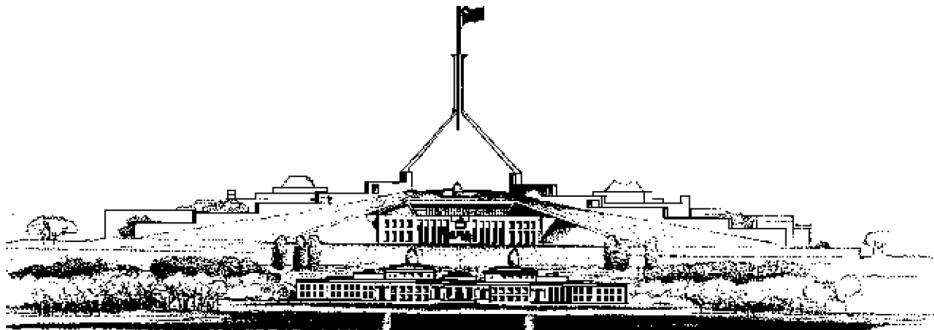




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives

Official Hansard

No. 43, 1961
Thursday, 26 October 1961

TWENTY-THIRD PARLIAMENT
THIRD SESSION—SECOND PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

PARLIAMENT OF THE COMMONWEALTH.

TWENTY-THIRD PARLIAMENT—THIRD SESSION: SECOND PERIOD.

GOVERNOR-GENERAL.

His Excellency the Right Honorable Viscount De L'Isle, upon whom has been conferred the decoration of the Victoria Cross, a member of Her Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight of the Venerable Order of Saint John of Jerusalem, Governor-General and Commander-in-Chief in and over the Commonwealth of Australia from 3rd August, 1961.

SEVENTH MENZIES GOVERNMENT.

(ASSUMED OFFICE 10TH DECEMBER, 1958.)

(¹)Prime Minister; and Minister for External Affairs	The Right Honorable Robert Gordon Menzies, C.H., Q.C.
Minister for Trade	The Right Honorable John McEwen.
Treasurer	The Right Honorable Harold Edward Holt.
(²)Minister for External Affairs; and Minister in Charge Commonwealth Scientific and Industrial Research Organization	The Right Honorable Richard Gardiner Casey, C.H., D.S.O., M.C.
Vice-President of the Executive Council; and Minister for National Development	Senator the Honorable William Henry Spooner, M.M.
Minister for Defence	The Honorable Athol Gordon Townley.
Minister for Territories	The Honorable Paul Meernaa Caedwalla Hasluck.
Minister for Labour and National Service	The Honorable William McMahon.
(³)Minister for Shipping and Transport; and Minister for Civil Aviation	Senator the Honorable Shane Dunne Paltridge.
Postmaster-General	The Honorable Charles William Davidson, O.B.E.
Minister for Immigration	The Honorable Alexander Russell Downer.
Attorney-General	The Honorable Sir Garfield Edward John Barwick, Q.C.
Minister for Primary Industry	The Honorable Charles Frederick Adermann.

(The above Ministers constitute the Cabinet.)

(⁴)Minister for Repatriation Senator the Honorable Sir Walter Jackson Cooper, M.B.E.
(⁵)Minister for Health; and Minister in Charge Commonwealth Scientific and Industrial Research Organization	The Honorable Donald Alastair Cameron, O.B.E.
Minister for the Army The Honorable John Oscar Cramer.
(⁶)Minister for Repatriation The Honorable Frederick Meares Osborne, D.S.C.*, V.R.D.
(⁷)Minister for Air The Honorable Frederick Meares Osborne, D.S.C.*, V.R.D.
Minister for Social Services The Honorable Hugh Stevenson Robertson.
Minister for Customs and Excise Senator the Honorable Norman Henry Denham Henty.
Minister for Supply The Honorable Alan Shallcross Hulme.
Minister for the Interior; and Minister for Works	The Honorable Gordon Freeth.
Minister for the Navy Senator the Honorable John Grey Gorton.
(⁸)Minister for Shipping and Transport The Honorable Hubert Ferdinand Opperman, O.B.E.
(⁹)Minister for Air Senator the Honorable Harry Walter Wade.

(1) Appointed Minister for External Affairs, 4th February, 1960. (2) Resigned portfolio, 4th February, 1960.
(3) Resigned as Minister for Shipping and Transport, 5th February, 1960. (4) Resigned portfolio, 29th December, 1960.
(5) Appointed Minister in Charge Commonwealth Scientific and Industrial Research Organization, 4th February, 1960. (6) Appointed Minister for Repatriation, 29th December, 1960. (7) Resigned as Minister for Air, 29th December, 1960. (8) Appointed, 5th February, 1960. (9) Appointed, 29th December, 1960.

THE MEMBERS OF THE HOUSE OF REPRESENTATIVES.

TWENTY-THIRD PARLIAMENT—THIRD SESSION: SECOND PERIOD.

Speaker—The Honorable John McLeay, M.M.

Leader of the House—The Right Honorable Harold Edward Holt.

Chairman of Committees—Philip Ernest Lucock.

Temporary Chairmen of Committees—Wilfred John Brimblecombe, Frederick Charles Chaney, A.F.C., Joseph James Clark, Laurence John Failes, Charles William Jackson Falkinder, D.S.O., D.F.C., Hon. William Crawford Haworth, Anthony Sylvester Luchetti, Hon. Norman John Oswald Makin, Edward William Peters, and Bruce McDonald Wight.

Leader of the Opposition—The Honorable Arthur Augustus Calwell.

Deputy Leader of the Opposition—Edward Gough Whitlam.

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

Deputy Leader of the Australian Country Party—The Honorable Charles William Davidson, O.B.E.

Adermann, Hon. Charles Frederick	Fisher (Q.)
Allan, Archibald Ian	Gwydir (N.S.W.)
Anderson, Charles Groves Wright, V.C., M.C.	Hume (N.S.W.)
Anthony, John Douglas	Richmond (N.S.W.)
Aston, William John	Phillip (N.S.W.)
Bandit, Henry Norman Charles	Wide Bay (Q.)
Barnard, Lance Herbert	Bass (T.)
Barnes, Charles Edward	McPherson (Q.)
Barwick, Hon. Sir Garfield Edward John, Q.C.	Parramatta (N.S.W.)
Bate, Henry Jefferson	Macarthur (N.S.W.)
(¹)Beaton, Noel Lawrence	Bendigo (V.)
Beazley, Kim Edward	Fremantle (W.A.)
Bird, Alan Charles	Batman (V.)
Bland, Francis Armand, C.M.G.	Warringah (N.S.W.)
Bowden, George James, M.C.	Gippsland (V.)
Brimblecombe, Wilfred John	Maranoa (Q.)
Browne, Peter Grahame	Kalgoorlie (W.A.)
Bryant, Gordon Munro	Wills (V.)
Buchanan, Alexander Andrew	McMillan (V.)
Bury, Leslie Harry Ernest	Wentworth (N.S.W.)
Cairns, James Ford	Yarra (V.)
Calwell, Hon. Arthur Augustus	Melbourne (V.)
Cameron, Clyde Robert	Hindmarsh (S.A.)
Cameron, Hon. Donald Alastair, O.B.E.	Oxley (Q.)
(²) Casey, Rt. Hon. Richard Gardiner, C.H., D.S.O., M.C.	La Trobe (V.)
Cash, Earl Douglas	Stirling (W.A.)
Chaney, Frederick Charles, A.F.C.	Perth (W.A.)
(³) Chipp, Donald Leslie	Higinbotham (V.)
Chresby, Arthur Albert	Griffith (Q.)
(⁴) Clarey, Hon. Percy James	Bendigo (V.)
Clark, Joseph James	Darling (N.S.W.)
Clay, Lionel Daniel	St. George (N.S.W.)
Cleaver, Richard	Swan (W.A.)
Cope, James Francis	Watson (N.S.W.)
Costa, Dominic Eric	Banks (N.S.W.)
Courtney, Frank	Darebin (V.)
Cramer, Hon. John Oscar	Bennelong (N.S.W.)
Crean, Frank	Melbourne Ports (V.)
Curtin, Daniel James	Kingsford-Smith (N.S.W.)
Daly, Frederick Michael	Grayndler (N.S.W.)
Davidson, Hon. Charles William, O.B.E.	Dawson (Q.)
Davies, Ronald	Braddon (T.)
Davis, Francis John	Deakin (V.)
Dean, Roger Levinge	Robertson (N.S.W.)
Downer, Hon. Alexander Russell	Angas (S.A.)
Drummond, Hon. David Henry	New England (N.S.W.)
Drury, Edward Nigel	Ryan (Q.)
Duthie, Gilbert William Arthur	Wilmot (T.)
(⁵) England, John Armstrong, E.D.	Calare (N.S.W.)
Erwin, George Dudley	Ballaarat (V.)
(⁶) Evatt, Rt. Hon. Herbert Vere, Q.C., LL.D., D.Litt.	Hunter (N.S.W.)
Failes, Laurence John	Lawson (N.S.W.)
Fairbairn, David Eric D.F.C.	Farrer (N.S.W.)
Fairhall, Hon. Allen	Paterson (N.S.W.)
Falkinder, Charles William Jackson, D.S.O., D.F.C.	Franklin (T.)
Forbes, Alexander James, M.C.	Barker (S.A.)
Fox, Edmund Maxwell Cameron	Henty (V.)
Fraser, Allan Duncan	Eden-Monaro (N.S.W.)
Fraser, James Reay	(A.C.T.)

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

v

Fraser, John Malcolm	Wannon (V.)
Freeth, Hon. Gordon	Forrest (W.A.)
Fulton, William John	Leichhardt (Q.)
Galvin, Patrick	Kingston (S.A.)
Griffiths, Charles Edward	Shortland (N.S.W.)
Halbert, Hugh Victor	Moore (W.A.)
Hamilton, Leonard William	Canning (W.A.)
Harrison, Eli James	Blaxland (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, Rt. Hon. Harold Edward	Higgins (V.)
Holten, Rendle McNeilage	Indi (V.)
(?)Howse, John Brooke	Calare (N.S.W.)
Howson, Peter	Fawkner (V.)
Hulme, Hon. Alan Shallcross	Petrie (Q.)
Jack, William Mathers	North Sydney (N.S.W.)
(⁸)James, Albert William	Hunter (N.S.W.)
(⁹)Jess, John David	Ls Trobe (V.)
Johnson, Leslie Royston	Hughes (N.S.W.)
Jones, Charles Keith	Newcastle (N.S.W.)
(¹⁰)Joske, Percy Ernest, Q.C.	Balaclava (V.)
Kearney, Victor Dennis	Cunningham (N.S.W.)
Kelly, Charles Robert	Wakefield (S.A.)
Kent Hughes, Hon. Sir Wilfrid Selwyn, K.B.E., M.V.O., M.C., E.D.	Chisholm (V.)
Killen, Denis James	Moreton (Q.)
King, Robert Shannon	Wimmera (V.)
Lawson, Hon. George	Brisbane (Q.)
Lindsay, Robert William Ludovic	Flinders (V.)
Luchetti, Anthony Sylvester	Macquarie (N.S.W.)
Lucock, Philip Ernest	Lyne (N.S.W.)
Mackinnon, Ewen Daniel	Corangamite (V.)
Makin, Hon. Norman John Oswald	Bonython (S.A.)
McColm, Malcolm Llewellyn	Bowman (Q.)
McEwen, Rt. Hon. John	Murray (V.)
McIvor, Hector James	Gellibrand (V.)
McLeay, Hon. John, M.M.	Boothby (S.A.)
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.)
Murray, John, M.B.E.	Herbert (Q.)
Nelson, John Norman	(N.T.)
O'Connor, William Paul	Dalley (N.S.W.)
Opperman, Hon. Hubert Ferdinand, O.B.E.	Corio (V.)
Osborne, Hon. Frederick Meares, D.S.C.*, V.R.D.	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	Scullin (V.)
Pollard, Hon. Reginald Thomas	Lalor (V.)
Reynolds, Leonard James	Barton (N.S.W.)
Riordan, Hon. William James Frederick	Kennedy (Q.)
Roberton, Hon. Hugh Stevenson	Riverina (N.S.W.)
Russell, Edgar Hughes Deg	Grey (S.A.)
Sexton, Joseph Clement Leonard	Adelaide (S.A.)
Snedden, Billy Mackie	Bruce (V.)
Stewart, Francis Eugene	Lang (N.S.W.)
Stokes, Philip William Clifford, E.D.	Maribyrnong (V.)
Swartz, Reginald William Colin, M.B.E., E.D.	Darling Downs (Q.)
Thompson, Albert Victor	Port Adelaide (S.A.)
(¹¹)Timson, Thomas Frank, M.B.E.	Higinbotham (V.)
Townley, Hon. Athol Gordon	Denison (T.)
Turnbull, Winton Groege	Mallee (V.)
Turner, Henry Basil	Bradfield (N.S.W.)
Uren, Thomas	Reid (N.S.W.)
Ward, Hon. Edward John	East Sydney (N.S.W.)
Wentworth, William Charles	Mackellar (N.S.W.)
Wheeler, Roy Crawford	Mitchell (N.S.W.)
Whilam, Edward Gough	Werriwa (N.S.W.)
(¹²)Whittorn, Raymond Harold	Balaclava (V.)
Wight, Bruce McDonald	Lilley (Q.)
Wilson, Keith Cameron	Sturt (S.A.)

