges Act imposes a levy not exceeding one farthing on each 30 ounces of canned apricots, peaches, pears, pineapples or fruit salad exported, and the amending bill will subject canned tropical fruit salad and canned pineapple juice to the same levy provisions. The Opposition supports the measure.

Question resolved in the affirmative.

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

WOOL USE PROMOTION BILL 1952.

SECOND READING.

Debate resumed from the 23rd October (*vide page 3608*), on motion by Senator McLEAY—

That the bill be now read a second time.

Senator COURTICE (Queensland) [9.12].—The Opposition does not object to this measure, which provides for the continuance of the Government's contribution for wool research on the basis of 2s. a bale.

Question resolved in the affirmative.

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

DAIRYING INDUSTRY BILL 1952.

SECOND READING.

Debate resumed from the 23rd October (*vide page 3618*), on motion by Senator McLEAY—

That the bill be now read a second time.

Senator O'FLAHERTY (South Australia) [9.13].—The purpose of this bill is to continue with some modifications and differences the stabilization scheme for the dairying industry which was inaugurated by the Labour Government. The Government proposes to guarantee the cost of production price in respect of the whole of the butter and cheese consumed in Australia, but in respect of the butter and cheese exported only to an amount equal to 20 per cent. of the tonnage locally consumed. Provision is also made in the bill for the use, for the purpose of financing the guarantee, of the amount standing in the Dairy Industry Stabilization Fund which, is approximately £2,500,000. The Opposition does not intend to oppose the bill. I believe that the dairymen generally are very well satisfied with the stabilization plan, but some attempt has been made to revert to an equalization plan. Apparently the dairying industry was not prepared to accept it and the Government has agreed to continue the stabilization plan with slight modifications.

During the war, when Labour governments were in office, the dairying industry was lifted from one of family slave labour to an industry in which everybody received a reasonable return for his

labour. Now, while we are producing butter at a higher cost in Australia, we lose 1s. on every 1 lb. of butter that is sold to Great Britain. That was not the case when this Government first took office. It has occurred now because the Government has taken no steps to stabilize the economy of the country and has allowed inflation to get out of hand. If there had been an attempt to stabilize the economy, we would not be losing 1s. per lb. on exported butter. The Labour Government guaranteed the price of butter on a proper basis whether the product was used in Australia or overseas. Now a guaranteed price is to be paid on only a percentage of the butter. Reference has been made to the fact that the industry worked previously on a 56-hour week basis. The fact is that an application was made to the Commonwealth Court of Conciliation and Arbitration to cover the workers in the industry and the applicants specified a 56-hour week, which was customary in the industry. Now there has been a change to a 40-hour week and as a result adjustments have to be made in the cost of production. Prices have risen. Adjustments are being made by the same committee as is enquired into it under the Labour Government. Probably there have been some minor alterations but the representation on the committee is the same and from time to time it makes recommendations to the Minister. The final say in the payment of the guaranteed price rests with the Minister and the Opposition is in accord with that arrangement.

Senator CORMACK (Victoria) [9.22].—In the second-reading stage of this bill the Senate might well take stock of the problem that is represented by the measure. Just outside the environs of Parliament House there is a building which must be a source of annoyance to every member of the Parliament and every taxpayer. It is being erected for government offices on a cost-plus basis. The dairy industry also is being financed on a cost-plus system, and it is not based on the premise that the cost shall relate to efficient production. It is a guaranteed cost on any sort of production. When honorable senators consider the dairying industry, they must envisage the tremendous difference in the circumstances

in which dairying is conducted in Australia. In the Atherton Tableland area, there is some pretence of dairying and it is not very successful. Further south in Queensland, dairying is conducted on paspalum pastures and in the course of many years the ground has lost much of its fertility. The nutrient has gone to support the roots and not into the leafage. That is true also of some of the northern areas of New South Wales where the pastures fail if appropriate rains do not fall. In Victoria, Gippsland has been endowed by nature with some of the best dairying country in Australia. South Australia has its irrigation areas for dairying around Murray Bridge and Tailem Bend. Western Australia has its own developed dairying areas. In Tasmania, there are rich pastures around Scottsdale and along the north-west coast. I have taken, figuratively, a quick canter over the areas where dairying is important to the economy, from the Cape York Peninsula to the far south, to emphasize that there is no common factor in the dairying industry except that dairymen everywhere have cows.

The yield from cows is governed by the food they eat. That is the basis of milk and butter production, and any attempt to determine the cost of production must be based upon extraordinarily wide variations of soil, climate and other conditions. There cannot be any common cost of production as between a dairy farmer on the Atherton Tableland who depends partly upon maize or paspalum for fodder and the farmers who operate in the choicest parts of Tasmania and Gippsland and have sound, green pasture of luscious grass for nine or ten months of the year. From those circumstances, the fact arises that either the price that is paid for dairy products in Gippsland is excessive or it is below the cost of production in the Atherton Tableland. There cannot be any point of comparison in the cost of production. So we have a loose system, that this bill seeks to perpetuate for another five years, under which we maintain an industry on an average cost of production. This provides no incentive for the man who is on what might be termed marginal dairying land and probably gives an excessive price to the dairymen who are on first class dairying land.

This bill also perpetuates the most damaging aspect of the dairying industry in Australia. Traditionally we in Australia are graziers. That is the normal pattern of colonial development. The early settlers in any country are graziers as distinct from farmers. The farmer comes after the grazier.

Senator CRITCHLEY.—Because there is no population.

Senator CORMACK.—That is true. It is a normal development. But what has happened in the dairying industry is this: Perhaps alone among the countries of the world, we seek to support a dairying industry upon a grazing basis and not upon a farming basis. In a drive through any dairying district, I guarantee to point out, without asking the farmer, the dairying farm in which farming is carried on, and the dairy farm where grazing is the sole means of feeding the cows. Unless we can obtain some system or device that can change our dairying industry from a grazing economy to a farming economy, it will continue to be, as it is at present, the most inefficient rural industry in Australia. It is true that the function of teaching farmers better methods belongs to the States but by agreement the Australian Government assumes the liability to finance the dairying industry. There is a duty before this Parliament, or a subsequent one, to examine the fundamentals of the Australian dairying industry closely, because in extending this arrangement for five years we are supporting, in effect, what I believe to be an insupportable industry. The Australian economy cannot continue to carry a dairying industry that relies solely upon a grazing basis for its existence. It must change to a basis of intensive farming on a pattern similar to that which has been adopted by every successful dairying country. It has been contended that we cannot sell our butter in competition with butter from Denmark and Holland. There is a very good reason for that, apart from the proximity of those countries to the British markets. Farming is carried on in Holland and Denmark on an intensive basis. The cows are milked on every day of the year. Even on the choicest dairying

lands in Australia cattle are milked only in the flush of the season. When the flush of grass goes off, many dairy-farmers dry off the cows and wait for the next rains. As an ex-owner of three dairy farms, I know that in many parts of this country cows are milked only during six months of the year. Unless the industry changes over to an intensive farming basis so that the cattle will have full bellies during the whole of the lactation period the Government will not be able to pull the dairying industry out of its economic rut. I support the bill, but I hope that when this matter comes up for ratification in five years' time, the Parliament will be sufficiently well informed on the subject to enable it to get the industry on to a firm footing.

Senator COURTICE (Queensland) [9.32].—I listened with great interest to Senator Cormack's remarks. No doubt the honorable senator is well informed on rural production in this country. Dairying has been our Cinderella industry for many years. In the past it has been carried on under slave conditions, and the price that the dairy-farmer has received for his product has been insufficient to enable him to increase the efficiency of his farm. Senator Cormack has criticized the grazing industry. I agree with his contention that much work yet remains to be done to bring the Australian grazing industry to a state of efficiency comparable with that in other countries. However, Senator Cormack omitted to mention that the farmer must obtain a high price for his butter to enable him to purchase his requirements at the high costs that have obtained since the present Government has been in office. I was a Minister in the former Labour Government that decided that the dairy-farmer was entitled to receive for his produce the cost of its production as well as a reasonable return on his capital investment. I do not consider that the present retail price of butter is excessive; many people believe that it is excessive only because of the previous low prices of butter for many years. While city dwellers have worked for only 40 hours a week, the man on the land has had to work for 80 hours a week and more.

Senator GEORGE RANKIN.—And his children, too!

Senator COURTICE.—Yes. It costs the man on the land much more than it costs the city worker to educate his children. In Queensland good seasons are frequently followed by long periods of dry weather. In parts of central Queensland only second-class butter can be produced, but some industry must be carried on in those areas in order to develop the country. The dairying industry is only now coming into its own.

Senator CORMACK.—I made my criticism on the ground that the dairying industry is being conducted on a grazing basis instead of on an intensive farming basis.

Senator COURTICE.—I understand that. However, in the absence of irrigation, and in the light of relatively low prices for primary products, it is difficult for the dairy-farmers to bring their farms to the desired level of efficiency. I am fearful of the consequences of the present high costs. It now costs a man so much to obtain a farm of his own that any person in possession of a reasonable amount of money is tempted to invest it in other ways. In former years, a young man with initiative and ability and a relatively small amount of capital could obtain a piece of land from which to cut out a living for himself. I do not think that the prices that have been agreed to by the Government are excessive. During the régime of the previous Labour Government the dairy-farmers received a guaranteed price for all the butter that they could produce. I believe that the dairying industry will expand, and that within a reasonable period we shall have available for export from 60,000 tons to 70,000 tons of butter a year. If the guaranteed price is to apply to only one-fifth of the quantity, what will become of the remainder? The Minister for Commerce and Agriculture (Mr. McEwen) stated recently, on his return from Great Britain, that it is impossible for Australia to sell its butter outside that country. Unless the dairy-farmer is guaranteed a reasonable price for all his produce he will not be encouraged to expand the industry. In the past, due to the fact that dairy-farmers worked under slave conditions, it

was physically impossible for them to obtain good herds in order to develop their holdings. It is only fair that they should receive the cost of production and a reasonable return on their capital investment. The searchlight of Treasury officials was directed onto 800 or 900 farms in order to establish the prices that were previously agreed upon. I compliment the Government on the bill, because it would be unreasonable not to permit a dairy-farmer to receive a fair price for his produce.