(1) Elected, 16th July, 1960.

(2) Resigned, 9th February, 1960.

(3) Elected, 10th December, 1960.

(4) Death reported, 17th May, 1960.

(5) Elected, 5th November, 1960.

(6) Resigned, 9th February, 1960.

(7) Resigned, 28th September, 1960.

(8) Elected, 9th April, 1960.

(9) Elected, 9th April, 1960.

2nd June, 1960.

(11) Death reported, 18th October, 1960.

(10) Resigned, 16th July, 1960.

THE COMMITTEES OF THE SESSION.

JOINT.

AUSTRALIAN CAPITAL TERRITORY.—Senator McCallum (Chairman), Senator Armstrong, Senator Tangney, Senator Vincent, Senator Wood, Mr. Anderson, Mr. Beazley, Mr. Fairbairn (from 2nd May), and Mr. J. R. Fraser.

FOREIGN AFFAIRS.—Sir Wilfrid Kent Hughes (Chairman), Senator Buttfield, Senator Cole, Senator McCallum, Senator Maher, Senator Mattner, Senator Robertson, Senator Scott, Mr. Anderson (from 15th March), Mr. Aston, Mr. Chaney, Mr. Drummond, Mr. Failes, Mr. Fairbairn, Mr. Forbes, Mr. Haworth, Mr. Lucock (to 15th March), Mr. Mackinnon, Mr. McColm, Mr. Wentworth, and Mr. Wheeler.

HOUSE.—Mr. Speaker (Chairman), The President, Senator Amour, Senator Aylett, Senator Drake-Brockman, Senator Hannaford, Senator Sandford, Senator Wardlaw, Mr. Chaney, Mr. Failes, Mr. J. R. Fraser, Mr. Galvin, Mr. Pearce, and Mr. Stewart.

LIBRARY.—The President (Chairman), Senator Arnold, Senator Kendall, Senator McCallum, Senator McManus, Senator Robertson, Senator Tangney, Mr. Speaker, Mr. Bryant, Mr. Drummond, Mr. Forbes, Mr. Kearney, Mr. O'Connor, and Mr. Wentworth.

PARLIAMENTARY PROCEEDINGS BROADCASTING.—Mr. Speaker (Chairman), The President, Senator Arnold, Senator Marriott, Mr. Costa, Mr. Falkinder, Mr. Allan Fraser, Mr. Pearce, and Mr. Turnbull.

PRINTING.—Mr. Erwin (Chairman), Senator Benn, Senator Buttfield, Senator Cooke, Senator Marriott, Senator Robertson, Senator Sandford, Senator Scott, Mr. Bird, Mr. Browne, Mr. E. James Harrison, Mr. King (from 15th March), Mr. Lucock (to 15th March), Mr. Pearce, and Mr. Stewart.

PUBLIC ACCOUNTS.—Mr. Davis (Chairman), Senator Benn, Senator McKellar (from 16th March), Senator Wade (to 16th March), Senator Wedgwood, Mr. Ian Allan, Mr. Bury, Mr. Cleaver, Mr. Cope, Mr. Luchetti, and Mr. Thompson.

PUBLIC WORKS.—Mr. Fairhall (Chairman), Senator Anderson, Senator Maher, Senator O'Byrne, Mr. Brimblecombe, Mr. Dean, Mr. Griffiths, Mr. McIvor, and Mr. O'Connor.

HOUSE OF REPRESENTATIVES.

PRIVILEGES.—Mr. Drury (Chairman), Mr. Clyde Cameron, Mr. Clark, Mr. Erwin, Mr. Allan Fraser, Mr. Galvin, Mr. Killen, Mr. Snedden, and Mr. Turnbull.

SELECT COMMITTEE ON VOTING RIGHTS OF ABORIGINALS (Appointed 18th April, 1961).—Mr. Pearce (Chairman), Mr. Barnes, Mr. Beazley, Mr. Browne, Mr. Howson, Mr. Luchetti, and Mr. Nelson. (Report brought up 19th October, 1961.)

STANDING ORDERS.—Mr. Speaker (Chairman), the Prime Minister, the Chairman of Committees, the Leader of the House, the Deputy Leader of the Opposition, Mr. Clark, Mr. Costa, Mr. Drury, Mr. E. James Harrison, Mr. Makin, and Sir Earle Page.

PARLIAMENTARY DEPARTMENTS.

SENATE.

Clerk.—R. H. C. Loof.

Clerk-Assistant.—J. R. Odgers.

Second Clerk-Assistant.—R. E. Bullock.

Usher of the Black Rod.—K. O. Bradshaw.

HOUSE OF REPRESENTATIVES.

Clerk.—A. G. Turner.

Clerk-Assistant.—N. J. Parkes.

Second Clerk-Assistant.—J. A. Pettifer.

Third Clerk-Assistant.—D. M. Blake.

Serjeant-at-Arms.—A. R. Browning.

PARLIAMENTARY REPORTING STAFF.

Principal Parliamentary Reporter.—L. D. O'Donnell.

Second Reporter.—W. E. Dale.

Third Reporter.—A. K. Healy.

LIBRARY.

Librarian.—H. L. White.

Assistant Librarian.—L. C. Key.

JOINT HOUSE.

Secretary.—W. I. Emerton.

THE ACTS OF THE SESSION.

(THIRD SESSION: SECOND PERIOD.)

Air Navigation Act 1961 (Act No. 72 of 1961)—

An Act to amend the *Air Navigation Act* 1920–1960.

Airlines Agreements Act 1961 (Act No. 70 of 1961)—

An Act to amend the *Civil Aviation Agreement Act* 1952–1957.

Appropriation Act 1961–62 (Act No. 58 of 1961)—

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

Appropriation (Works and Services) Act 1961–62 (Act No. 59 of 1961)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum for the service of the year ending on the thirtieth day of June, One thousand nine hundred and sixty-two, 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 1961 (Act No. 89 of 1961)—

An Act to amend the *Audit Act* 1901–1960.

Australian National Airlines Act 1961 (Act No. 71 of 1961)—

An Act to amend the *Australian National Airlines Act* 1945–1959.

Beaches, Fishing Grounds and Sea Routes Protection Act 1961 (Act No. 62 of 1961)—

An Act to amend the *Beaches, Fishing Grounds and Sea Routes Protection Act* 1932.

Cattle and Beef Research Act 1961 (Act No. 50 of 1961)—

An Act to amend the *Cattle and Beef Research Acts* 1960, and for other purposes.

Cattle Slaughter Levy Collection Act 1961 (Act No. 48 of 1961)—

An Act to amend the *Cattle Slaughter Levy Collection Act* 1960.

Cattle Slaughter Levy (Suspension) Act 1961 (Act No. 49 of 1961)—

An Act to Revoke the Imposition of Cattle Slaughter Levy in respect of a certain Period, and for purposes connected therewith.

Cellulose Acetate Flake Bounty Act (No. 2) 1961 (Act No. 57 of 1961)—

An Act to amend the *Cellulose Acetate Flake Bounty Act* 1956–1959, as amended by the *Cellulose Acetate Flake Bounty Act* 1961.

Coal Loading Works Agreement (New South Wales) Act 1961 (Act No. 93 of 1961)—

An Act relating to an Agreement between the Commonwealth and the State of New South Wales with respect to certain Coal Loading Works.

Commonwealth Banks Act 1961 (Act No. 75 of 1961)—

An Act to increase the Capital of the Commonwealth Development Bank of Australia by the sum of Five Million pounds.

Customs Tariff (No. 2) 1961 (Act No. 51 of 1961)—

An Act relating to Duties of Customs.

Customs Tariff (Canada Preference) (No. 2) 1961 (Act No. 52 of 1961)—

An Act to amend the *Customs Tariff (Canada Preference)* 1960, as amended by the *Customs Tariff (Canada Preference)* 1961.

Customs Tariff (Federation of Rhodesia and Nyasaland Preference) 1961 (Act No. 53 of 1961)—

An Act to amend the *Customs Tariffs (Federation of Rhodesia and Nyasaland Preference)* 1960.

Customs Tariff (New Zealand Preference) (No. 2) 1961 (Act No. 54 of 1961)—

An Act to amend the *Customs Tariff (New Zealand Preference)* 1933–1960, as amended by the *Customs Tariff (New Zealand Preference)* (No. 1) 1961.

Customs Tariff (New Zealand Preference) (No. 3) 1961 (Act No. 56 of 1961)—

An Act to amend the *Customs Tariff (New Zealand Preference)* 1933–1960, as amended by the *Customs Tariff (New Zealand Preference)* (No. 1) 1961 and by the *Customs Tariff (New Zealand Preference)* (No. 2) 1961.

Customs Tariff Validation Act 1961 (Act No. 97 of 1961)—

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

Defence Forces Retirement Benefits (Pension Increases) Act 1961 (Act No. 87 of 1961)—

An Act to provide for Increases in certain Defence Forces Retirement Pensions.

Excise Tariff (No. 2) 1961 (Act No. 55 of 1961)—

An Act relating to Duties of Excise.

Explosives Act 1961 (Act No. 65 of 1961)—

An Act relating to Explosives.

- Foot and Mouth Disease Act 1961 (Act No. 44 of 1961)—
An Act to establish a Foot and Mouth Disease Eradication Trust Account in respect of the Australian Capital Territory and the Northern Territory of Australia, and for purposes connected therewith.
- Gold-Mining Industry Assistance Act 1961 (Act No. 66 of 1961)—
An Act to amend the *Gold-Mining Industry Assistance Act 1954–1959*.
- Income Tax and Social Services Contribution Assessment Act (No. 3) 1961 (Act No. 94 of 1961)—
An Act relating to Income Tax.
- Income Tax and Social Services Contribution Act 1961 (Act No. 95 of 1961)—
An Act to impose upon Incomes a Tax by the name of Income Tax and Social Services Contribution.
- International Finance Corporation Act 1961 (Act No. 69 of 1961)—
An Act to amend the *International Finance Corporation Act 1955*.
- Lighthouses Act 1961 (Act No. 63 of 1961)—
An Act to amend the *Lighthouses Act 1911–1957*.
- Loan (Housing) Act 1961 (Act No. 60 of 1961)—
An Act to authorize the Raising and Expending of Moneys for the purposes of Housing.
- Navigation Act 1961 (Act No. 96 of 1961)—
An Act to amend the *Navigation Act 1912–1958*, and for other purposes.
- Northern Territory (Administration) Act 1961 (Act No. 68 of 1961)—
An Act to amend the *Northern Territory (Administration) Act 1910–1959*.
- Petroleum Search Subsidy Act 1961 (Act No. 74 of 1961)—
An Act to amend the *Petroleum Search Subsidy Act 1959*.
- Post and Telegraph Act 1961 (Act No. 64 of 1961)—
An Act to repeal section sixteen of the *Post and Telegraph Act 1901–1960*.
- Quarantine Act 1961 (Act No. 61 of 1961)—
An Act to amend the *Quarantine Act 1908–1950*.
- Queensland Grant (Beef Cattle Roads) Act 1961 (Act No. 90 of 1961)—
An Act to grant Financial Assistance to the State of Queensland for Works in connexion with certain Roads to be used for the transport of Beef Cattle.
- Railway Agreement (Queensland) Act 1961 (Act No. 92 of 1961)—
An Act relating to an Agreement between the Commonwealth and the State of Queensland with respect to the Collinsville–Townsville–Mount Isa Railway.
- Railway Agreement (Western Australia) Act 1961 (Act No. 67 of 1961)—
An Act relating to an Agreement between the Commonwealth and the State of Western Australia in relation to certain Railways in that State.
- Railway Equipment Agreement (South Australia) Act 1961 (Act No. 98 of 1961)—
An Act relating to an Agreement between the Commonwealth and the State of South Australia with respect to certain Railway Equipment.
- Repatriation Act 1961 (Act No. 46 of 1961)—
An Act to amend the *Repatriation Act 1920–1960*, and for other purposes.
- Sales Tax Act (No. 1A) 1961 (Act No. 77 of 1961)—
An Act relating to Sales Tax.
- Sales Tax Act (No. 2A) 1961 (Act No. 78 of 1961)—
An Act relating to Sales Tax.
- Sales Tax Act (No. 3A) 1961 (Act No. 79 of 1961)—
An Act relating to Sales Tax.
- Sales Tax Act (No. 4A) 1961 (Act No. 80 of 1961)—
An Act relating to Sales Tax.
- Sales Tax Act (No. 5A) 1961 (Act No. 81 of 1961)—
An Act relating to Sales Tax.
- Sales Tax Act (No. 6A) 1961 (Act No. 82 of 1961)—
An Act relating to Sales Tax.
- Sales Tax Act (No. 7A) 1961 (Act No. 83 of 1961)—
An Act relating to Sales Tax.
- Sales Tax Act (No. 8A) 1961 (Act No. 84 of 1961)—
An Act relating to Sales Tax.
- Sales Tax Act (No. 9A) 1961 (Act No. 85 of 1961)—
An Act relating to Sales Tax.
- Sales Tax (Exemptions and Classifications) Act (No. 2) 1961 (Act No. 76 of 1961)—
An Act to provide for Exemption from Sales Tax of certain Goods for use in connexion with Transport.