Senator SEWARD (Western Australia) [9.39].—I support the bill and desire only to make one or two comments. If the dairying industry is to receive assistance from the Commonwealth, I think it only reasonable that the industry should take steps necessary to safeguard itself so that it will be able to supply the quantity of butter that is needed by the nation. Last week, while travelling from Canberra to Sydney by road, I saw cows grazing in lush pastures. Incredible as it may sound, however, I did not see one fire-break during that 200-miles journey. That would be unthinkable in Western Australia. The owners of those properties run the risk of being burnt out.

Senator COURTICE.—They are fairly closely cropped; the grass does not grow very long.

Senator SEWARD.—I saw many acres of luscious grassland. I consider that there should have been fire-breaks on all those properties. Fire-breaks are cut alongside railway lines in order to reduce the risk of fire caused by the sparks from locomotives. As tractors are used extensively on grazing lands, and numerous motor vehicles pass along the adjoining roads, there is an ever-present risk of fire. It should be compulsory for land-owners to establish fire-breaks, because, in the past, fires that have commenced in grazing lands have menaced townships. Only last year the town of Barnawartha in Victoria was destroyed completely by fire. The farmers should take adequate steps to minimize the risk of fire during the summer months.

In Western Australia there has been a tendency for the milk distributing organizations to obtain supplies of milk for the metropolitan areas from districts

up to 150 miles from Perth. An extension of this practice could result in the closing down of some butter factories. Only about half of the country between Perth and Bunbury is cultivated. In view of the assistance that will be provided to the dairying industry under the provisions of the bill I consider that the State governments should force land-holders to bring those properties into production. Even if the retail price of butter were doubled, it would still be almost impossible for many dairy-farmers in Western Australia to make a profit from their activities because their properties are not large enough to carry the requisite number of cows. Furthermore, they are unable to pay the high cost of clearing additional areas. In the southern part of Western Australia, in the jarrah country, the cost of clearing is about £25 an acre. Unless the dairy-men are given financial assistance it will not be possible for them to clear additional areas of land to enable them to produce butter for sale at the present retail price.

Legislation has recently been introduced by several of the State parliaments to increase the amount of margarine that may be manufactured annually. If the production of margarine is increased appreciably the production of butter will be undermined, because the cost of the production of margarine is considerably lower than is the cost of production of butter. I have been astonished lately at the number of eating establishments where margarine instead of butter is placed on the table. We should provide financial assistance to dairy farmers to clear additional areas of land, on which to run additional cows, and encourage them to reduce the cost of production by increasing their efficiency. Western Australia is particularly unfavorably situated in that respect because much of that State is very heavily timbered, and clearing costs are excessive. Land in States such as Victoria was cleared many years ago when clearing cost only a fraction of present-day rates. In the less developed States, such as Western Australia, dairy-farmers must be given assistance. In many instances in Western Australia dairy-farms carry fifteen or twenty cows, whereas the

minimum for an efficient dairy-farm is approximately 35 cows. Recently in the Senate I asked whether any proposition had been put to the Australian Government by the Western Australian Government to enable further clearing to be carried out on existing farms, with which I am most concerned at the present time. The man who has been on his property for some time, and who desires to remain on it and to expand his operations, is more important, to my mind, than the new farmer who has yet to prove his ability. Many farmers are waiting to get their farms cleared in order to give them holdings of an economic size and also to provide some land for their sons. I have met farmers with sons who wish to go on the land but cannot obtain property adjoining their parents' land. In some instances, such land is held for future settlement; in others, it is privately owned. In a particular case which I have in mind, two boys wish to take up land which is not cleared. The owner will not clear it and will not sell it. That state of affairs should not be permitted. It should not be thought that I am advocating confiscation of land. I merely suggest that if the owner of such land is not willing to clear it, and does not wish to sell it, it should be acquired from him at a just price. Of course, there may be reasons why he is not able to clear it. In any event, I do not believe in confiscation.

Galvanized piping, fencing materials and other goods which are used on farms now cost three or four times as much as they did a few years ago. The increased cost of such articles adds to the costs of production.

Senator CAMERON.—All inflated.

Senator SEWARD.—It is not all due to inflation. The worker is also receiving benefits from inflated prices. The trouble is that most of those articles are imported. Honorable senators may be aware that Japanese and Belgian barbed wire and wire netting, which were available for sale recently, cost three or four times as much as the local articles. I remember that some years ago 2½-in. mesh wire netting could be bought for £24 a mile.

Senator CAMERON.—That was inflated, too.

Senator SEWARD.—Inflated, my foot! It now costs £100 a mile.

I was somewhat astonished to read in the newspapers yesterday that the representatives of the dairying industry in the various States were meeting to consider this bill, but were not in a position even to express an opinion on it. It seemed to me rather strange that their views had not been obtained before the legislation was introduced. However, I merely refer to that matter in passing. Naturally, with a measure such as this I place a great deal of reliance on the views expressed by the chosen representatives of the industry.

Because it is necessary to do something at the present time to help the dairying industry to carry on, I support this bill, but I hope that assistance to the States to enable them to clear land, particularly in Western Australia, will not be overlooked. Incidentally, I do not contribute to the view expressed by Senator Cormack that the best dairying land in Australia is to be found in the Gippsland district of Victoria. I point out that in Western Australia we have an area of land which has a rainfall of between 50 and 60 inches a year and which is always green. It produces good pastures practically all the year round. Unfortunately, it is heavily timbered and the costs of clearing are excessive under present-day conditions. I urge the Government to co-operate with the State governments in order to ensure the protection of pastures. To my mind it is criminal that excellent pastures should not be protected by fire breaks.

Senator AYLETT (Tasmania) [9.50].—I am glad that the Liberal party has at last awakened to the needs of this most important industry. Nobody can say that dairy-farmers have not had a very lean time for a long period of years, nor can it be said that they have not made repeated appeals for assistance to previous governments of the same political colour as the present one. It was not until a Labour government came to office that dairy-farmers received assistance from the Australian Government. For many years dairy-farming was a down-

trodden industry. The farmers battled along under very bad conditions. It was not until after World War II. that the Labour Government, which was then in office, came to the assistance of the industry. Under previous Liberal governments dairy-farmers were obliged to sell their butter fat for 6d. or 6½d. per lb. It was at that time that many dairy cows were sent to the meatworks. The Labour Government increased the price of butter fat in order to improve the lot of dairy-farmers and also to stop the drift of rural workers to the cities, which had been taking place for some years under previous governments. On each occasion that the Labour Government introduced legislation to assist the dairying industry and to help to place it on its feet it incurred criticism from the Opposition parties. In spite of that criticism, Labour went ahead with its assistance to the industry and succeeded in placing it on a very sound footing. I am now pleased to see that this Government has at last decided to follow that pattern. I am happy to see this complete change of front on the part of the Government. However, I believe that the Government is actuated more by the knowledge that if something is not done for rural industries we shall be short of food in the near future, than by any great wish to improve conditions in the dairying industry. Apparently, the Government appreciates that if such action is not taken, before long it will be necessary to scrounge round the world in order to seek butter to be imported into this country.

It is well known that dairy-farmers work under appalling conditions. It is also well known that the governments of the various States co-operated with the previous Labour Government, although Liberal governments had refused to co-operate with them. The States have played a great part, through their Departments of Agriculture and the services of their special officers, in stabilizing the dairying industry. However, there is one matter which remains to be adjusted. I refer to the fact that when cows become diseased and are required to be destroyed in the interests of the industry, compensation of only £15 a head is paid. It is obvious that this sum is inadequate. If a farmer is obliged to

replace cows which have been destroyed he will be obliged to pay between £35 and £50 a head. Thus, a dairy-farmer who has just started out and who finds that his herd must be destroyed, faces complete elimination from the industry. I suggest that this Government should consider instituting an insurance scheme—to which dairy-farmers may also wish to contribute—to cover such contingencies. I appreciate that the proposal must come from the States, but as I cannot make it in the Tasmanian Parliament I see no objection to making it to the Minister for Commerce and Agriculture (Mr. McEwen), who I know has a particular interest in the dairying industry. I suggest that it is futile to subsidize the industry unless other methods are also adopted to ensure its stability. This matter might be raised at the next conference of the Australian Agricultural Council. It may be possible to provide for assistance to be given to a farmer whose cows have to be destroyed, so that he will not be thrown out of the industry.

Senator MAHER.—We have had such provision in Queensland for many years.

Senator AYLETT.—I am stating that the provision does not apply in all States. Surely we want uniformity in this matter. If the provision exists in Queensland—good luck to that State!

Senator REND.—We have also had it in New South Wales for years.

Senator AYLETT.—Very well. Good luck to the Labour Government of New South Wales! I come from a State which has dairying pastures which are second to none in Australia. If we wish to expand the dairying industry, all possible measures must be adopted. If an insurance scheme is in existence in some States of the Commonwealth and does not exist in another State, is it not the duty of the Minister for Agriculture of that State to bring the matter forward at a conference of Commonwealth and State Ministers for Agriculture in order to see whether a uniform system can be obtained? Primary producers are protected against other kinds of losses by insurance. Why should they not be protected against the loss of their herds in this way?