Seamen's War Pensions and Allowances Act 1961 (Act No. 47 of 1961)—

An Act to amend the *Seamen's War Pensions and Allowances Act* 1940–1960, and for other purposes
Social Services Act 1961 (Act No. 45 of 1961)—

An Act to amend the *Social Services Act* 1947–1960.

States Grants (Special Assistance) Act 1961 (Act No. 88 of 1961)—

An Act to grant Financial Assistance to the States of Western Australia and Tasmania.

Superannuation (Pension Increases) Act 1961 (Act No. 86 of 1961)—

An Act to provide for Increases in certain Superannuation Pensions.

War Service Homes Act 1961 (Act No. 73 of 1961)—

An Act to amend the *War Service Homes Act* 1918–1956.

Western Australia Grant (Beef Cattle Roads) Act 1961 (Act No. 91 of 1961)—

An Act to grant Financial Assistance to the State of Western Australia for Works in connexion with
certain Roads to be used for the transport of Beef Cattle.

Wool Tax Assessment Act 1961 (Act No. 43 of 1961)—

An Act to amend the *Wool Tax Assessment Act* 1936–1957.

Wool Tax Act (No. 1) 1961 (Act No. 41 of 1961)—

An Act to amend the *Wool Tax Act (No. 1)* 1957–1960.

Wool Tax Act (No. 2) 1961 (Act No. 42 of 1961)—

An Act to amend the *Wool Tax Act (No. 2)* 1957–1960.

BILLS OF THE SESSION.

Jury Exemption Bill 1961. Initiated in the House of Representatives. Read a first time.

CONTENTS

THURSDAY, 26 OCTOBER 1961

CHAMBER

Question	
CONTRACTORS FOR WEAPONS RESEARCH	2521
Question	
BEEF-CATTLE ROADS.....	2521
Question	
NORTHERN TERRITORY	2521
Question	
UNITED NATIONS	2522
Question	
LOCAL GOVERNMENT FINANCE.....	2522
Question	
REPATRIATION.....	2522
Question	
EXTERNAL AFFAIRS	2523
Question	
DECIMAL CURRENCY	2523
Question	
RESERVE BANK OF AUSTRALIA - PUBLIC SERVICE.....	2524
Question	
HOUSING FINANCE.....	2524
Question	
PAPUA AND NEW GUINEA.....	2525
Question	
PUBLIC SERVICE.....	2525
Question	
AIR TRAVEL BY MEMBERS	2525
Question	
IMMIGRATION.....	2526
Question	
HOUSING	2526
Question	
SECURITY	2526
Question	
WAR SERVICE HOMES	2527
Question	
BROADCASTING	2527
Question	
AUSTRALIAN AIRLINES	2528
Question	
PENNANT HILLS POST OFFICE.....	2528
Question	
LOCAL GOVERNMENT FINANCE.....	2528
Question	
PATENTS	2528
Question	
UNIFORM COMPANY LAW.....	2529
Educational, Social And Economic Advancement In Papua And New Guinea.....	2529
Bills Returned From The Senate	2532
Assent To Bills.....	2532
Railway Equipment Agreement (South Australia) Bill 1961	
Second Reading.....	2533
Third Reading	2543
Airlines Agreements Bill 1961	
Second Reading.....	2544
War Service Homes Bill 1961	
Second Reading.....	2586
Printing Committee.....	2611
Bills Returned From The Senate	2611
Petroleum Search Subsidy Bill 1961	
Second Reading.....	2611
Airlines Agreements Bill 1961.....	2624

Air Navigation Bill 1961.....	2639
Special Adjournment.....	2639
Leave Of Absence To All Members.....	2639
Adjournment	
Valedictory.....	2639

QUESTIONS IN WRITING

Answers To Questions

Immigration.....	2647
Travelling Allowances Paid to Parliamentary Secretaries	2647
Unemployment Statistics.....	2648
Education	2648
Employment of School Leavers	2649
Post Office, Pittsworth	2649
Commonwealth Offices, Toowoomba.....	2649
International Monetary Fund.....	2651
Antibiotics.....	2651
Australian Airlines	2652
Unemployment Statistics.....	2652
Immigration.....	2652

Thursday, 26th October, 1961.

Mr. SPEAKER (Hon. John McLeay) took the chair at 10.30 a.m., and read prayers.

CONTRACTORS FOR WEAPONS RESEARCH.

Mr. MAKIN.—I wish to direct a question to the Minister for Supply. Can he tell me whether it is a fact that certain private firms which have branches in the Weapons Research Establishment at Elizabeth in South Australia propose merging into a single business enterprise to be known as the Hawker Siddeley Group? What is the purpose of this merger?

Mr. HULME.—I cannot give the honorable gentleman any precise information. He will appreciate that many of the contractors for the Weapons Research Establishment are contractors from the United Kingdom. There have been amalgamations in the Old Country. I shall find out what I can and let the honorable member have any available information as soon as possible.

BEEF-CATTLE ROADS.

Mr. PEARCE.—I ask a question of the Treasurer in order to clear up some confusion which seems to exist. Will the right honorable gentleman state the position in regard to the selection of roads and the priority given in determining which roads shall be built with the £5,000,000, out of a total expenditure of £5,350,000, to be provided by this Government for beef-cattle roads in Queensland? In particular, will he state the position concerning the flexibility of the scheme and whether other roads, although not actually included in this scheme, will be considered if a case for their construction is submitted?

Mr. HAROLD HOLT.—I was not aware that any confusion on this matter existed. It certainly does not exist in the minds of members of the Queensland Government. The Prime Minister has been in communication with the Premier of Queensland, and for some time discussions between representatives of the Commonwealth and the State Government about road construction in Queensland have been going on with the object of promoting beef production for

export from that State. Some time ago, the Queensland Government submitted to us a priority list of roads as they were viewed by that Government. Subsequently, there was worked out an arrangement under which the Commonwealth was to provide, over a five-year period, £5,000,000 out of a total expenditure of £5,350,000, as the honorable member has mentioned. At that stage, the Queensland Government supplied a list of roads selected from those in the priority list. The Commonwealth Government has accepted that list, but, in the bill before the Parliament, we did not specify any road other than the one which is currently under construction. We have intimated to the Queensland Government that we have done this in order to leave room for some flexibility if it has other views about the roads as time goes on. If it has, the matter will be open for discussion between the governments concerned.

I may say that, in a general way, we have let the Queensland Government know that we have in mind the construction of a system of roads through the north of Australia, and therefore we have been looking to the development of roads which have been proved, after consultation, to be in accordance with our general wishes in the matter. However, we have not at any stage attempted to dictate to the Queensland Government where new roads are to be constructed. To the best of my knowledge, which is based on a close acquaintance with this matter, the roads selected are those which the State Government itself wished to have built within the scheme.

NORTHERN TERRITORY.

Mr. NELSON.—I ask the Minister for Territories to comment on the action of the elected and non-official members of the Legislative Council for the Northern Territory in serving notice on the Government that at the coming meeting of the council they, because of their majority, will control the business and order of business of that body, and also that, in the event of the Government's requiring legislation to be passed, it will have to get an elected member to introduce it. Having regard to the action that these men feel compelled to take in order to focus attention on the position, does not the Minister consider it is time

that the council was reconstituted in order to provide for a fully elected body with defined powers?

Mr. HASLUCK.—Part of the honorable gentleman's question refers to policy, and I will not touch on that. The handling of political situations that arise in the Legislative Council is, of course, a matter for the Administrator, who is president of the council. The Government has no doubt of his capacity to handle political situations that may arise in the council, and to get the business through. I am sure that every member of this House will realize, from his own parliamentary experience, that control of a legislative body cannot be taken out of the hands of the Government, because that would create a situation in which government would completely collapse.

UNITED NATIONS.

Mr. DEAN.—In directing a question to the Prime Minister and Minister for External Affairs I refer to the report that the Political Committee of the United Nations carried a resolution calling on Russia to cease exploding megaton nuclear devices, and that some 22 nations abstained from voting. Do the delegates who generally abstain come from the neutralist bloc of countries? If so, does it come within the power of the Australian Government to do anything more to impress on people that neutrals can exist as such only under the protection of the free nations?

Mr. MENZIES.—Without dealing with any particular vote, the results of which I do not have in mind, I may tell the honorable member that our delegation—and I am glad to say it is not the only one to do this—loses no opportunity, either in meetings or in the lobby, of impressing upon people that if there were not committed and aligned nations in the free world there would be not much room left for unaligned countries.

LOCAL GOVERNMENT FINANCE.

Mr. BIRD.—Has the Treasurer given any consideration to the idea that the Australian Loan Council, in addition to raising money for State government requirements, should also raise money for municipal and

local government works? If this practice were adopted, would it mean that interest charges for municipalities would be $\frac{1}{2}$ per cent. lower than at present?

Mr. HAROLD HOLT.—As honorable gentlemen are aware, at meetings of the Australian Loan Council discussions take place on the approved total level of borrowing by local government authorities for the financial year ahead. I am not sufficiently familiar with the early history of this matter to know how far discussion may have proceeded towards the objective that the honorable member now recommends to us. The idea he has expressed has a certain superficial attraction, but I have no doubt that it also carries considerable complexity. It might not even be welcomed by individual local government authorities that have developed a particular relationship with some financial institution or bank. However, the matter certainly merits examination, and I assure the honorable gentleman that I shall look into it in the period that lies ahead of us.

REPATRIATION.

Mr. ANDERSON.—I direct a question to the Minister for Repatriation. Recently I have had to inquire into the progress of some mentally ill ex-servicemen. What is the incidence of mental illness in ex-service-men in comparison with the civilian population? What success has been achieved with treatment by the Repatriation Department, and has the Minister any further plans for dealing with this difficult human problem?

Mr. OSBORNE.—The percentage of mentally ill repatriation patients being treated in our repatriation general hospitals is disclosed in the annual report of the Repatriation Commission which was tabled recently. It runs, from recollection, at about 12 per cent. The percentage has shown an increase over recent years, but no alarming conclusions should be drawn from that fact, because it is associated with the increasing age of the ex-service population and more particularly with the completely changed attitude towards mental illness in the medical profession and the community generally. It is, in fact, a matter of diagnosis and availability of treatment.

The honorable member asked me how repatriation figures in this connexion compare with those in respect of the civilian population. I have looked into this before. No proper basis of comparison is available, but my medical advisers in the Repatriation Department say that they have no reason to believe that mental illness is more frequent among the ex-service population than it is among other people. As to the future, our hospitals face a difficulty, common to all hospitals throughout Australia, in obtaining the services of doctors trained in the treatment of mental illnesses. There is a shortage of psychiatrists throughout the country. We are giving opportunities to young doctors for training in this field in our hospitals, but it is a difficult problem.