Senator MAHER.—Could not the honorable senator use his influence with Mr. Cosgrove to have an insurance scheme implemented?

Senator AYLETT.—I do not happen to be a member of the Tasmanian State Parliament. It is very foolish for a member of the Federal Parliament to tell a State government what it should do, just as it is foolish for a member of a State parliament to tell the Australian Government what it should do. Has the honorable senator such a lack of interest in the fostering of the dairy industry that he does not consider it to be the duty of the Minister for Commerce and Agriculture (Mr. McEwen) to bring such a matter to the attention of the State Premiers? Does he not consider that the Minister is interested in this matter? I think that the Minister would be pleased to implement a uniform insurance scheme in the interests of the dairying industry. Now that the Liberal party has taken a completely different attitude to life and wishes to assist the dairying industry it should endeavour to find a way to improve herds and ensure that only healthy stock shall be imported. There is nothing to prevent the Minister from proposing to the States a scheme for the benefit of the industry. If the industry requires a subsidy the Australian Government will have to provide it. If markets are to be found for dairy produce the Australian Government will have to find them. If finance is required to assist the industry the Australian Government will have to provide that finance. As production must be increased, I contend that my suggestion is worthy of consideration.

Senator HANNAFORD (South Australia) [10.3].—I appreciate the opportunity to say a few words on this subject because it concerns an industry with which I am fairly familiar. I should like to commend the Government for putting into operation a further scheme of stabilization of the dairying industry. Senator Aylett referred to the munificent way in which Labour governments have treated the dairymen in the course of the years. He attributed to Labour governments the fact that the dairying industry was operating on a better basis and

obtaining higher prices than previously. Conditions that have developed since the outbreak of the last war have entirely revolutionized the dairying industry and practically all other primary industries. It is quite futile for any honorable senator opposite to claim that, purely through the actions of the Labour Government, the dairying industry has been placed on a better basis than previously. Prices rose because of wartime conditions. The usual source of supply of the United Kingdom was cut off as the result of the war. That country desperately needed our butter and was prepared to pay a satisfactory price for it. That is the reason why, during the war and since, we have been able to obtain a higher price for butter. This is a vital industry. It is one of the great primary industries of Australia and is probably next in importance only to the wheat and wool industries. It employs an enormous number of people throughout the length and breadth of Australia and gives a balance to our agricultural life which very few industries could give.

The essence of the stabilization plan has been stated by the Minister for Shipping and Transport (Mr. McLeay) as follows:—

Simply stated, the plan provides that for a period ending on the 30th of June, 1957, dairy farmers will be assured in respect of butter and cheese sold in Australia a return based on the cost of efficient production. For butter and cheese exported they will be guaranteed by the Commonwealth that cost of production figure for an annual tonnage, being an amount equal to 20 per cent of the tonnage locally consumed. In addition to this, and for the purpose of increasing the return on any butter and cheese exported, which is not covered by the Commonwealth guarantee, the Australian Dairy Produce Board shall have recourse to the amount standing in the Dairy Industry Stabilization Fund. That amount, when this plan commenced, was approximately, £2,500,000.

Senator Cormack referred to the varying conditions which applied to the dairying industry in Australia. With a great deal of what he said I am heartily in accord. I agree that the conditions under which dairying is carried on in Australia vary very greatly. For instance, in South Australia, which is not very favorably situated from the point of view of dairy production, there are

three distinct dairying areas. The metropolitan milk supply is derived mainly from the dairying areas in close proximity to Adelaide—the Adelaide hills and swamp areas of the Murray River. Those areas are mainly engaged in the production of milk for the metropolitan area where the selling price of milk is fixed by a State instrumentality. Milk production on a large scale also takes place in the south-east of South Australia and cheese is produced there in great quantities. The production of butter fat, however, takes place in the farming areas which extend for a very great distance north of Adelaide and over Eyre Peninsula and Yorke Peninsula. The system of dairying in those areas differs greatly from the system that has been adopted in the more lush pastures of the Adelaide Hills and in the South-East. But practically all the butter fat production occurs in the agricultural areas, not in the recognized dairying areas. In most of the wheat growing and mixed farming areas the period of pasture is comparatively limited and consequently the type of production is different from that of the areas where the rainfall is distributed more generously over the year. For that reason it is very difficult, as Senator Cormack said, to assess accurately the average cost of production.

In the higher rainfall areas, a much higher capital investment is necessary for dairy production. I understand that some of the dairy land in the swamp areas of the Murray flats and the areas in the Adelaide hills is valued at about £100 an acre. A very high capital investment is necessary to undertake dairy production in those areas. The capital investment required in some of the northern areas is very much less than that in the areas to which I have just referred. That fact offsets, to some degree, adverse factors which are apparent at first sight in the northern areas. I think that it is not impossible to arrive at a fair average price. The Bureau of Agricultural Economics which will compute such a price is in a fairly sound position, even though the conditions vary, to assess with sufficient accuracy a price that will allow dairy farmers to reap a reward for the

service that they render to the country. Therefore, despite the wide variation in conditions, it is within the bounds of possibility to assess a reasonable price which will meet the variations in cost of production. The Liberal party is committed to the stabilization of primary industries, provided that the industries desire or require it. The representatives of the dairying industry have given an assurance that they desire stabilization. It is to the credit of the Government that it is willing to give effect to the requirements of the industry by stabilizing the price of butter and cheese. By stabilizing the price of those products, in effect, it will stabilize the price of milk. The proposed stabilization scheme will operate for a period of five years.

I hope that it will prove satisfactory to the dairy-farmer. I think that it will. I am not so sure that the future prospects of the dairying industry are as bright as some people imagine. However, this scheme will enable the export of dairy produce to be increased considerably. Production has been somewhat low in recent years because of various factors, but the people who are engaged in primary production realize the essentiality of the dairying industry. Consequently there has been a considerable return to dairy production. Undoubtedly, the export of dairy produce will increase accordingly. The Government has decided to subsidize the industry to the extent of 20 per cent. of the tonnage consumed locally. I hope that that amount will be adequate. In addition, the Australian Dairy Produce Board will have recourse to £2,500,000 which has been collected and is standing to the credit of the Dairy Industry Stabilization Fund. In the final analysis, the value of the stabilization scheme must be determined by its influence on the efficiency of production. The production of dairy products declined over the years because of various factors, the chief of which was, I believe, the high price of wool. We saw many thousands of acres of excellent dairying country being given over to sheep raising. Some other dairying districts, particularly in Queensland and in New South Wales, suffered

Senator Hannaford.

severely as a result of droughts. All those things brought dairy production to a low ebb, but, as I have said, there has been a return to the industry and I sincerely hope that the upward trend in production will continue. Higher efficiency is required. A certain degree of inefficiency will continue because of the various conditions that I have enumerated, but much can still be done to make the industry more efficient. Senator Seward has spoken of conditions in Western Australia. In South Australia there has been a considerable improvement in dairying methods. In fact, the butter fat average in that State is higher than anywhere else in the Commonwealth. That reflects great credit on the South Australian dairy-farmers because that State has not the natural advantages enjoyed by some of the other States. Generally speaking, farmers in South Australia are efficient.

Senator GRANT.—And politicians too.

Senator HANNAFORD.—It is nice to hear the honorable senator say that. South Australian farmers who, through necessity, have transferred to other States, have taken with them their excellent farming methods. For instance, South Australian farmers pioneered many of the farming practices now so successfully used in the Wimmera district of Victoria. They have spread their techniques also to parts of Western Australia and New South Wales. Those techniques include, of course, modern dairying practices. South Australia has a very efficient Department of Agriculture which has done magnificent work in connexion with the dairying industry. Pasture management has reached a very high level particularly in the Adelaide hills district, and in the south-eastern part of the State. In the northern areas also, fodder conservation schemes have been very much in evidence for many years. All these things make for efficient production. As I have said, in the final analysis the success or failure of the dairying industry will depend upon the efficiency of the farmers. Senator Aylett mentioned cattle diseases. I have had considerable experience of dairying, and I know the losses that can be sustained through diseases such as mastitis and contagious

abortion. The dairy cow is a sensitive animal in many ways, and is heir to many ailments. If losses due to disease can be reduced to the minimum, more efficient and cheaper production will result.

This is a particularly important bill. The future of Australia depends very largely on the dairying industry. The principle of stabilization is at stake. I believe that, in future, the stabilization scheme will be more efficient and more satisfactory, with consequent benefit to the industry and to those engaged in it. Surely dairymen who work many hours daily for seven days a week are entitled to some of the amenities that are enjoyed by their city brethren. I have much pleasure in supporting the bill.

Question resolved in the affirmative.

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

ORDINARY ANNUAL SERVICES OF THE GOVERNMENT.

SOLICITOR-GENERAL'S OPINION.

Senator McKENNA (Tasmania—Leader of the Opposition) [10.19].—I move—

That this Senate, having considered the opinion of the Solicitor-General (appearing in the annual report of the Auditor-General for the year ended the 30th June, 1951) on the meaning of the expression "ordinary annual services of the Government" in section 53 of the Constitution, agrees: That the opinion of the Solicitor-General—to the effect that most appropriations now made by separate acts dealing with works and services might be properly regarded as expenditure on the ordinary annual services of the Government, because the works and services are those which the Government could have ordinarily been expected to provide within the framework of its powers—is well founded.

This motion has been on the notice-paper for some weeks and consideration of it has been postponed from time to time at the request of the Government. The Government is now honouring a promise that it made to me that the matter would be disposed of before the conclusion of the present sittings, and I thank the Government for so doing. This matter arose in connexion with the Appropriation (Works and Services) Bill 1952 on the 11th September. On that occasion, at considerable length, I

developed my argument in support of the proposition that is now incorporated in the terms of my motion. My speech is reported at page 1258 of *Hansard*. I do not desire at this late stage to repeat my arguments, but I should like honorable senators to understand that, in addressing myself very briefly to the motion, I do not intend any disrespect to the Senate, or to the terms of my motion. I shall content myself by saying that I adopt the argument that I have already placed before the Senate. That argument was based on an opinion given by the Solicitor-General of the Commonwealth to the Auditor-General, and printed on page 168 of the Auditor-General's report for 1950-51. The Auditor-General had drawn attention to the practice adopted by various governments of sometimes including capital items in annual appropriation bills and, at other times, confining such items to entirely separate measures. I merely throw out the suggestion to this chamber that that practice might well be referred, by another motion and on some more suitable occasion, to the Public Accounts Committee. In accordance with the terms of the act under which that committee has been appointed, the Senate may, independently of the House of Representatives, refer a matter to the committee for investigation. I leave that suggestion with the Senate. The Solicitor-General was asked by the Auditor-General whether it was proper, under the Constitution, to include all kinds of capital items in measures appropriating moneys for the ordinary annual services of the Government. The Solicitor-General answered that question in the affirmative in paragraph 2 of his opinion, but he embarked on a second aspect of the matter in presenting that opinion. In relation to that second aspect, he expressed the view that most appropriations dealing with works and services were appropriations for the ordinary annual services of the Government and, as such, would be measures which, under the Constitution, this chamber could not amend. I was concerned about the application of that second aspect of the Solicitor-General's opinion to the Appropriation (Works and Services) Bill 1952, and my motion is directed to that aspect of his opinion and

not to the first matter about which I raise no question and about which there is no contest as I understand the position.

Senator WRIGHT.—How does the honorable senator frame that first question about which he says there is no contest?

Senator MCKENNA.—On the proposition that it is appropriate for a government to include items of capital expenditure in an ordinary annual appropriation measure, dealing with what I may colloquially refer to as annual services. I raise no question at all about that. I submit, however, that if it were proper to include capital items in such a bill as forming a part of the ordinary annual services of the Government, those items could not possibly be held to have lost their character if translated out of that bill into a separate one such as the Appropriation (Works and Services) Bill 1952. I think that the position put forward by the Solicitor-General is completely logical.

Debate interrupted.

ADJOURNMENT.

The PRESIDENT.—Order! In conformity with the sessional order relating to the adjournment of the Senate, I formally put the question—

That the Senate do now adjourn.

Question resolved in the negative.

ORDINARY ANNUAL SERVICES OF THE GOVERNMENT.

SOLICITOR-GENERAL'S OPINION.

Debate resumed.

Senator MCKENNA.—The effect of the adoption of the motion I have presented to the Senate will be to overthrow a practice that has obtained in the Senate for a very considerable period—in fact, since federation. But if it is right to do so—I do not think anybody need have any great concern about discarding a 50-year-old practice—the motion is justified and it should have the ready concurrence of the Senate. I take it that I shall have an opportunity to reply to any debate that may take place on the matter and accordingly, with no disrespect either to the Senate or to my motion, I shall make only one more comment and let the matter rest there for the

moment. I should like the Senate to understand that I raised this matter on my own motion. It has not been considered by my party either before or since I raised it. Accordingly, no member of the Opposition is committed to vote for or against it. No party issue is involved in it. It is merely a matter of looking objectively at the opinion of the Solicitor-General, and of the Senate declaring whether it accepts or rejects that opinion, and thereafter whether it is prepared to act upon it.

Senator SPICER (Victoria—Attorney-General) [10.32].—When this matter was raised on an earlier occasion by the Leader of the Opposition (Senator McKenna) in the form of a point of order in relation to the Appropriation (Works and Services) Bill, I indicated my general approval of his approach to the problem. The point, which was raised directly as a point of order, was that the Appropriation (Works and Services) Bill was one which the Senate could not amend, and being a bill of that description, it automatically followed that it was a measure the motion for the first reading of which could be debated by each honorable senator for the period of one and a half hours prescribed in the Standing Orders. You, Mr. President, were faced with the fact that the standing practice of the Senate for more than 50 years was to treat the Appropriation (Works and Services) Bill as a bill which the Senate could amend. You, sir, very properly, if I may say so, chose to abide by the practice which the Senate had followed for such a long period, until such time as the Senate saw fit to alter its practice. You did what judges are doing in the courts every day of the week—you followed precedent. But there are occasions when precedents call for reconsideration. Judges frequently follow precedents which they believe to be wrong, but until they are upset it is their function to give effect to them. On this matter the ultimate judge is the Senate. When you ruled as you did, Mr. President, you left it open to the highest court of appeal, if I might so describe ourselves, to determine, if we saw fit, that the precedent that had been followed for so long could not logically be maintained.

When the matter was discussed on the earlier occasion, I directed attention to the fact that quite early in the history of the Commonwealth and of this chamber, the clearest opinion had been expressed by the highest authorities that the inclusion of capital items in an appropriation bill did not render the measure one which the Senate could amend. Such a view was expressed, as I reminded the Senate, by Sir Josiah Symon, by Mr. Alfred Deakin, when he was Attorney-General, and by other authorities. But despite the clearest opinions in line with the views recently expressed by the Solicitor-General on this question, the somewhat curious practice arose under which, because the appropriation was presented in the form of two bills providing for the appropriation of moneys out of the Consolidated Revenue Fund, one of which dealt mainly, but not wholly, with recurring revenue items, and the second with capital items, the second was a bill which the Senate could amend. When the question arose earlier I indicated that I could not understand how that practice came to be adopted or the logical foundation for it. Once we accept the proposition that the inclusion of capital items does not take a bill out of the conception of an appropriation for the ordinary annual services of the Government, it seems to me to follow that whether the appropriation be made in the form of one bill or half a dozen bills, we must test the question by the contents of the bill. If there is no distinction of relevance in the items of the bills, each is one which, on the one hand, the Senate cannot amend, and on the other hand it is within the meaning of section 54 of the Constitution a bill which may deal only with the kind of appropriation referred to in that section. A restriction on the powers of the Senate is involved in this problem in that the Senate may not amend a bill which appropriates revenues or moneys for the ordinary annual services of the Government and, on the other hand, there is a restraint on those who draft such a bill in that they may include in it only the provision for the appropriation.

These being my views—I have seen no reason to alter them as a result of consideration I have since given to this

matter—I am disposed to approve of the principle expressed in the motion submitted by the Leader of the Opposition; but I feel disposed to express it in a slightly different form. I wish to bring out the real point of the Solicitor-General's opinion which is relevant to this question. I propose to move that all the words after the word "That", first occurring, in the motion, be left out with a view to insert in lieu thereof the following words:—"The Senate, having considered the opinion of the Solicitor-General appearing in the annual report of the Auditor-General for the year ended the 30th June, 1951, 'that an appropriation for the ordinary annual services of the Government can properly include or comprise appropriations for expenditure of a capital nature', resolves to act in accordance with that opinion in determining whether or not an appropriation bill is one which the Senate may not amend". All that we would affirm in the amendment that I propose is that an appropriation for the ordinary annual services of the Government can properly include or comprise appropriation for expenditure of a capital nature. The effect in relation to the particular question with which we were concerned when the Leader of the Opposition raised this matter would be that the Appropriation (Works and Services) Bill, notwithstanding the fact that it included or, in fact, almost wholly comprised items of a capital nature, was still an appropriation for the ordinary annual services of the Government, and as such, was a bill which the Senate could not amend and should in my view, have been dealt with upon that basis.

Senator MAHER.—What is the effect of the amendment?

Senator SPICER.—I adopt the precise opinion of the Solicitor-General. He was asked to express an opinion whether certain items, which fell within four classes, and which might fairly be described as capital items, formed part of the ordinary annual services of the Government, and whether those capital items could appear in the annual appropriation bill. He was not directly concerned with the question whether the Senate could or could not amend such

a bill. The Auditor-General, in effect, said to the Solicitor-General, "It has been the practice to include in the appropriation bill a large number of items of a capital nature. Will you please tell me whether it is proper to include them in an ordinary appropriation bill and whether they form part of the appropriation for the ordinary annual services of the Government?" Not unnaturally the Auditor-General was somewhat attracted to the conception of the accountants' distinction between what might be described as recurring and non-recurring items, or annual income items as distinct from capital items. The Solicitor-General states clearly in his opinion that we are not concerned with this distinction in dealing with the ordinary annual services of the Government. It was not a matter of distinction between income and capital, or between recurring and non-recurring items. The question was whether the moneys were required for what could be described as ordinary services that the Government was called upon to incur in that particular year. It might be called upon to meet a number of recurring items and to erect new buildings or replace old structures. A solution of the problem cannot be found by approaching it from the point of view of the recurring and non-recurring items. The Solicitor-General answered that question with relation to the problems that the Auditor-General raised and answered it correctly. If that view is accepted, it follows that the bill which includes what might be non-recurring items but which form a part of the ordinary services which the Government is called upon to provide, still remains a bill that the Senate cannot amend. I have endeavoured to express that point as clearly and succinctly as I can in the amendment to the motion.

I have stated that as on previous occasions we have brought before the Senate two appropriation bills. I have never been able to satisfy myself precisely why that was done. One bill is referred to as the ordinary Appropriation Bill for the appropriation of a sum of money out of Consolidated Revenue. If honorable senators consider the bill that was before the chamber this year, and which we all accepted as a bill that the Senate could

Senator Spicer.

not amend, they will agree that it contains many capital items. On a previous occasion, I mentioned two or three of them. The practice has been to endeavour to put into the second bill practically only capital items. Possibly at an earlier time they were normally items that would be paid out of loan money, but there is no reference in the bill to that point. It provided simply for an appropriation of a sum of money out of Consolidated Revenue for the items named. Where the money came from was not a matter of concern, but the items applied to services that were the ordinary obligations on the Government to the people.