The principal psychiatry consultant to my department has just returned from a study visit to the United States of America and Canada, where he made a particular study of the treatment in veterans' hospitals. He has made a comprehensive report which is now being studied. I think I can assure the honorable gentleman that in the future, as in the past, the treatment for the mentally ill among entitled ex-servicemen will be the most sympathetic and advanced that is available.

EXTERNAL AFFAIRS.

Mr. BRYANT.—My question is directed to the Minister for External Affairs. Earlier this morning, the right honorable gentleman gave strength to the view that Australia is pretty well committed to support the Western position uncritically in foreign affairs. A few weeks ago he said we were committed to the Western position in Berlin. Last week I asked whether he had examined the statement of the Minister for Foreign Affairs in the United Kingdom that the United Kingdom would go to war over Berlin. Now I ask the right honorable gentleman: Is the United Kingdom committed to go to war over Berlin and are we committed to support the United Kingdom if that happens?

Mr. MENZIES.—The honorable member must have a very low opinion of me if he thinks that at this stage and at question-time I will undertake to make a statement about the views of the Government of the United Kingdom. I certainly do not propose to do so. I would point out that the

honorable member slipped into his question the word "uncritically". It has never been said that we uncritically follow the policy of the West.

Mr. BRYANT.—Of course, you do.

Mr. MENZIES.—Well, we know who our friends are, and our friends who are very important to Australia—our great friends in the United Kingdom and the United States of America—so far from being unaccustomed to critical support from us receive our critical views in close detail with great regularity. When the cards are down, we know what side we are on.

DECIMAL CURRENCY.

Mr. HALBERT.—My question is addressed to the Treasurer. Has he seen the published criticism of spokesmen for a decimal currency organization alleging unwarranted delays by the Government in making a change to a decimal currency system? Can he tell the House whether there has been any general change in the Government's attitude of acceptance of the desirability in principle of introducing a decimal currency system? Can he assure the House that the necessary administrative steps are being actively taken?

Mr. HAROLD HOLT.—I have seen some published comment by spokesmen for one of the decimal currency organizations and I can understand the zeal of enthusiasts in pressing their own point of view on this matter. I assure the House and the honorable gentleman that there has been no change in the general attitude previously announced on behalf of the Government of support for the introduction of decimal currency, if that commends itself to us after we have examined all the practical problems involved. There are many practical problems. I can also assure the honorable gentleman that there is no avoidable delay in examining the problems and in dealing with them. Indeed, as recently as last week, I chaired a meeting of a cabinet committee which was examining the form and composition of coinage which may have to be adopted in the future.

Decisions on these matters are themselves basic to the consequential decisions

about the construction of a mint in Canberra, its size, the machinery that would have to go into it, and so on. In these and other ways we are maintaining our interest and our activity in this matter. I previously told the House of discussions that have occurred between myself and finance ministers from the United Kingdom and New Zealand. This, too, could have a bearing, if not on our time-table, then possibly on the nomenclature of any coins that may be subsequently adopted. Generally speaking, it can be taken, therefore, that we are doing what we can to keep this matter actively before us.

RESERVE BANK OF AUSTRALIA— PUBLIC SERVICE.

Mr. CALWELL.—I ask the Prime Minister a question. Does he recollect that on three occasions quite recently I have asked him whether he would make a statement about the contract for the building of the Reserve Bank in Sydney? On two occasions he said he would make inquiries and advise the House, if he could, of the reasons why one of the two lowest tenders was not accepted. I now ask him whether he is in a position to make a statement on the matter. Yesterday, the Prime Minister said he would reply to a question asked by the honorable member for Barton concerning professional engineers in the Public Service. I take advantage of this opportunity to ask whether he will make that statement also.

Mr. MENZIES.—As to the first part of the honorable gentleman's question, I inform him that I expect to get to him some time this afternoon the answer he wants. Yesterday the honorable member for Barton asked how far the Public Service Board had proceeded with the re-organization of professional engineers within the Public Service following the recent award of the Commonwealth Conciliation and Arbitration Commission in the engineers' case. The board has been engaged in discussions with the departments on the re-organization of the engineering services of the Commonwealth. The discussions with the Department of Works, which is one of the departments affected, have been completed and action is being taken to bring the re-organization into force immediately. Action in

respect of the other departments is proceeding.

The Commonwealth has implemented, and will continue to implement, the determinations of the Commonwealth Conciliation and Arbitration Commission. The board is also providing that a qualified engineering officer who may temporarily—and it would be only temporary—become surplus with this re-classification will retain the increase provided under the board's adjustment measures pending absorption into the new establishment at that level.

HOUSING FINANCE.

Mr. CASH.—My question is directed to the Treasurer. Is it a fact that the latest figures released show an encouraging increase in the level of deposits with the State savings banks? Does this mean that the savings banks will have more funds available to lend for home building? In view of the somewhat lower level of building approvals revealed in the published figures for September, is the Government doing anything to encourage an increased volume of home building?

Mr. HAROLD HOLT.—I am glad to be able to report to the House that there has been an encouraging increase in the level of savings bank deposits over recent months. Honorable members will recall that, following the measures taken by the Government in November, there was some decline in the level of savings bank deposits, but this was more than offset in volume by the increase which occurred in fixed deposits with the major trading banks. Over the last four months, we have seen substantial increases in both these directions. For that period the increase in savings bank deposits has been £77,800,000, and the amount of the increase in fixed deposits £51,300,000. That does have, I believe, a useful effect on the level of lending by the State savings banks and other savings banks for housing purposes.

As the published accounts of the Commonwealth Banking Corporation now reveal, in 1960-61, there was an increase over the previous year of £4,000,000 in lending for home-building purposes, but the Commonwealth Savings Bank, and other savings banks relate their housing lending generally to the level of deposits with them. So that,

with an increase of deposits, it is reasonable to assume that there will be some increase in the amount of lending for home-building purposes.

I would just add that, in addition to the action which it took earlier in the year to encourage greater lending through savings banks, the Government has made available the record amount of just under £43,000,000 to the States for housing purposes this year. Of that amount, 30 per cent. is to be allocated through the building societies. In this and other ways, the Government is doing what it usefully can to maintain a healthy level of home-building activity in Australia.

PAPUA AND NEW GUINEA.

Mr. BEATON.—I address a question to the Minister for Territories, who will recall having had discussions in August with representatives of the Young Women's Christian Association concerning Government aid for the establishment of a Y.W.C.A. hostel in the Territory of Papua and New Guinea at, I believe, Port Moresby. I ask the Minister whether any decision has yet been made regarding this very worthy cause. If not, will the Government give urgent and favorable consideration to the matter?

Mr. HASLUCK.—The discussions I had with representatives of the Young Women's Christian Association in August were not the only discussions I have had with them. We have discussed the possibility of their extending their work in the Territory on several occasions. As a result of the latest discussions, the Government made it possible for representatives of the association to visit the Territory in order to examine the nature of the need that existed there, and to have further discussions on the spot with officers of the Administration. After their return, I wrote to the association indicating ways in which the Government will be able to assist its work in the Territory. I understand that that letter is under consideration by the association at the present time.

PUBLIC SERVICE.

Mr. DRUMMOND.—I preface a question addressed to the Minister for Primary Industry by stating that I have been informed that certain amalgamations of

State and Commonwealth meat inspection services are being arranged. I ask the Minister whether it is a fact that the Commonwealth meat inspectors organization is gravely concerned at the possibility that the seniority rights of Commonwealth inspectors will be affected by this change-over. If he has been so advised, can he inform the House of the actual position? If he has not been so advised, will he have the necessary inquiries made so that the fair thing may be done in this case?

Mr. MENZIES.—I hope that I do not intervene improperly, but, on Tuesday, the honorable member for Griffith put a question to me on this matter.

Mr. THOMPSON.—We have all had the same letter.

Mr. MENZIES.—I dare say, I was proposing, this morning, to answer the question. I may not completely cover the question now put, in which case my colleague can add to what I say.

On 24th October, the honorable member for Griffith asked me about representations from the Meat Inspectors Association concerning their seniority within the Commonwealth Public Service in relation to certain inspectors at the Metropolitan and Export Abattoirs Board, Gepps Cross, South Australia. I understand that, following discussions at the Australian Agricultural Council concerning the elimination of overlapping in meat inspection activities between Commonwealth and State authorities, the Metropolitan and Export Abattoirs Board, Gepps Cross, South Australia, approached the Commonwealth, in 1960, about the possibility of the Commonwealth undertaking the inspection of meat for home consumption at Gepps Cross. Since then, discussions relating to possible arrangements have been proceeding between the Commonwealth Department of Primary Industry and the Metropolitan and Export Abattoirs Board. When these negotiations have been completed, the Public Service Board will examine the terms and conditions for employees, including seniority.

AIR TRAVEL BY MEMBERS.

Mr. PETERS.—I ask the Minister for the Interior: Who were the members of this Parliament who used Qantas Empire

Airways Limited in preference to Australian internal airlines when travelling between Darwin and Sydney? Why was the honorable gentleman afraid to give me information I sought on 12th September, 1961, on the notice-paper, in reference to costs of travelling by Ministers?

Mr. FREETH.—I am not afraid to give the honorable member information, but so long as members of this Parliament use their travel privileges in the way in which they are entitled to do so, I do not propose to disclose such details to the honorable member.

IMMIGRATION.

Mr. WENTWORTH.—Has the attention of the Minister for Immigration been directed to the fact that the winner of the "Miss Australia" quest yesterday came originally as a new Australian girl to this country with her family and in 1958 was naturalized in Manly, in my electorate, where she now resides? Since this judgment must have been a source of gratification to all our new Australians, will the Minister take the opportunity to convey his personal congratulations to the girl?

Mr. DOWNER.—I am sure that many honorable members, and certainly myself, share the joy of the honorable member for Mackellar at this great success of Miss Tania Verstak. I would like to say to my honorable friend that, perhaps anticipating his own thoughts in this direction, I have already sent a message of congratulation to this attractive young lady. I am sure, Mr. Speaker, that we have heard with much interest that Miss Verstak is a constituent of the honorable member for Mackellar. Perhaps the honorable member might consider doing this: At the inauguration of the new Parliament next year, he might ask his distinguished constituent to come down here. I am sure that her advent to Canberra would be a very happy event, a great stimulus to the Government, and some balm for the disappointment of honorable members opposite.

HOUSING.

Mr. JAMES.—My question is directed to the Minister for the Interior. He will recall that I asked him a similar question some

short time ago. As a matter of urgency, will he give a decision instead of awaiting a decision by his department, in connexion with the immediate use of the twenty-odd home units at Rathmines air base, in the electorate of Robertson, so that the acute housing shortage in the area may be relieved?

Mr. FREETH.—At this stage I have no further information to add to that which I have already given the honorable member, but I will examine the request he has made.

SECURITY.

Mr. TURNER.—I direct a question to the Attorney-General. It relates to security. In a written answer handed to me to-day to a question that I asked, upon notice, the honorable gentleman has revealed, inter alia, that in the United Kingdom and the United States of America committees have been set up to review cases where administrative action has been taken against individuals on security grounds, that such committees are advisory only, and that they relate only to public servants. I now ask him: First, has any consideration been given to the setting up of a committee along those lines in this country? Secondly, is it the practice of the United Kingdom and United States Governments not to give reasons for decisions made on security grounds? Thirdly, if this is so, can he state the reasons why it is the established practice not to give reasons in such cases?

Sir GARFIELD BARWICK.—I appreciate the spirit in which the honorable member asks me this question. He has had from me a fairly full answer to his question on notice. The two tribunals which are set up, one in the United Kingdom and one in the United States of America, are of the nature of public service tribunals, and were the appointment of such tribunals to be considered in this country the matter would not fall within my sole jurisdiction, if in my jurisdiction at all. I do not know for certain whether, in connexion with the Public Service, such a proposal was considered at an earlier stage, but I have an idea that it was and that it was dealt with, for good reason, by the Minister then in charge of the Public Service. I shall inquire about that aspect of the honorable

member's question and let him know the answer by letter. As to the honorable member's second question, apart from Public Service cases, neither the Government of the United States of America nor the United Kingdom Government gives any reason, where it deals with a matter in what I might call a negative way for refusing to do something on security grounds. Of course, in the case of a public servant, the grounds are known for the purposes of the tribunal concerned.