Senator MAHER.—The effect of the amendment is that the Senate will forgo a privilege that it has enjoyed for 50 years.

Senator SPICER.—It may be a privilege that the Senate has asserted without any rule or logical foundation.

Senator MAHER.—The fact remains that the Senate has asserted it.

Senator SPICER.—The fact is that the Senate has exercised it. There is something to be said for putting this business on a logical basis. How can the situation that arises be justified? The first bill contains capital items, but it is treated as a bill that the Senate cannot amend. We accept that proposition. No one has stated what is the difference between the first bill and the second bill. I suggest that it is impossible for anybody to express the relevant difference between them from the point of view of this particular matter. In the circumstances, I believe that we might as well act logically and sensibly. We are throwing away nothing. The Senate is not entitled to any right beyond the right that the Constitution gives it. If we honestly believe that the assertion of this right with regard to the Appropriation (Works and Services) Bill in the past is unjustified, what is wrong with saying so? There are two sides to this matter from the point of view of the Senate. It is true that it is a bill that the Senate cannot amend, but on the other hand if it is to be put forward as a bill appropriating money for the ordinary annual services of the Government, then it must include that appropriation and nothing else. That is

the protection of the Senate against the inclusion in that type of bill of something else that has nothing to do with appropriation. I believe that the question is not a very difficult one, but, quite frankly, if honorable senators ask me to justify what I might describe as the second bill as being one that the Senate can amend, and to say why, I could not give them an answer. Once honorable senators accept the precedent that I have cited, they will agree that the clearest opinion was given by my famous predecessor, Alfred Deakin. In relation to this matter he said that the inclusion of capital items in an appropriation bill was clearly justified. The same view was expressed in the Senate itself, first by the Postmaster-General of the day, Senator Drake, who supported his contention with quotations from Quick and Garran's *Annotated Constitution of the Commonwealth of Australia*. He stated—

It is intended that this chamber should only have the right of suggestion in the case of bills appropriating the necessary money for carrying on the government of the country, the army and navy, and the civil service. That will cover not only what I shall call recurring expenditure—expenditure for the payment of the civil servants—but all votes that are necessary for the carrying on of the government from year to year.

Supporting this view, Senator Sir Josiah Symon, who was a South Australian delegate to the federal convention which framed the Constitution, explained that the ordinary annual services were the services which the Government ordinarily undertakes in the discharge of its daily duties. On this point the pamphlet entitled *Money Bills in the Australian Senate*, which was written by Mr. J. R. Odgers, the Usher of the Black Rod and Clerk of Committees of the Senate, states—

Both Senator Drake and Senator Symon agreed that items in the Appropriation Bill for the ordinary annual services need not necessarily be recurring items from year to year, as the salaries of the officers of the various departments may happen to be. The test, contended Senator Symon, is whether an item is an expenditure which the Government undertakes in the ordinary discharge of the services of the year—the services which they are bound to render to the country.

In the face of those views that were expressed 50 years ago, the only curious

fact is that this practice of treating the Appropriation (Works and Services) Bill as one that the Senate could amend grew up and persisted. I suggest that it is a practice that is difficult to sustain. All that I am asking the Senate to do in the amendment is to declare that the fact that the bill includes or comprises capital items does not put it outside the area of an appropriation for the ordinary annual services of the Government, and that the Senate should accept that proposition. Having done so, it would logically follow that the practice that has been followed for some period of time with regard to the Appropriation (Works and Services) Bill will be discontinued. Accordingly I move—

That all words after "That" (first occurring) be left out with a view to insert in lieu thereof the following words:—"the Senate, having considered the opinion of the Solicitor-General, appearing in the Annual Report of the Auditor-General for the year ended the 30th June, 1951, that an appropriation for the ordinary annual services of the Government can properly include or comprise appropriations for expenditure of a capital nature, resolves to act in accordance with that opinion in determining whether or not an Appropriation Bill is one which the Senate may not amend."

Senator WRIGHT (Tasmania) [10.58].—I rise to speak on this matter without any previous notice of the circumstances. I feel bound to make that point out of respect to the arguments that I shall advance because the subject-matter of the motion is one of the first importance from the point of view of the Senate. It concerns the interpretation of a group of four sections which were the most important clauses of the Constitution for the purposes of the great 1890 conventional debates. So important were these clauses, that they were advanced in the 1897 debates to the forefront of the agenda for the purpose of consideration because unless agreement was forthcoming upon them, the delegates recognized that the movement for federation would founder. I propose to refer to authorities that I have been able to collect in the limited time that has been available to me since I was notified that this debate was to be initiated in the Senate. All those authorities show that tremendous importance was attached to these clauses. Now, 50 years

later, when we are on the threshold of a new era having regard to the opportunity afforded this Senate by the almost equally balanced voting strength of the parties, I believe that we would be recreant to the trust that has been handed to us by our forefathers if we did not examine this matter with the utmost care. I base my argument upon the Constitution. I propose to refer to the relevant portions of it in detail because an examination of them, without going much farther, will reveal a fairly plain conclusion for the Senate. Before I quote from them I point out to honorable senators that both the motion and the amendment require us to commit ourselves by way of resolution to a new form of words. I say without disrespect that they purport to place a gloss upon the very terms of the Constitution. Each of them is amply clear. The onus is on both the mover of the motion and mover of the amendment to persuade the majority of senators that the addition of those words would assist the chamber in the interpretation of the Constitution. I hope that before I conclude my speech, I shall at least be favoured with a copy of the proposed amendment in written form, so that I may see it in its true perspective.

I shall now bring to the attention of the Senate the basic material upon which we are asked to concentrate our attention. That material is the group comprising sections 53 to 56 of the Constitution. The opinion of the learned Solicitor-General, to which the Leader of the Opposition (Senator McKenna) has had the temerity to refer in the motion, reads—

During the convention debates the question of what is meant by the expression "ordinary annual services of the Government" was never fully examined.

I ask honorable senators to bear that sentence in mind as one of the hallmarks of the opinion that we are asked to adopt, because I submit that the debates of the federal conventions are a mine of information on this subject. They were hammered out by those I have been led to regard as great authorities on the Constitution.

Each one of the phrases that I propose to emphasize has been the subject of days of debate, and of amendments that were

passed and negatived by successive conventions that took place from 1891 to 1898. In those circumstances, I am not willing to concede that the meaning of the expression "ordinary annual services of the Government" was not fully examined in the convention debates.

Section 53 of the Constitution provides—

Proposed laws appropriating revenue or moneys, or imposing taxation, shall not originate in the Senate.

I shall deal with the expression "Proposed laws appropriating revenue or moneys". History shows that one of the original drafts of that provision simply used the word "revenue". It was by deliberate debate of the convention that the words "or moneys" were added. Attention was directed to the fact that the term "revenue" may indicate income only, and that it may not be wide enough to comprehend loan moneys. Then, as the records show, the phrase took the form at one time "proposed laws having as their main object the appropriation of money". That was discarded in favour of an amendment introduced into the convention by a Tasmanian lawyer, one conceded to be a very erudite constitutional authority, Mr. Justice Clark. It added the qualifying terms that now appear in section 53, which were adopted from a formal House of Commons resolution of about 1849. The qualifications read—

But a proposed law shall not be taken to appropriate revenue or moneys, or to impose taxation, by reason only of its containing provisions for the imposition or appropriation of fines or other pecuniary penalties, or for the demand or payment or appropriation of fees for licences, or fees for services under the proposed law.

The Senate may not amend proposed laws imposing taxation, or proposed laws appropriating revenue or moneys for the ordinary annual services of the Government.

The section does not refer to the ordinary annual services of the Commonwealth, or the ordinary annual services or works of the Commonwealth, but to the ordinary annual services of the Executive government of the day. Omitting the reference to taxation, which is not relative to this discussion, the section reads—

The Senate may not amend proposed laws appropriating revenue or moneys for the ordinary annual services of the Government.

Passing from the power of the Senate to originate appropriation bills, the section describes the appropriation bills which the Senate may not amend, in the following terms:—

The Senate may not amend any proposed law so as to increase any proposed charge or burden on the people.

The Senate may at any stage return to the House of Representatives any proposed law which the Senate may not amend, requesting, by message, the omission or amendment of any items or provisions therein. And the House of Representatives may, if it thinks fit, make any such omissions or amendments, with or without modifications.

Except as provided in this section, the Senate shall have equal power with the House of Representatives in respect of all proposed laws.

I pass now to section 54, which provides—

The proposed law which appropriates revenue or moneys for the ordinary annual services of the Government shall deal only with such appropriation.

Having denied to the Senate power to amend proposed laws appropriating revenue or moneys—revenue to indicate income, and moneys to expressly include or comprehend loan moneys—the Constitution provided that we should be protected against the practice which threatened to raise its ugly head in the House of Commons in the middle of last century, known as tacking, by stating that the proposed law should deal only with such appropriation.

Section 55 provides—

Laws imposing taxation shall deal only with the imposition of taxation, and any provision therein dealing with any other matter shall be of no effect.

Laws imposing taxation, except laws imposing duties of customs or of excise, shall deal with one subject of taxation only; but laws imposing duties of customs shall deal with duties of customs only, and laws imposing duties of excise shall deal with duties of excise only.

Having quoted section 55 in its fullness, I pass on to section 56 which provides—

A vote, resolution, or proposed law for the appropriation of revenue or moneys—

Using the general expression—

shall not be passed unless the purpose of the appropriation has in the same session been recommended by message of the Governor-General to the house in which the proposal originated.

This section retains the control of the Crown over the vote or resolution

or proposed law for the appropriation of any revenue or moneys by the provision that such a vote shall be preceded by a recommendation from the Governor-General to the House in which the proposal originated. The section prohibits not only a proposed law for the appropriation of moneys, but also any vote or resolution from being passed in any House without the Governor-General's recommendation. A plain statement of those provisions shows that the architects of the Constitution thought that it was proper, in the first line of section 53 and in section 56, to use the general expression, "proposed laws appropriating revenue or moneys" without limitation. But when they deal with the power of the Senate to amend and the corollary to it—the prohibition on tacking—they use the identical phrase in each case. They refer in each instance to "proposed laws . . . appropriating revenue or moneys for the ordinary annual services of the Government". Are we to infer that that difference in language arises from inadvertence or inattention? The ordinary rules of interpretation command to us the use of different phrases, to search our intelligence for an understanding of the difference deliberately intended to be conveyed by the use of such language. The debates, of course, leave no doubt whatever that the architects of the Constitution were very conscious that the distinction did not reside in ideas of accountancy, or whether it should be a vote for one year only, as is referred to in the opinion of the learned Solicitor-General. The difference resided in the parliamentary understanding of an ordinary appropriation bill—an annual appropriation bill such as is passed year by year, attaching to itself all the conventions which regulate the relationship between the House of Lords and the House of Commons, conventions which are entirely different from the constitutional rules which were written into our Constitution to regulate the functions of the House of Representatives, in which New South Wales and Victoria have an overwhelming majority of members, and the Senate, which was originally referred to as a "States" house. As I have pointed out, section 53 of the Constitution expressly states that "except as provided in this

section, the Senate shall have equal power with the House of Representatives in respect of all proposed laws".

As I approach a consideration of the matter, I find it necessary, in the terms of the motion of the Leader of the Opposition, to examine the opinion of the learned Solicitor-General, because it is not very helpful, nor do I think that it is accurate thinking, merely to distil one phrase from the opinion, adopt that phrase and then write it into our records as our resolved view. The amendment of the Attorney-General (Senator Spicer) reads as follows:—

The Senate, having considered the opinion of the Solicitor-General appearing in the annual report of the Auditor-General for the year ended the 30th June, 1951, "that an appropriation for the ordinary annual services of the Government can properly include or comprise appropriations for the expenditure of a capital nature" . . .

I interpose that I do not think that I could find any authority to suggest otherwise.

resolves to act in accordance with that opinion in determining whether or not an appropriation bill is one which the Senate may not amend.

If we adopt that opinion and resolve to act in accordance with it in determining whether or not an appropriation bill is one which the Senate may not amend, we shall be following a false lead, because the lead that the Constitution gives in sections 53 and 54 to guide us and to describe a bill which we may not amend is that it should be an appropriation bill for the ordinary annual services of the Government. If we adopt this decoy—and I do not intend any disrespect by that term—we shall be following a false lead. The Constitution does not say that the test of an appropriation bill which the Senate may not amend is whether or not it includes expenditure of a capital nature.

Senator SPICER.—The Constitution does not say that the inclusion of a capital item excludes it from the ordinary annual appropriation.

Senator WRIGHT.—Certainly.

Senator SPICER.—That is all that the opinion says.

Senator WRIGHT.—If we adopt this opinion we shall be writing into our records a false guide. It would be far better to leave the matter to a literal reading of those sections of the Constitution, which are easy to understand when a proper parliamentary approach is made to them. They are fortified by 50 years of consideration and practice. In my opinion, we should ponder very long before deciding to overturn them.

The opinion of the Solicitor-General states—

Most activities carried on by the Commonwealth Government pursuant to its Constitutional powers could not be regarded as being other than ordinary.

With great respect, we have powers given to us by the Constitution which are appropriately provided for by way of revenue appropriation in a separate works bill which cannot be said to be ordinary services of the Government. The Solicitor-General states, in the second paragraph of his opinion—

Most appropriations now made by separate Acts dealing with works and services might, in my opinion, be properly regarded as expenditure on ordinary annual services of the Government, because the works and services are those which the Government could have ordinarily expected to provide within the framework of its powers.

That, I submit, completely obliterates the distinction between ordinary annual services and extraordinary permanent appropriations. The opinion continues—

Nevertheless, I do not see how any valid distinction based on the words "ordinary annual" can be drawn between the various types of services which the Government is capable of providing pursuant to its powers.

In order to show how dangerous it would be to adopt the form of words proposed by the Attorney-General, I wish to read from the last paragraph of the opinion of the learned Solicitor-General, which is as follows:—

I would answer as follows the specific questions raised by the Auditor-General:—

- (1) Expenditure by the Commonwealth on stores of a movable nature would almost invariably be for stores which the Government requires in the maintenance or provision of its existing or new services, and so may be included in the appropriation for ordinary annual services.

Let me instance the Snowy Mountains hydro-electric scheme. Who would venture to suggest that that scheme should be financed by ordinary annual appropriations, the "stores of a movable nature" for which would cost millions of pounds? The opinion proceeds—

- (2) This question refers to movable equipment of a substantial and costly nature, but in my view the element of substance or cost is not crucial in relation to the requirements of 54.

Section 54 refers to ordinary annual services. The quantum of the cost is not crucial in relation to its requirements. The answer to the third question is as follows:—

- (3) Expenditure on naval ships and on army and other defence equipment of an expendable nature will also normally be expenditure for ordinary annual services, as such equipment is necessary for or incidental to the ordinary annual services of a defence nature, and it is beyond doubt that it is an ordinary service of the Government to provide for defence.

I shall return to that matter in a moment. The answer to the fourth question reads—

- (4) Expenditure on fixtures, such as buildings and works and sites, can be provided for by an appropriation for ordinary annual services if it is for any of the services which the Government maintains or provides, or should provide at any time, as the occasion requires.

Apparently the sky is the limit, and the Commonwealth scarcely confines it.

My next step is to say that the Attorney-General expresses no definite dissent from that view, and I do not overstate the proposition in those terms. I put it that a decision in this matter is for the Parliament and not for courts of law. All of us, according to our lights, are contributors to the conclusion of this matter. I was glad to have the statement of the Leader of the Opposition that no honorable senator is expected to vote on this matter on party lines. The Solicitor-General states—

As I have formed the clear opinion that the distinction between the capital items of which illustrations occur throughout the bill are not capable of inclusion in the ordinary annual appropriation bill, conformably with section 54, I feel bound to state my reasons at more than usual length.

I consider that it may be of assistance if I refer to such authorities as I have been able to find. I suggest that honorable senators examine the terms used in the Constitution. In section 53 the expression used is "proposed laws appropriating revenue or moneys". In relation to the power of the Senate to amend legislation the expression used is "Proposed laws appropriating revenue or moneys for the ordinary annual services of the Government". This term was deliberately introduced to include loan moneys and capital moneys for the ordinary annual services of the government. These phrases distinguish between appropriation laws in general and laws for the appropriation of moneys for the ordinary annual services of government. I contend that 52 years of parliamentary practice has maintained the distinction. I now refer honorable senators to the work of the celebrated constitutional authorities, Quick and Garran. On page 669 of their exposition of the Constitution, they said—

Ordinary annual appropriation bills.—The Senate is precluded from amending proposed laws appropriating revenue or money for the ordinary annual services of the government. Public expenditure may be divided into and considered under three separate headings:—

1. The costs and expenses of maintaining the ordinary annual services.
2. Fixed charges on permanent appropriations.
3. Extraordinary charges and appropriations.

I shall not cite the whole passage but will mention some brief excerpts in order to illustrate the way in which these authorities dealt with the matter. In relation to ordinary annual expenses they stated—

The ordinary annual services include the various public departments manned and equipped to carry on the general work of the Government departments, such as customs and excise, post and telegraphs, lighthouses, lightships, and quarantine, naval and military defence, the money to pay for which is voted by Parliament from year to year.

(2.) Permanent Appropriations.—The fixed charges are those items of the national expenditure which are provided for by permanent appropriations. In the Government of the Commonwealth these permanent appropriations may be made, partly by the Constitution, and partly by Acts of the Federal Parliament. The constitutional appropriations already made are the salary of the Governor-General (Section 3); allowances to members of the Federal Parliament (Section 48); and salaries to the Queen's Ministers of State (Section 66).

The authors continued by stating that there was no constitutional limit to the authority of the federal Parliament to make permanent appropriations which are not appropriations for the ordinary annual services of the government. It is most enlightening to read what these constitutional lawyers said concerning extraordinary expenses contemporaneously with the introduction of the practice which the Senate has been invited to overturn. They said—

(3.) Extraordinary Expenses.—Extraordinary charges which do not come within the meaning of ordinary annual services, are appropriations of revenue or loan money for the construction of public works and buildings, and for the application of revenue or loan money to public purposes of a special character. From the above enumeration and discussion of the various kinds of appropriations it will be seen that the Senate is denied the power to amend only one of the three kinds of bills appropriating revenue or money. It is true that annual appropriation bills constitute by far the largest and most important of all appropriation bills, embracing, as they do, the expenditure necessary for the maintenance of the ordinary administrative departments of the Commonwealth. Whilst the Senate, however, could not amend an ordinary annual appropriation bill, it could with unquestionable constitutionality amend a public works bill, a railway construction bill, a harbour improvement bill, a bill relating to the salary of the Governor-General, a bill relating to the salaries of Ministers of State, a bill relating to the allowances of the members of the Federal Parliament . . .