As to the last question, I am afraid that in the time I ought properly to take in answering a question without notice, I cannot canvass all the reasons of policy that are involved. I am sure the honorable member will at once realize that when a body, whether a public service body or any other body, acts upon a security report or a security view, it is not dealing with rights which are enforceable in a court. Such a body is dealing with something of a precautionary, protective or preventive nature, and in those circumstances I think it has only to be thought of to be agreed that the body would not reveal the reasons publicly, or even to the person concerned. We have had an example here of a person being hurt because others have sought to force a disclosure or to make capital out of the failure to disclose.

Matters of security, of their very nature, involve sources of information, reliable and stout, which cannot be disclosed without destroying the sources and the very security system. Lastly, there is a further question that leaps to mind in connexion with any matter involving security. It is a question of the balance that has to be achieved by any responsible Minister who has to make up his mind on such matters—and for my part I can assure honorable members that I do try to strike a correct balance—between the freedom of the private individual and the need to protect the country as a whole. This is always a very delicate and difficult balance. But if one reaches a point at which the benefit of the doubt must be given in a case clearly involving the national interest, then I suppose responsible authorities in other countries would do as I would do, and give the country as a whole the benefit of the doubt.

WAR SERVICE HOMES.

Mr. GRIFFITHS.—My question is directed to the Prime Minister in his capacity as Leader of the Government. Will the right honorable gentleman discuss with the appropriate Minister the policy followed in considering applications for second assistance under the War Service Homes Act? Will he particularly consider the case of a person who received a maximum loan and who, through circumstances beyond his control, such as serious illness or change of employment, was later compelled to discharge his mortgage? In view of the severe hardships suffered by such borrowers, will the Prime Minister consider granting second assistance in such cases to the extent of the amount owing to the War Service Homes Division at the date of the discharge of the mortgage in the first instance?

Mr. MENZIES.—I will be very glad to have a talk with my colleague about this matter.

BROADCASTING.

Mr. KING.—I wish to ask the Postmaster-General a question. In view of the popularity of the session "Meet the Press" on commercial broadcasting stations 3DB and 3LK, which was formerly broadcast at 9.30 p.m. on Sundays, but is now broadcast at 5.30 p.m. on Sundays, will the Minister get in touch with the station managements in an endeavour to have the programme transmitted at the time at which it was formerly broadcast, as many listeners are now unable to enjoy this important educational programme?

Mr. DAVIDSON.—Naturally I do not know of the circumstances referred to by the honorable member. I should think that the decision to change the broadcasting time would have been made by the station managements after pretty careful examination of all relevant factors, particularly that of ensuring that such a popular programme was allotted a good listening time. However, as the honorable member has asked me to look at the position, I shall be glad to contact the proprietors and find out the reasons for the change, and also submit to them the representations implicit in the honorable member's question.

AUSTRALIAN AIRLINES.

Mr. L. R. JOHNSON.—I direct a question to the Minister representing the Minister for Civil Aviation. Will Trans-Australia Airlines be compelled, under the rationalization policy, to cancel its advertising with the Sydney "Daily Mirror" and the Adelaide "News", now that Ansett has revenged himself upon those newspapers by cancelling his advertising in them?

Mr. TOWNLEY.—Trans-Australia Airlines handles its own advertising without any direction from the Government.

PENNANT HILLS POST OFFICE.

Mr. WHEELER.—Will the Postmaster-General re-examine the question of the provision of a new post office at Pennant Hills in my electorate, where there is a general desire to see a new building befitting the needs of the district?

Mr. DAVIDSON.—I remember that some considerable time ago, at the request of the honorable member for Mitchell and in his company, I visited the district and inspected the Pennant Hills Post Office. I told him at the time that while the department appreciated the need for a new post office at Pennant Hills, it was not possible to include the project in its programme for the current year because of more pressing needs for other buildings and other works. On several occasions since that visit, the honorable member has made representations to me about a new post office and I have informed him that the position had not materially changed. I shall be glad to accede to his latest request and to examine the position again.

LOCAL GOVERNMENT FINANCE.

Mr. DUTHIE.—I should like to ask the Treasurer a question. Is the right honorable gentleman aware that local government authorities, in Tasmania in particular, are facing substantial cuts in municipal projects because the normal lending agencies, especially the banking system, will not lend to them as readily as previously? It appears that these agencies are still waiting for approval by the Reserve Bank of Australia to let them release

essential credit. At least, that is the excuse. Some councils have obtained only one-quarter, and others one-third, of their requirements. Will the Treasurer immediately have this desperate situation investigated, and will he instruct the banks to lend to local government authorities for essential purposes?

Mr. HAROLD HOLT.—When I last inquired into this matter, the information that I received indicated that funds were flowing more freely and in greater volume, taken in total, to local government borrowers up to this stage of the present financial year than in the previous financial year. I shall endeavour to ascertain the position in Tasmania. The reason which the honorable gentleman suggests has been advanced astonishes me, because the trading banks of this country, far from awaiting some release of funds by the Reserve Bank of Australia, probably have not been, for years past, in a more liquid situation at this stage of a financial year.

PATENTS.

Mr. FOX.—My question is addressed to the Attorney-General. Has his attention been directed to a Dutch proposal which is designed to speed up the processing of patent applications? Under this plan, patent applications would be published after they had been filed, but a patent would not actually be issued on the filing until a necessity for the issuing was shown, and so time would not be wasted in processing applications for patents which would never be used. Will the Minister consider submitting to this Parliament legislation designed to introduce this kind of system in Australia?

Sir GARFIELD BARWICK.—I do know of this proposal. It is not a new idea in patent law. Such a system has been in existence in some places on the Continent, and I have given it some consideration. It has some advantages, particularly where the number of applications is so great as to make it impossible for the Patent Office to process them in a reasonable time. But, on the whole, as at present advised, I think it preferable that we adhere to our existing system of issuing letters patent only after examination by

the Patent Office. This system has a number of advantages for inventors. I had proposed to introduce legislation during this sessional period in order to make amendments in the Patents Act, but, owing to the pressure of business, the drafting of the measure could not be completed in time. I propose to include in that legislation provisions which, I think, will provide the advantages which the system mentioned by the honorable member has for inventors and preserve the advantages which our present system has for them, so that, in a sense, inventors may enjoy the best of both worlds.

UNIFORM COMPANY LAW.

Mr. CAIRNS.—I ask the Attorney-General a question. Has he seen a report of a statement by Sir Arthur Warner, the Minister in the Legislative Council of the Victorian Parliament who is responsible for company law, that it was most unlikely that the Commonwealth Attorney-General's proposals would be sufficiently advanced to permit their consideration this year? I now ask: When did this Government first announce that it was concerned to draft legislation to deal with restrictive trade practices? Is it a fact, as the Victorian Minister says, that the continuing delay arises because the Commonwealth proposals are not ready? Can the Attorney-General assure the House that he is genuinely concerned to legislate to prevent restrictive trade practices, or is this whole business what the Prime Minister would describe as a political stunt?

Sir GARFIELD BARWICK. — The Governor-General's Speech of more than eighteen months ago contained a promise that we would look into this matter and consider preparing legislation to ensure that free enterprise was protected against restrictive trade practices. That promise has been honoured to the full. I have devoted much time to ascertaining in great detail what is going on in the community with respect to these practices, to devising a concrete scheme, to discussing the matter with the Attorneys-General of the States and to preparing proposals for the Government to consider. There is no question of any political stunt here. I am quite sure that the honorable gentleman will be disappointed to find that we are doing something.

Mr. Bryant.—We shall be surprised.

Sir GARFIELD BARWICK.—Honorable gentlemen opposite will be surprised, perhaps, and certainly disappointed, to find that we are doing something that will be effective. I am sure that the honorable member for Yarra will be disappointed that we do not follow the path of the socialists.

EDUCATIONAL, SOCIAL AND ECONOMIC ADVANCEMENT IN PAPUA AND NEW GUINEA.

Mr. HASLUCK (Curtin—Minister for Territories).—by leave—Having reviewed current planning for the Territory of Papua and New Guinea, the Government has decided to indicate the trend of progress during the next five years. This is in keeping with our undertaking to give "realistic target dates for various stages in educational, social and economic advancement". Current planning is founded on major achievements in all these fields since the war and, like all earlier planning, is an extension of work already completed or commenced. Performance and promise are inseparably linked.

The present announcement concerns a five-year period from the commencement of the financial year 1962-63 to 30th June, 1967, for, although our planning goes beyond the five-year period, change in the Territory is so rapid and there are so many unpredictable factors that it would be unrealistic not to allow for adjustments from time to time to take advantage of new opportunities or to meet new needs. In our view any planning that affects people should be flexible enough to meet the actual needs of people.

Australian policy has been clearly and firmly stated on many occasions. May I recall to the House the following statement made to it by the Prime Minister (Mr. Menzies) on 27th April this year:—

In our own New Guinea territories, our policy is, by steady degrees and up to the limits of our financial and administrative capacity, to promote the advancement of the people so that ultimately they will choose for themselves their own constitution and their future relationship with us. We will respect their choice whatever it may be. This, for us, is not a new policy. We have pursued it for years. It arises from our sense of responsibility,

a responsibility which cannot be suddenly or prematurely abandoned if our trusteeship is to be honorably performed.

We are continuing on this course for we believe that we have great and honorable responsibilities to the people of the Trust Territory and to the people of our own Territory of Papua; we have faith in Australia's wisdom and capacity to discharge those responsibilities; and we are fortified by the trust which the people themselves have expressed in our administration and the reliance they place on our partnership with them. Pursuing this policy with all the vigour and resources at our command, and relating our efforts closely to the response made by the people themselves, we anticipate that during the five years ending on June 30, 1967, we shall see the progress described in this statement. One of the major features of that progress will be the increased participation by the indigenous people themselves in the work of advancing their own welfare.

In the five years ending on June 30, 1967, we expect the recruitment of not fewer than 2,000 expatriate staff and not fewer than 2,500 indigenous staff to the Territory Public Service. This is intended to give a total Territory public service, after allowing for retirement and wastage, of approximately 10,000, of whom 33.4 per cent. will be indigenous public servants compared with the present percentage of 12.5 per cent. at June 30, 1961. These figures relate to the public service as at present constructed. Indigenous career workers are also employed at present under the designation of "administrative servants", outside the Public Service. This category, which includes teachers, clerical assistants, field workers in agriculture, lands and forestry, health assistants, drivers, postal workers, firemen, storemen and tradesmen, is expected to rise in the five-year period from 9,000 to a total of 10,000. Consideration is being given to a proposal that these 10,000 workers, described at present as "administrative servants", should become officers of a new division to be created in the Public Service broadly comparable to the fourth division of the Commonwealth Public Service. If this were done, and we built up to a total Public Service of 20,000, the proportion of indigenes in the Public Service, as expanded

by the creation of the new division, would be 66.7 per cent.

A central administrative training college is to be established by 1963 without disturbing the existing training institutions for the post office, police, education, agricultural, forestry, local government, co-operative and medical services. It is expected that by June, 1967, the number of indigenous members of Administration staffs in training in all institutions will have been raised to an enrolment of not less than 3,500.

In education our aim is to raise the total school enrolments from 150,000 to 350,000 and to continue to improve the standards and efficiency of schools. This five-year programme is part of further planning which is intended to lead by the end of 1975 to a situation in which the whole of the children of school age, estimated to be approximately 750,000 by that date, will be within reach of schools. [Quorum formed.]

During the five-year term up to the end of 1967 secondary schools, technical schools and professional training are to be developed in keeping with the demand for post-primary education from children who have received an efficient primary education. Special attention will be given to teacher training to turn out increased numbers of qualified indigenous teachers. The extent of this effort is to be limited only by the number of suitable and qualified candidates offering. The estimate is that by the end of the five-year period the enrolments will rise to—

Post-primary and secondary schools ..	10,000
Technical schools ..	2,000
Teacher training schools ..	2,000

It is estimated that during the five-year period a total of 4,500 indigenous teachers will be trained.