I submit that this sheds a light on the interpretation of the expression "ordinary annual services of the government. It is an expression distinct from "annual appropriation" and "extraordinary appropriation". Professor Harrison Moore, at page 143 of a book which he published in 1910, said—

While all proposed laws appropriating revenue or moneys, save those specially excepted in the first clause, must originate in the House, the Senate is restrained from amending none but the proposed law for appropriating revenue or moneys for the ordinary annual services of the Government. But in no case must the power of amendment be exercised by the Senate so as to increase a proposed charge or burden on the people.

I now invite honorable senators to examine the report of the debates on the Constitution conventions, which are a mine of information revealing the true meaning of these provisions. The result of the Constitution convention of 1891 was a compromise which formed the basis

Senator Wright.

of the subsequent agreement on this vexed but fundamental provision of the Constitution. Section 54 of the Constitution Bill was then headed "Money bills". No such heading to that section is to be found now. Section 54 of the Constitution Bill then read—

Laws appropriating any part of the public revenue or imposing any tax or impost shall originate in the House of Representatives.

Section 55 of the bill read—

55.—(1.) The Senate shall have equal power with the House of Representatives in respect of all proposed laws, except laws imposing taxation and laws appropriating the necessary supplies for the ordinary annual services of the Government which the Senate may affirm or reject but may not amend. But the Senate may not amend any proposed law in such a manner as to increase any proposed charge or burden on the people.

Sub-section (4.) of section 55 read—

The expenditure for services other than the ordinary annual services of the government shall not be authorized by the same law as that which appropriates the supplies for such ordinary annual services but shall be authorized by a separate law or laws.

The terms in which that provision was passed were intended to convey the distinction on which I have been insisting as proper for the present provisions. At page 341 of the report of the debates on the Constitution conventions Sir Richard Baker is reported to have moved an amendment to the expression, "Laws appropriating any part of the public revenue," by substituting the expression, "Laws appropriating the necessary supplies for the ordinary annual services of the government". Sir Richard Baker said that he had two reasons for moving the amendment. The first reason was that it would facilitate the conduct of public business because nearly every bill appropriated money to some extent and he thought it proper to limit the section to laws which appropriated moneys for the ordinary annual services of the Government. But Sir Samuel Griffith, who became the first Chief Justice of the High Court of Australia, opposed the amendment. He said—

The intention of the clause as framed is that all laws for the expenditure of money, whether for the annual services of the government, or for the construction of railways, arsenals, ships of war, or anything else, shall originate in the House of Representatives; and I think that is what the words mean.

He referred to the general expression in the first part of section 53. When Sir Richard Baker wanted to limit the section to "proposed laws for the appropriation of moneys for the ordinary annual services of the government" Sir Samuel Griffith objected, stating that provision was required to be made for both cases—not only for the annual services of the government but also for the construction of railways, arsenals and ships of war. He gave those illustrations as going outside the category of appropriations for the ordinary annual services of the Government. Sir Richard Baker then interposed the question—

Why are different words used in clause 55?

Sir Samuel Griffith retorted—

The honorable gentleman thinks that because all such laws must originate in the House of Representatives the Senate will not have equal power with the House of Representatives with respect to all proposed laws excepting those in respect of which their power is limited. The restriction, however, does not apply until the proposed law has been introduced; so that there is no inconsistency.

The amendment was negatived. That decision was an express affirmation that whereas all laws for the appropriation of revenue, whether for the annual services of the Government, or for the construction of railways, arsenals, or ships of war, must originate in the House of Representatives, the Senate was precluded from amending only those appropriations for the annual services of the Government. I turn now to page 346 of the *Convention Debates*. There we find the following statement by Sir Samuel Griffith:—

What we propose to do is perfectly plain. As to all laws, except two classes, the rights of the two houses are completely co-ordinate. As to the ordinary annual appropriation bill, the Senators have to express their wishes in a manner different from that in which they express them in regard to other bills. The same with regard to taxation bills. And with these exceptions the powers of the two houses are co-ordinate. I think it is a very reasonable compromise.

At Adelaide in 1897, in what *Quick and Garran* described as, "Certainly the most momentous debate in the Convention's whole history", the money bill provisions were on the anvil again. Outlining the suggestions of the Constitutional Committee, Sir Edmund Barton, the leader of the convention, and after-

wards senior puisne judge of the High Court, said, at page 442—

The first of these sections now reading as Section 52 is to this effect—

"Proposed laws having for their main object the appropriation of any part of the public revenue, or the imposition of any tax or impost, shall originate in the House of Representatives".

The next and only other important alteration is in the clause now reading as 53 in the Bill. The original provision, after equal power was given in respect of all proposed laws, made an exception of laws imposing taxation as well as of laws appropriating the necessary supplies for ordinary services for the year. The amendment made by the Constitutional Committee is that the words "laws imposing taxation and" have been struck out . . .

Mr. McMillan asked—

How did Loans Bills stand in the 1891 Act?

Sir Edmund Barton replied—

In the Constitution of 1891 I take it that Loan Bills might have originated in the States Assembly or the Senate, because the words in the first portion of the clause were—

"Laws appropriating any part of the public revenue". And inasmuch as the money mainly appropriated by Loans Bills is not revenue, but borrowed money, so even under that bill it is probable that such a bill could have originated in the States Assembly . . . I know there has always been strong argument on both sides . . . In the last alteration which now reads as clause 54, it is made necessary—of course, in accordance with other alterations made—that where there is to be an appropriation, which necessitated formerly only a message to the House of Representatives, there shall now be a message to such House as the appropriation has to occur in. So that we shall have, if the provision is adopted, messages from the Governor-General alike to the House of Representatives and States Assembly."

That explains the form in which the later words of section 56 are cast.

Senator GRANT.—It is all too involved.

Senator WRIGHT.—These records should lead us to a train of reasoning that will throw into proper perspective the words that I am about to quote. At that stage, Mr. Turner interjected—

You still keep in the right of suggesting alterations?

Sir Edmund Barton's reply was—

But it will only apply to Appropriation Bills now.

Then he said—

It applies only to the cases of those bills which the States Assembly may not amend, but

as they are now reduced to the ordinary services of the year, so, too, the power of suggestion is limited to these, and on all others they have the power of amendment and the power of origination.

That was an emphatic statement by the leader of the convention that the powers of suggestion and amendment were limited to those appropriation bills which provided only for the ordinary annual services of the Government. To the word "revenue" was added the word "moneys" so as to include loan moneys. I draw the attention of honorable senators also to a passage that appears at page 606 of the debates. Somebody had asked for a definition of the term which it is proposed we should define to-night. Mr. Isaacs, later Sir Isaac Isaacs, said—

We would have to make a code.

Answering the suggestion, Sir Edmund Barton, at page 607, said—

How is the Appropriation Act brought about? After a message from the Governor recommending that provision be made for the ordinary annual supplies the House resolves itself into a committee of supply, and then it passes its estimates, and after these estimates are covered by the ordinary resolutions, at a later stage of the Session the Appropriation Bill is brought in. That Act cannot cover anything but these matters which have in the ordinary estimates been passed. How can the honorable member's argument apply in such a case. If the ordinary process is observed, and which we agree must be observed, or else this machine which we are constructing will not work, then you will have the Estimates passed in a more or less mutilated form and covered by the Appropriation Bill, which covers nothing more nor less than these estimates. If that Appropriation Bill is brought in framed on the Estimates, how can the question arise. It cannot possibly arise, and I do not think we need waste our words in discussing it. The question is so unsubstantial, I say it with respect, and of so remote a character, that I think we had better leave the matter as one of ordinary common sense.

The whole history of the convention proceedings show that much emphasis was laid on this very phrase by the founders of the Constitution. I contend that we should be very unwise indeed to add any glossing, as is suggested either by the motion or by the amendment. The criterion of capital and income is no more appropriate to the true criterion for the inclusion of items in ordinary annual appropriation measures than are the precepts of business management for a profitable undertaking applicable to the func-

tions of government. Accountancy is not the criterion. The Constitution is. I could go on to make further references which, in my opinion, support the view that there is a very real distinction between appropriations for ordinary annual services of the Government and other types of appropriations so clearly stated by *Quick and Garran*. Sir Samuel Griffith gave the illustrations of a ship of war, an arsenal, or a railway undertaking, and *Quick and Garran* instanced a harbour improvement bill or railway construction bill. I might add a States grants bill, or the Snowy Mountains hydro-electric scheme. I apologize to the Senate for the length of my address on this subject. I steadfastly hope that the Senate will maintain the Constitution, unglossed by either the amendment or the motion.