In health, all items in the programme for construction of base or regional hospitals and special hospitals have already been completed or commenced. Besides completing work in progress, and rebuilding the older base and district hospitals, in the next five years it is intended to move on to the construction of other smaller hospitals. It is planned to build 70 hospitals, the major items being 49 new rural hospitals. This

would bring the total number of hospitals to 260. To bring medical services closer to the people we expect that 340 additional medical aid posts will be built, making a total of over 2,000. The number of infant and maternal welfare centres, under both the Administration and the missions, is to be raised from 150 to about 200. Each of these centres extends its work to all accessible villages in its vicinity by means of travelling clinics. The recent commencement made in establishing "rural health centres" with local or community assistance will be followed up to bring the total of such centres to twenty. Other targets are—

Increase the number of pre-school children attending child health clinics from 20 per cent. of the population to about 60 per cent. by 1967.

Increase the number of native women receiving ante-natal care from 20 per cent. of the population to about 60 per cent. by the end of year 1966-67.

Complete the protection of people exposed to malaria, raising the numbers protected from 250,000 now to 1,300,000 by the end of year 1966-67.

[Quorum formed.]

I appreciate the repeated efforts of the honorable member for East Sydney (Mr. Ward) to provide an audience in the chamber for this important statement. My only regret is that his efforts have led to the addition of only one member on the Opposition side—the number having been raised from three members to four members.

I was talking about the five-year programme for health and the treatment of malaria. Another project is a tuberculosis survey. Three hundred and fifty thousand persons have been surveyed to date for tuberculosis. Four survey teams will operate, each surveying 40,000 to 50,000 people per annum giving a total of approximately 1,250,000 surveyed or resurveyed by 1967, with all cases under treatment. All cases of leprosy in the Territory will be surveyed and under treatment by 1966-67.

Staff targets are to raise the number of doctors from 100 to 180, assistant medical practitioners from eleven to 44, European

nurses from 220 to 280, indigenous nurses trained in the Territory Medical School from 30 to 550, both male and female, and European medical assistants from 170 to 200. Apart from the recruitment of European doctors, the major effort will be put into the selection and training of indigenous candidates both as assistant medical practitioners and as nurses. The ground-work in the coming five years is intended to lead towards a major build-up of the figures in both categories in the succeeding five years. This effort will give a proportion of one "doctor", including the assistant medical practitioners under the designation, for approximately every 10,000 of the population and of one trained member of the medical staff for approximately every 1,750 of the population. These figures are approximate because the population will be increasing in the period.

In native affairs, it is intended to bring the whole of the Territory "under influence" by the end of 1963 and "under control" by the end of 1966. This would mean increasing the number of patrol posts from 71 to 89. The extension of native local government councils is planned to increase the population served by such councils from about 380,000 to about 800,000. Associated with these councils are many ancillary activities through which the people become active in social and economic affairs.

Economic targets are expressed in estimates of production and trade; in administrative measures, principally those such as research, extension and marketing services under the Department of Agriculture, Stock and Fisheries; and in construction of basic facilities such as roads, wharfs, airfields, power and water supplies and postal and telegraphic communication. Production figures will naturally react to changes in world prices and according to access to markets. Present indications of the quantity of production are 100 per cent. increase in production of cocoa between 1961 and 1963, 100 per cent. increase in coffee between 1961 and 1963, 50 per cent. increase in rubber between 1961 and 1966, 50 per cent. increase in production of logs between 1961 and 1964, and 50 per cent. increase in production of sawn timber between 1961 and 1965, whilst production of plywood will remain stable and production of copra

should show a minor increase of about 6 per cent.

The target in land development is over 7,500 new blocks for native settlement in the next five years involving the investigation by lands officers of over 250,000 acres. This is to provide opportunity for those native farmers who do not have access to suitable land under customary native land tenure. There will be continued intensive effort to advance economic production by people already working their own land. In land matters, considerable room has to be left for flexibility. The objective is to ensure opportunity and to give guidance to all indigenes who want to move into economic production either by better use of land they already occupy or by obtaining access to new blocks.

Policy is to make the maximum effort towards local self-sufficiency in foodstuffs and materials consumed in the Territory, while raising the standard of nutrition of the people; to increase exports to the limit of available markets and to promote the local processing of products whether for local consumption or for export. Honorable members will realize the importance of this maximum economic effort both to sustain the higher level of expenditure in the Territory and to ensure employment and remuneration to support the higher standard of living to which the people are advancing. In animal industry, the target is to increase cattle numbers both by importation and breeding to 50,000 in five years. This is associated with plans for the distribution of 2,500 cattle to native cattle projects and the production and distribution of pigs and poultry.

In the Agricultural Department, agricultural extension work is to be accelerated by increasing the number of agricultural extension stations from eleven to fifteen, agricultural extension centres from 45 to 110, the number of agricultural colleges from one to four, and the number of expatriate staff, mostly experts, from 157 to 320. This work will result in raising the standard of native farming and increasing production. The target is to have an enrolment of 100 indigenous students taking an agricultural diploma course, 120 in a formal course at a level below the diploma in agriculture; and 1,500 in training as practical farmers. These figures are for the

training position at any given time. Two fisheries stations will be established and the expatriate staff increased to 26.

We propose to spend substantial sums of money to provide basic services required for economic advancement, such as roads, bridges, electric power generation, water supplies, wharfs and aerodromes.

The purpose behind this planning is to improve the living standards, education and health of the people and to set them more firmly on the path towards the goal of being able to govern themselves and to support themselves; and to do both in a way that will give to all residents of the Territory the opportunity to live in their own land in peace, free from fear and want, dealing justly with all men.

BILLS RETURNED FROM THE SENATE.

The following bills were returned from the Senate without amendment:—

Queensland Grant (Beef Cattle Roads) Bill 1961.
Western Australia Grant (Beef Cattle Roads) Bill 1961.

ASSENT TO BILLS.

Assent to the following bills reported:—
Customs Tariff Bill (No. 2) 1961.
Customs Tariff (Canada Preference) Bill (No. 2) 1961.
Customs Tariff (Federation of Rhodesia and Nyasaland Preference) Bill 1961.
Customs Tariff (New Zealand Preference) Bill (No. 2) 1961.
Excise Tariff Bill (No. 2) 1961.
Customs Tariff (New Zealand Preference) Bill (No. 3) 1961.
Cellulose Acetate Flake Bounty Bill (No. 2) 1961.
Appropriation Bill 1961-62.
Appropriation (Works and Services) Bill 1961-62.
Loan (Housing) Bill 1961.
Quarantine Bill 1961.
Beaches, Fishing Grounds and Sea Routes Protection Bill 1961.
Lighthouses Bill 1961.
Post and Telegraph Bill 1961.
Explosives Bill 1961.
Gold-Mining Industry Assistance Bill 1961.
Railway Agreement (Western Australia) Bill 1961.
Northern Territory (Administration) Bill 1961.
International Finance Corporation Bill 1961.

**RAILWAY EQUIPMENT
AGREEMENT (SOUTH AUSTRALIA)
BILL 1961.**

Second Reading.

Debate resumed from 24th October (vide page 2352), on motion by Mr. Menzies—

That the bill be now read a second time.

Mr. WARD (East Sydney) [11.40].—As this is the last day of the sitting of the Parliament and most likely the last day on which the present Government will have control of national affairs, and as there are still many important matters to which Opposition members desire to direct attention, it is not our purpose to delay this measure for any great length of time. We do not oppose the Government's proposal, but we have certain criticisms, not directly associated with the proposal, to present.

The Commonwealth intends to spend £1,325,000 on the provision of new diesel locomotives and ore trucks for use on a section of the South Australian railway. As it is expected that there will be an annual saving of £483,000 in operating costs, this appears to be a wise decision. But we must have regard to the general attitude of the Government to the great work of standardizing our Australian railways. As with other national problems, the Government has been lacking in energy and a desire to implement the plans. I am of the opinion that we are moving so slowly towards the standardization of our rail gauges that no one could possibly say when the task is likely to be completed, unless there is a change of government. When Labour left office in 1949, it had been working for a number of years towards the solution of the transport problems, and some progress had been made. We had not, of course, made as much progress as we would have liked to have made. I readily admit that all the responsibility for the delay has not rested with the Commonwealth Parliament. The constitutional difficulties and the difficulties of negotiating with six States present tremendous problems, and no one knows this better than I do, because I was Minister for Transport in the Labour Government.

We had innumerable discussions and negotiations in an effort to make some progress with this great work. We actually secured

the signature of the six State representatives who signed an agreement on behalf of their governments. The agreement was to be binding on the six States and on the Commonwealth but, of course, it would not have effect until after the State parliaments had ratified it. Unfortunately, many of the States—this is not confined to governments of any one political colour—hesitated or delayed in accepting what we regarded as a most generous agreement. It dealt in most generous terms with the financial arrangements with the States for the carrying out of the work. At last, in 1949, not long before we left office, one State government recognized the benefits that it could obtain from this scheme. That was the South Australian Government under the present Premier, Sir Thomas Playford. As I have said, all States signed the agreement and the South Australian Government was ready to proceed.

At that time, no one believed there was any necessity to write any time-table into the agreement. No one thought it necessary to say how the work was to proceed and when it was to be completed. We naturally assumed, because of the interest of the States over many conferences, that they with the Commonwealth would be anxious to proceed with these great undertakings. Once the agreement was ratified by the States, it was expected that the work would commence almost immediately. However, as soon as Labour left office, this Government evidently decided not to proceed with the work or at any rate certainly not to proceed with any rapidity. The scheme was recommended by a man who was probably the greatest railway authority this country has produced. I refer to the late Sir Harold Clapp. He played a big part in the preparation of the plan to modernize the Australian railway system. If the plan had been adopted in those days, the standardizing and modernizing of the railway system could have been completed for a little more than £200,000,000. It could not be done for that figure to-day. Despite the assurance of the Prime Minister (Mr. Menzies) that he would put value back into the £1, every one knows that what would have cost £200,000,000 in 1949 would most likely cost about £800,000,000 now.

What has this Government done? It may say that it has undertaken the standardization of the rail gauge between Melbourne and Sydney, and a small section of railway in South Australia has also been converted to standard gauge. But what else has it done? What is the most important link? Sir Harold Clapp found—his finding has been confirmed by succeeding Commonwealth Commissioners for Railways, as I will show in a moment—that the section between Broken Hill and Port Pirie was the most important section of the whole plan and should be given priority. What has this Government done about this section? It provided £50,000 for a survey of the route and we now have this measure which provides for the expenditure of £1,325,000 on diesel locomotives and a number of new ore trucks. So that the public will be impressed with the Government's desire to get on with standardization, it is proposed that they shall have convertible bogies. When the line is converted to standard gauge, this rolling-stock, according to the Government, could be converted for use on the standard gauge railway. But is it not a fact, Mr. Minister—

Mr. DEPUTY SPEAKER (Mr. Wight).—Order! The honorable member for East Sydney will address the Chair.

Mr. WARD.—Is it not a fact that the locomotives to be purchased as a result of this legislation are suitable for the 3-ft. 6-in. gauge only and are of such a character that it would be uneconomic to use them on the standard gauge railway?

Mr. Opperman.—No.

Mr. WARD.—Yes. If you ask your authorities, you will find that much more powerful locomotives will be needed when you are carrying much greater loads on the line after it has been converted to standard gauge. In any event, let me examine this matter from another aspect. Does the Minister for Shipping and Transport (Mr. Opperman) suggest that this rolling-stock will still be functioning when this section of line is converted to standard gauge? The rolling-stock will be in service when the line is so converted only if a Labour government takes office after the next election. I venture the opinion that if this

Government is still in control, the rolling-stock will wear out long before the South Australian railways are converted to standard gauge. As a matter of fact, a Liberal government is in control in South Australia. Is it not a fact that it has had to approach the High Court of Australia in an effort to compel this Government to implement—

Mr. DEPUTY SPEAKER.—Order! I remind the honorable gentleman that the subject he is now raising is sub judice. I ask him to confine his remarks to the terms of the bill, which provides for an agreement on railway equipment.

Mr. WARD.—With all due respect to you, Mr. Deputy Speaker, I do not intend to discuss the matter that is now before the High Court. I merely mention that the South Australian Government was obliged to take action in the High Court to try to compel this Government to implement an agreement which was entered into in 1949. No one will deny that. It is a well-known fact. As a matter of fact, every one is now awaiting the court's judgment. The Government will act only when it is forced to take action.

Surely every body knows the importance of this particular section of the line in what is known as the Peterborough division. If we had been still in office, this work certainly would have been undertaken, and no doubt would have been completed by now. To prove that this Government has no desire to press on with this important national work, I point out that there have been no discussions between the Government and the Silverton Tramway Company, or with the New South Wales Government, since 1952. Nine years have elapsed, and no action has been taken by the Government to continue negotiations with a view to acquiring this important line, which is now operated by the Silverton Tramway Company, and which it is essential to obtain before the section between Broken Hill and Port Pirie can be completed. There is ample evidence to show that the Government is neither sincere nor genuine in its professed desire to press on with this work.

Let me now make one or two brief quotations. In the report which he submitted in 1945, Sir Harold Clapp directed attention

to the importance of this section of line. In paragraph 38 on page 13, he said—

The conversion of the Port Pirie-Broken Hill line—

Mr. DEPUTY SPEAKER.—Order! I have already told the honorable member that he cannot refer to this section of line in connexion with standardization, because that matter is now sub judice. This bill provides specifically for equipment, and the only way in which it can be related to standardization is by reference to alterations to the equipment so that it may be used for either the 3-ft. 6-in. gauge or the standard gauge line. I ask the honorable gentleman not to refer to a matter which is sub judice.

Mr. WARD.—I am not referring to a matter that is sub judice; I am referring to the recommendations that were contained in a report presented to this Parliament. This bill relates to the convertibility of this rolling-stock for use on the standard gauge line. Therefore, I think I am entitled to discuss when this convertible rolling-stock will be required on the standard gauge railway. I want to impress on the House the fact that all the records that have been presented to this Parliament disclose without doubt that this section is regarded by railway authorities as being a most important section of the standardization work, and that it should have been undertaken before now. Sir Harold Clapp said—

The conversion of the Port Pirie-Broken Hill line (following the acquisition of the Silverton Tramway Company's Line) would shorten the standard gauge route between Perth and Sydney and all points north and north-west thereof by 256 miles. This work, if carried out, would not only confer advantages in defence transport but in case of emergency such as the cessation of coastal shipping, would enable iron ore, now sent by sea from Whyalla, to be overlanded from Port Pirie direct to Newcastle. Coal could also be sent in the reverse direction from New South Wales coalfields direct to Adelaide and to Port Pirie—thence also to Whyalla by boat. In the present war—

He was referring to the last war—

the existence of this link would have been invaluable for defence transport purposes and would have contributed greatly to the movement of Australia's land forces between the east and the west of the continent.

I propose to quote briefly from only two or three of them, but if honorable members care to read all the reports that have been presented, they will find that when Mr.

Hannaberry was Commonwealth Commissioner for Railways he never failed to direct attention to the urgent need for doing something with respect to this particular section of line. In his annual report for 1952-53, Mr. Hannaberry referred to the urgent need for pressing on with this important section of the line.

Mr. DEPUTY SPEAKER.—Order! The honorable member for East Sydney seems to be deliberately referring to this particular section of line in contravention of the ruling that I have given. I now rule that the honorable member for East Sydney may not continue referring to this section of the line, as it is sub judice. He will restrict his remarks to the terms of the bill before the House.

Mr. WARD.—That is a rather remarkable ruling. I am obliged to accept it, but I ask honorable members to consider what your ruling was. You have said that I cannot discuss this section of the line. And this is the very section of the line with which the legislation deals! I have never heard such an extraordinary ruling.

Mr. DEPUTY SPEAKER.—Order!

Mr. WARD.—I understand your ruling quite well, and I am obliged to accept it. But how can speeches continue? The bill refers to the Port Pirie to Broken Hill section of the line and, according to your ruling—if you want to check it, you can get the "Hansard" record—I am not permitted to discuss this section of the line.

Mr. DEPUTY SPEAKER.—Order! The honorable member is not in order in continuing to canvass my ruling. I ask the honorable member to restrict his remarks to the bill before the House.

Mr. Whitlam.—On a point of order; I submit the honorable member is in order—

Mr. DEPUTY SPEAKER.—Order! No point of order is involved. I gave a ruling. The honorable gentleman is out of order. I call the honorable member for East Sydney.

Mr. Whitlam.—I want to put a point of view to you.

Mr. DEPUTY SPEAKER.—The honorable gentleman must raise a point of order if he wishes to do that. No point of order has been raised. I gave a ruling, and I now call upon the honorable member for East Sydney to continue his remarks.

Mr. Whitlam.—Then I take a point of order. There are proceedings at present before the High Court, on which judgment has been reserved to decide whether the Commonwealth can be compelled by the court to carry out obligations under the 1949 railway standardization agreement between the Commonwealth and South Australia, and earlier agreements between those two governments. The point at issue is solely this: Can the Commonwealth be compelled to carry out an agreement? It is the old issue whether governments are susceptible to compulsion by courts to act. It is not a question whether courts can prevent a government from doing something; it is a question whether courts can compel a government to do something. That is the issue upon which, I understand, the High Court has reserved its decision.

The honorable member for East Sydney has directed his attention merely to the question whether the Commonwealth should do it. If the honorable member were dealing with the question whether the Commonwealth should be made to do it, then, of course, he would be speaking in breach of the Standing Orders. But, if he is merely advocating that the Commonwealth should voluntarily carry out this agreement, he is not acting in breach of the Standing Orders and he is not in any way trespassing on the functions of the court. In those circumstances, I submit that the honorable member for East Sydney is perfectly in order in referring to the desirability of the Commonwealth financing this section of the railway, and that is all he has done up to this stage. I submit, therefore, that you should permit him to do it.

Mr. Freeth.—The Deputy Leader of the Opposition has admitted that the matter which is before the court is the question whether the Commonwealth should be compelled to undertake a certain project, namely, the standardization of a particular section of railway. The honorable member for East Sydney is trying to show that, whether the Commonwealth acts voluntarily or in some other way, this particular

section of line should be standardized. That is a matter which is sufficiently close to the matter in issue before the court to possibly weigh with the court in reaching a decision whether there should be standardization of this section by the Commonwealth. It is for that reason that such matters are treated as being sub judice, and are not discussed in this House.

Mr. Forbes.—On the point of order, Mr. Deputy Speaker, may I suggest that quite apart from the matter being sub judice—I agree with your ruling in relation to the remarks made by the honorable member for East Sydney—this bill relates to an agreement between the Commonwealth and the State of South Australia with regard to certain railway equipment, not to standardization of the railway line or anything else. I submit that irrespective of the question as to whether the matter is sub judice, the honorable member is out of order in referring to standardization in view of the terms in which the bill is drawn.

Mr. DEPUTY SPEAKER.—The honorable member for East Sydney may continue his remarks, but he must restrict them to the terms of the bill before the House, which relates to an agreement between the Commonwealth and the State of South Australia with respect to certain railway equipment.

Mr. WARD.—Very well, Mr. Deputy Speaker. As you seem determined to regard your ruling as the correct one, and as you have decided to follow the advice of a couple of country solicitors—

Mr. DEPUTY SPEAKER.—Order! The honorable gentleman will not reflect on a ruling of the Chair, as he is now doing. He will continue and direct his remarks to the bill.

Mr. WARD.—I am just about to conclude. In view of the fact that your ruling agrees with the viewpoint of this couple of country solicitors—not practising, largely—I have decided to conclude my remarks by merely repeating that it is quite evident from the obstruction that I have now experienced that this Government and its supporters have no desire to proceed with this great national work at the speed at which it ought to be undertaken.

Mr. DEPUTY SPEAKER.—Order! If the honorable member persists in taking that line, I shall be forced to take action. He is completely ignoring the ruling that has been given by the Chair. I insist that the honorable member shall not continue to refer to that subject in that manner.

Mr. WARD.—Mr. Deputy Speaker, if you had only retained your patience a little longer, you would have discovered that you have taken more time than I myself intended to take. As I am not permitted to discuss this very important question any further, I merely want to advise the House that the Opposition is not opposing this measure.

Mr. WILSON (Sturt) [12.3].—I desire to express my appreciation and the appreciation of my South Australian Liberal colleagues, to the Prime Minister (Mr. Menzies) for having acceded to our request that this advance of £1,325,000 should be made available to South Australia to enable it to purchase twelve diesel-electric locomotives and also other equipment, as provided in the agreement. The provision of this equipment will save almost £500,000 a year. As a business proposition, it is extraordinarily good. In other words, the saving in between two and three years should completely pay for the equipment. [Quorum formed.]

It seems deplorable that members of the Labour Party are so lacking in a sense of duty as not to attend in the House. At the present time there are only five Opposition members in the chamber. Perhaps later in the day we might see a few more of them.

Before I was interrupted, I had said that the provision of this amount of £1,325,000 will enable a saving in running costs of almost £500,000 a year, and within three years those savings should completely meet the capital cost of the provision of these locomotives and other equipment. The agreement provides that 70 per cent. of the cost will be borne by the Commonwealth, and 30 per cent. will be loaned by the Commonwealth to the State to be repaid over a period of 50 years. The great advantage of this scheme is that the new equipment, while being provided, will be so designed as to be readily convertible to standard-gauge railway equipment at very little additional cost.

The South Australian Government has agreed to pay the cost of this conversion, as soon as the line between Port Pirie and Broken Hill is standardized.

It was interesting to hear the honorable member for East Sydney (Mr. Ward) criticize the Government in relation to rail standardization. After all, Labour was in power for eight years, but did not provide 1 inch of standard-gauge railway. Four of those years were post-war years, but all that the Labour Government ever did was to talk about it.

Mr. Ward.—I rise to order, Mr. Deputy Speaker. Is the honorable member entitled to discuss the general standardization scheme or must he confine his remarks to the bill before the House?

Mr. DEPUTY SPEAKER.—Order! He will confine his remarks to the bill before the House. I am listening most intently to what the honorable gentleman is saying. He has not transgressed to anything like the extent to which the honorable member for East Sydney transgressed. Immediately he does transgress, I shall call him to order.

Mr. Ward.—On the point of order, Mr. Deputy Speaker: You yourself said that he has not transgressed to the same degree as that to which I transgressed. That is an admission that he is transgressing. I ask you to uphold the Standing Orders.

Mr. DEPUTY SPEAKER.—The honorable member for East Sydney may rest assured that I shall do so. The honorable member for Sturt will continue.

Mr. WILSON.—The 900 horse-power diesel electric engines which are to be provided under this agreement are the biggest that can be carried upon the present 60-lb. rails. When the line is converted to standard gauge, the same engines, when converted, can be used and, by coupling two together, they will be able to carry the larger loads that were referred to by the honorable member for East Sydney. One would have thought that, having been the Minister responsible for rail transport in a Labour Government, the honorable member for East Sydney would know something of the technical side. He should know that it is a practical proposition to convert these engines to standard gauge, that the cost will

be very slight, and that they will be able to carry the additional loads by the simple process of coupling two of them together.

I express again my appreciation to the Prime Minister and to the Commonwealth Government for having so readily seen the merits of this proposition and for having made the advance available so as to enable this stage of improved rail transport to be introduced without delay.

Mr. CLYDE CAMERON (Hindmarsh) [12.11].—Mr. Deputy Speaker, I have listened to the remarks of the honorable member for Sturt (Mr. Wilson) and I am amazed that he is able to find arguments to justify the attitude of the Playford Government in waiting for all these years before making even the slightest move towards bringing the railways of South Australia into line with what everybody who is an authority on railways has been advocating for so many years. For this Government now to go to the expense of buying rolling-stock of 3-ft. 6-in. gauge, when the ultimate intention is to construct a 4-ft. 8½-in. gauge railway system, is to me absolutely absurd. The very first thing which ought to be done is for the Playford Government to be told in no uncertain manner that it, and not the Commonwealth Parliament, is primarily responsible for the shocking condition of the South Australian railway system.

It is years and years now since the Labour Party pointed out to the Playford Government that, unless it did something to face up to its responsibilities instead of blaming the Commonwealth Parliament for its alleged failure to give assistance, South Australia would find itself completely isolated from the rest of the Commonwealth and from the rest of Australia's manufacturing and commercial interests. But the South Australian Government did absolutely nothing at all for years and years. Not a thing did the Playford Government do in respect of its railway system, until about two years ago, when it was at least twelve years too late.

Mr. Forbes.—What about the south-east line?

Mr. CLYDE CAMERON.—The honorable member asks, "What about the south-east line?" It is true that many years ago, but long before 1949—

Mr. Forbes.—It was finished last year.