Senator McKENNA (Tasmania—Leader of the Opposition) [11.56].—*in reply*—I shall be brief in reply. The Senate is indebted to both the Attorney-General (Senator Spicer) and Senator Wright for the thoughtful contributions they have made to this debate. The Attorney-General was courteous to give me a preview of the amendment that he proposed to move, and I think that, in the course of my discussions with him, he allowed me to influence to some minor degree the shape of that amendment. In my original address on this motion, I drew attention to the fact that there were two aspects of the Solicitor-General's opinion. The first dealt with the case in which capital and revenue items were in the one measure, and the second dealt with the case in which capital items were in a separate bill. The terms of my motion are addressed solely to the latter instance, because the whole question was raised in connexion with a bill providing for capital items. In my opinion, there can be no dispute about the other aspect of the matter dealt with by the Solicitor-General. Therefore, I have concentrated on the aspect of his opinion relating to capital items. The Attorney-General's amendment is wider and goes further. It embraces both aspects of the Solicitor-General's opinion because it refers to appropriations for the ordinary annual services of the Government which can

properly be included or comprised. In other words, it may be an amalgam of revenue and capital items. The term "capital items" is not quite exact, but I think the Senate will understand me. The amendment also deals with the case in which capital items in a bill stand by themselves. It then provides that the Senate shall resolve to act in accordance with the Solicitor-General's opinion in determining whether or not an appropriation bill is one which the Senate may not amend. Let me point out that the Solicitor-General did not say that all the appropriations of capital items fall into that category. He was most careful to use the word "most", and I think he was correct in so doing. I do not doubt that the Solicitor-General had in mind all the extraordinary expenditure referred to in *Quick and Garran*, to which particular attention was directed to Senator Wright. How far does the proposal contained in the amendment, to which I subscribe as against the motion, impinge on the rights of this chamber? Let me deal specifically with that matter. In the relevant sections with which Senator Wright dealt at length there is no diminution of the power of the Senate to reject any measure. The Senate may reject any measure. It has the unqualified right of veto. That right is not impinged upon by the amendment. There are only three qualifications imposed upon the absolute power of the Senate in respect of the limited class of cases dealt with by Senator Wright. Under section 53, proposed laws seeking to appropriate moneys or to impose taxes cannot be originated in the Senate. The amendment does not touch upon that matter at all. The law that we cannot originate measures of that kind will not be affected or interpreted in any way by the amendment. The Constitution also contains a provision that the Senate may not amend a law so as to increase a burden on the people. That is not at issue in this matter. Even in the case of a bill which the Senate may not amend, it has power not only to make a request but also to press a request and keep on pressing it. In my view there is no distinction between the two processes in substance, because the Senate may achieve exactly the purpose it would have in amending a bill by pressing a request.

It is purely a matter of form and certainly not a matter of substance.

Senator MAHER.—Why should we restrict the powers of the Senate?

Senator McKENNA.—We are not seeking to restrict them; we are merely seeking to interpret them. As the Attorney-General very well put it, we are abandoning a completely illogical position. Senator Wright, who is the sole dissentient to the proposition that was posed so clearly by the Attorney-General, did not address himself to it. The Attorney-General asked: How do capital items, particularly of the kind included in an appropriation (works and services) bill, become a part of the ordinary annual services of the Government if they are mixed up in what we call a general appropriation bill, and how do they lose their character as a part of the ordinary annual services when they are included in a separate bill? Those are vital questions to which Senator Wright did not refer. If these items are included in the general appropriation bill and they then become a part of the ordinary annual services of the Government, how in common reason can they be different if they are lifted out of such a bill and are included in an appropriation (works and services) bill?

Senator GORTON.—Suppose they are brought in half-way through the year?

Senator McKENNA.—The time at which they are introduced makes no difference. A number of appropriation bills may be submitted. The Government may present a supplementary budget or, say, three appropriation bills, all of them dealing with what we call revenue or recurring items. If the Senate is not prepared to accept the amendment proposed by the Attorney-General, which I readily accept, it is behaving illogically. The acceptance of the amendment would not result in any loss of power. Even if it did lose anything at least it would gain two advantages. Let us examine what it would gain. As Senator Wright has pointed out, under section 54 there can be no tacking on a bill which we may not amend, so that a bill which seeks appropriation for works and services must come to us undiluted and without extraneous matter. That is a definite gain to the Senate. The second great

gain to the Senate which immediately comes to my mind would be that the provisions of Standing Order 190 would apply to the measure which the Senate may not amend. In other words, on the motion for the first reading of such a bill we shall be entitled to discuss for a full hour and a half matters relevant or irrelevant to the bill. If anything is lost by the acceptance of the amendment, at least two valuable gains will be achieved, the benefits of which will be enjoyed not by honorable senators on one side of the chamber but by honorable senators generally. Opportunities for discussing irrelevant matters on major bills affecting the budget and the general finances of the Government do not often arise. I leave that aspect of the matter to the consideration of honorable senators.

I agree with Senator Wright that this Parliament and this chamber have the right to resolve this matter and that no court may interfere in it. In these circumstances, I put it to the Senate that if a court were concerned with this particular point it would not go behind the provisions of the Constitution. It would not look into the debates that preceded the drafting of the relevant section in all its aspects. I suggest that as this Senate is the court, the Senate should trust itself in this matter without regard to its possible effect on votes. Let me deal with the point raised by Senator Wright that, outside of ordinary annual services of the Government in relation to capital items, extraordinary items may arise from time to time. The ambit of the amendment moved by the Attorney-General, which I fully support, will leave room for those extraordinary items to be dealt with by this chamber when such a situation arises. The amendment does not cover all appropriations. It accepts the opinion of the Solicitor-General. If the Senate accepts the amendment it will at least take a progressive step in that it ceases to be illogical. The terms of the amendment will leave it open to the Senate to treat as a bill which it may amend, one that contains provision for extraordinary expenses. When a particular measure is before us which an honorable senator regards as being extraordinary and not covering the ordinary

Senator McKenna.

annual services of the Government, he may raise the point that he is not tied by the opinion of the Solicitor-General under the terms of the amendment moved by the Attorney-General.

I believe that I can add nothing further to the discussion. The Senate has had the advantage of everything that can be usefully said upon it. I join most strongly in urging honorable senators, first, to behave logically and not illogically, and, secondly, not to close the door to the treatment on a different basis of a bill that might have extraordinary aspects and that the Senate might claim to have a right to amend.

Wednesday, 5 November, 1952.

Senator WRIGHT.—I rise to order. If the amendment is carried on the voices, will a decisive vote be taken on the question, "That the motion as amended be agreed to"?

The PRESIDENT.—I shall put first the question, "That the words proposed to be left out, be left out". If that motion is carried I shall put the question, "That the words proposed to be inserted, be so inserted". I now put the question—

That the words proposed to be left out (Senator SPICER's amendment), be left out.

Question resolved in the affirmative.

The PRESIDENT.—The question now is, "That the words proposed to be inserted be so inserted". If the motion is carried, the question then to be resolved will be, "That the motion, as amended, be agreed to".

Question put—

That the words proposed to be inserted (Senator SPICER's amendment) be inserted.

The Senate divided.

(THE PRESIDENT—SENATOR THE HON. EDWARD MATTNER.)

| | | | |
|---------|----|----|----|
| Ayes .. | .. | .. | 24 |
| Noes .. | .. | .. | 24 |

AYES.

| | |
|--------------------|-------------------|
| Armstrong, J. I. | O'Byrne, J. H. |
| Arnold, J. | O'Sullivan, N. |
| Ashley, W. P. | Pearson, R. W. |
| Aylett, W. E. | Ryan, J. V. |
| Cameron, D. | Sandford, C. W. |
| Chamberlain, J. H. | Spicer, J. A. |
| Cooke, J. A. | Spooner, W. H. |
| Cooper, W. J. | Vincent, V. S. |
| Critchley, J. O. | Wedgwood, I. E. |
| Grant, D. M. | Wood, I. A. C. |
| McKenna, N. E. | |
| McLeay, G. | Teller: |
| Nicholls, T. M. | Rankin, Annabelle |

NOES.

| | |
|-------------------|-------------------|
| Benn, A. M. | Paltridge, S. D. |
| Cole, G. R. | Rankin, George |
| Connack, M. C. | Reld, A. D. |
| Gorton, J. G. | Robertson, A. R. |
| Guy, J. A. | Robinson, W. C. |
| Hannaford, D. C. | Seward, H. S. |
| Kendall, R. | Taugney, D. M. |
| Laught, K. A. | Tate, J. P. |
| McCallum, J. A. | Wordsworth, R. H. |
| Maher, E. B. | Wright, R. C. |
| Mattner, Edward | |
| Morrow, W. | |
| O'Flaherty, S. W. | Toller, B. |
| | Courtice, B. |

The PRESIDENT.—There being 24 "Ayes" and 24 "Noes", the question is resolved in the negative.

Services Trust Funds Act—Fifth Annual Report of the Australian Military Forces Relief Trust Fund, for year 1951-52.
 Social Services Consolidation Act—Eleventh Report of the Director-General of Social Services, for year 1951-52.
 Sugar Agreement Act—Twenty-first Annual Report of the Fruit Industry Sugar Concession Committee, for the year ended the 31st August, 1952.
 Wine Overseas Marketing Act—Twenty-fourth Annual Report of the Australian Wine Board, for year 1951-52.

Senate adjourned at 12.19 a.m. (Wednesday).

TARIFF BOARD.

REPORTS ON ITEMS.

Senator O'SULLIVAN.—I lay on the table reports of the Tariff Board on the following subjects:—

Aluminium foil and aluminium foil paper.
 Canned fish.

Copies of the reports are not yet available for circulation to honorable senators.

Ordered to be printed.

HOUR OF MEETING.

Motion (by Senator O'SULLIVAN) agreed to—

That the Senate, at its rising, adjourn to to-day, at 2.30 p.m.

PAPERS.

The following papers were presented:—

Science and Industry Research Act—Fourth Annual Report of the Commonwealth Scientific and Industrial Research Organization, for year 1951-52.

Ordered to be printed.

Canned Fruits Export Control Act—Twenty-sixth Annual Report of the Australian Canned Fruits Board, for year 1951-52.

Dairy Produce Export Control Act—Twenty-seventh Annual Report of the Australian Dairy Produce Board, for year 1951-52.

Dried Fruits Export Control Act—Twenty-eighth Annual Report of the Dried Fruits Control Board, for year 1951-52.

Egg Export Control Act—Fifth Annual Report of the Australian Egg Board, for year 1951-52.

Judiciary Act—Rule of Court, dated 27th October, 1952.

Seat of Government Acceptance Act and Seat of Government (Administration) Act—Regulations—1952—

No. 15 (Education Ordinance).

No. 36 (Public Paths Ordinance).