Mr. CLYDE CAMERON.—I am obliged for the interjection. The honorable member says the line was finished last year. The House will have some idea of how long the Playford Government takes to do anything, even when it does start, because it started the south-east line more than ten years ago. The honorable member now admits that this paltry little railway line from Bordertown to Mount Gambier has only just been completed. Is it any wonder that the Commonwealth Government has given the Playford Government away? Is it any wonder that the people controlling the finances of the Commonwealth are questioning the advisability even of giving the money provided for in this bill for the railway system of South Australia? The plain fact is that had the Playford Government tackled the problem of modernizing its railway system away back in 1949, it could have got the job done for one-quarter of what it will now cost and, on top of that, 75 per cent. of the cost would not a thing was done. Tom Playford just have been met by the Commonwealth. But allowed the thing to roll on. I am glad that the honorable member for Barker (Mr. Forbes) is listening to what I say. I know he does not like me to criticize the Premier of South Australia. I know that the Premier of South Australia is to the honorable member for Barker almost an idol—some one he has put on a pedestal and who, to him cannot do anything wrong. He is a kind of political pope, who is completely infallible. But when the honorable member examines this matter he will not look so savage. When he realizes how badly the Premier of South Australia has let his State down the honorable member will not look so savage and so terribly upset as he does at the moment.

Those are the plain facts of the position. I regret that the proceedings in the House are not being televized so that everybody in South Australia could see the expression of mock indignation that the honorable member for Barker puts on when anybody attacks his idol, Sir Thomas Playford. I think I have said enough, Mr. Deputy Speaker, to convince you that the Playford Government is a hopeless, hapless lot of bunglers, and that as long as we have the Playford Government there, there is

' absolutely no hope of bringing the South Australian railway system into line. The Playford Government is remarkable for the capacity it has for what are known as portable public undertakings.

Mr. OPPERMANN.—On a point of order, Mr. Deputy Speaker: The bill is fairly narrowly confined, and I do not wish to restrict discussion, but I think the honorable member for Hindmarsh has completely gone off the rails. I call your attention to this phase of his speech.

Mr. DEPUTY SPEAKER.—The honorable member for Hindmarsh will continue.

Mr. CLYDE CAMERON.—I am pleased, Sir, that you have allowed me to go so far as this and I think the reason for the leniency, which I appreciate, and which is quite in order.—

Mr. DEPUTY SPEAKER.—Order! The honorable member must now confine his remarks to the bill.

Mr. CLYDE CAMERON.—The reason is that I am attacking the Playford Government instead of the Commonwealth Government and am shifting the blame to where it properly lies. I am pleased that some belated effort is now being made by the Playford Government to do something for the railway system of South Australia. I regret, however, that the Playford Government is trying to shift the blame on to somebody else, as it always does.

Mr. DEPUTY SPEAKER.—Order! The honorable member must now restrict his remarks to the bill. He has had a lot of latitude.

Mr. CLYDE CAMERON.—And I appreciate it, Sir, because it has given me an opportunity to say a lot of things which perhaps normally I would not have been able to say. But when we return in the next Parliament and there is a new government here and the railway standardization litigation is completed, I will have some very revealing things to say about Sir Thomas Playford and some of his henchmen who, whenever his name is mentioned here, look so terribly indignant and upset.

Mr. WENTWORTH (Mackellar) [12.18].—I support this bill, particularly in the light

of the remarks which the Prime Minister (Mr. Menzies) made on its introduction. It is, as he said, an interim measure only, which is meant to lead up to the eventual standardization of the line. I will not discuss the details of that standardization. I think the Government has shown clearly its attitude to standardization. It has done more for the standardization of rail gauges than any previous government did. We can leave it at that. I am confident that the provision of these locomotives will not in any way impede or delay the completion of the standardization of this line. It is not a put-off job but, as the Prime Minister said, this is an interim measure.

I direct the attention of the House to some figures that were used by the Prime Minister and which provide a full justification for bringing this bill down in its present form. As honorable members know, the cost of the locomotives involved under this legislation will be roughly £1,300,000. The Prime Minister has told us that the estimated saving will be no less than £483,000 a year. This means that the annual savings will be 36 per cent. of the capital cost. In other words, the investment is earning 36 per cent. for us from the moment we undertake it. No country is rich enough to be able to turn down an investment which gives a return of 36 per cent. in the form of efficient transport and in the form of actual government revenue.

This proposal stands on its own feet as a thoroughly economic and worthwhile one. If the full standardization of the line is to be delayed—and no one regrets more than I do that it should be delayed in any way at all—because finance is not available or because there is a case pending before the courts or for some other reason, then let us do the sensible and practical thing, as this Government is doing, and get the locomotives on the line while other points are being argued out. As I have said, no country is rich enough to be able to turn down an investment which will show a 36 per cent. return.

Now let me refer to one other matter. I do not believe that the advantages of complete dieselization are confined to one State or to one line. I believe that money spent on the complete dieselization of our railway systems throughout Australia would give a

very considerable return, if not as much as the 36 per cent. return that we will get from the investment we are now considering. In other words, I believe that the case for spending more money now in getting rid of our remaining obsolete steam system is an overwhelming one. As honorable members will recall, I put detailed figures and estimates of the cost of this work before the House on a previous occasion. I do not propose to repeat them now. I say, however, as I have said before, that it would be a good thing if the Commonwealth should establish some kind of special revolving fund for the purpose of accelerating the modernization of locomotives throughout our Australian railway systems. In passing, let me say that I am somewhat inclined to the view that on lines that carry heavy traffic—and there are not many of them in Australia—

Mr. Ward.—On a point of order, Mr. Speaker: I would like to know whether the honorable member is in order in discussing the general question of dieselization and standardization in a debate which one of your deputies has already ruled must be restricted to the particular proposal before us, which provides for expenditure on the provision of diesel electric locomotives and some extra ore trucks on this section of the South Australian railways.

Mr. SPEAKER (Hon. John McLeay).—Order! I think the position is quite clear. The measure before us involves an agreement between the South Australian Government and the Commonwealth Government. It deals with rolling-stock, and any reference to rolling-stock would be in order, although any comments on other matters outside the measure before the House would be out of order.

Mr. WENTWORTH.—I just want to make passing reference to the possible application elsewhere of the principles relating to rolling-stock that are set out in this bill. [Quorum formed.] I was saying that on lines carrying heavy traffic, of which there are only a few in Australia, I feel that full electrification rather than dieselization may be the solution. However, considering Australian railways as a whole, dieselization is the interim solution, and the principles embodied in this bill might well be given

wider application throughout the Australian railway systems.

It has been said that the later diesels used on the line will not have the same rate of utilization as the earlier ones, and that they cannot, therefore, be expected to earn the same returns. This, I think, is a fallacious argument, because in order to get full operating efficiency and economy we must get rid of all the extraneous apparatus associated with steam traction, and we should do this one line at a time. Full returns are obtained not merely by putting on a few diesels and making full use of them. They are obtained by taking one line at a time and ensuring that only diesels or electric locomotives run on that line. This is a proposition that the various State railway authorities should bear in mind.

If we are to ensure efficient transport, and if we are to reduce freight rates, which, I believe, is most important, we should carefully consider our systems of traction on the railways. The steam engine is out of date. It must be replaced either by diesel locomotives or by full electric traction. If the Government were to establish some kind of special fund on which the States could draw for the accelerated conversion of their railway systems—

Mr. SPEAKER.—Order! I think the honorable member is getting away from the measure before the House.

Mr. WENTWORTH.—If this were done, Sir, I think it would be an extension of the principles of this bill into a wider field, and a fully justified extension. I support the bill, Sir. I express the hope—indeed, the confident hope—that the delay in fully standardizing the line will not be a long delay. The Prime Minister has referred to this—

Mr. SPEAKER.—Order! The honorable member is now departing from the measure before the Chair.

Mr. WENTWORTH.—The Prime Minister has referred to this as an interim measure. I hope the interval will not be a long one. I fully support the bill.

Mr. KELLY (Wakefield) [12.30].—Mr. Speaker, as most of the railway for which the equipment to be provided under the

terms of the agreement with which this bill is concerned runs through my electorate, I naturally welcome the measure. I congratulate the Government on introducing it, and I support it wholeheartedly. However, I should like to go a good deal further than that and argue the general case for the standardization of rail gauges.

Mr. SPEAKER.—The honorable member would not be in order if he were to do that.

Mr. KELLY.—I gather, Sir, that we are not allowed to discuss the rails on which the rolling-stock will run. For that reason, I feel that I can do no more than say that I hope that the long delayed event which the honorable member for Mackellar (Mr. Wentworth) has mentioned—

Mr. SPEAKER.—Order! The honorable member ought to get back to the measure before the Chair. The subject of the agreement with which it is concerned is rolling-stock.

Mr. KELLY.—And not the rails!

Mr. SPEAKER.—The honorable member may on no account discuss anything that is outside the scope of the bill.

Mr. KELLY.—I bow to your ruling, Sir, and content myself by saying in conclusion that I have very much pleasure in supporting the bill.

Mr. DUTHIE (Wilmot) [12.31].—Mr. Speaker, in one sense you are certainly keeping us on the rails in our discussion of this measure. We on this side of the House support the bill, of course, but we are amazed that it has been delayed for so long. Twelve years after Labour went out of office, the present Government brings in this measure on the eve of an election.

Mr. Forbes.—Is the honorable member blaming the Commonwealth Government for the delay?

Mr. DUTHIE.—Not necessarily. There has been a lot of procrastination on the part of both the Commonwealth Government and the South Australian Government. The greatest weakness in the whole proposal, of course, is that the rolling-stock to be provided under the terms of the agreement is to

be constructed to 3-ft. 6-in. gauge, but will be designed to be readily convertible later to the standard gauge of 4 ft. 8½ in.

Mr. Buchanan.—Which bill is the honorable member discussing?

Mr. DUTHIE.—I am on the right track, because I am taking these details from the second-reading speech made by the Prime Minister (Mr. Menzies). He said—

These locomotives and wagons will be constructed to 3-ft. 6-in. gauge, but they will be designed and constructed in such a way as to be readily convertible later to the standard gauge of 4 ft. 8½ in., when the conversion to standard gauge of the permanent way on the Port Pirie-Broken Hill line is carried out.

I consider that the construction of wagons and diesel locomotives which may be converted later will be a major engineering feat.

The Prime Minister stated also—

Towards the end of last year, the Premier of South Australia suggested that, as an interim measure, pending standardization of the Port Pirie-Broken Hill railway, the cost of certain new 3-ft. 6-in. gauge rolling-stock which the State desired to provide for the carriage of concentrates from Broken Hill to Port Pirie might be financed under the provisions of the 1949 Railway Standardization Agreement between the Commonwealth and South Australia.

The Labour Government provided for the standardization of this railway and, obviously, there was no way out without referring back to the agreement between South Australia and the Labour Government. South Australia was the only State that co-operated in the early days of railway standardization.

Mr. SPEAKER.—Order! The honorable member is getting away from the bill.

Mr. DUTHIE.—As a result, this Government has finally decided, on the advice of its officers, that it will provide twelve diesel-electric locomotives, each of approximately 900 horse-power, and 100 ore wagons, each of about 55 tons capacity as standard-gauge vehicles, but of somewhat lower capacity while operated on the narrow-gauge line. This rolling-stock is estimated to cost £1,325,000. As the honorable member for Mackellar (Mr. Wentworth) has said, we are seeing the end of steam locomotives, and the provision of diesel-electric locomotives under the terms of this agreement represents a

further blow at our coal industry, which is being increasingly affected by the use of diesel power on our railway system. We must realize that diesel locomotives are replacing steam locomotives throughout the world. I found, during my last visit to the United States of America, that diesel locomotives had almost completely replaced steam engines throughout Canada and the United States of America. So the decision to use diesel-electric locomotives is virtually inevitable.

We on this side of the House say that the horse-power of the engines to be provided is too low. We consider that they should be of 2,000 horse-power at least, Mr. Speaker. Three of the new diesel-electric engines will be needed to haul each reasonably well loaded train. I cannot see the economics of that. In this respect, an error in judgment has been made, because the new engines will have too little horse-power for the job that they have to do. I understand that the weight of each train carrying ore from Broken Hill to Port Pirie is many thousands of tons. The honorable member for Wakefield (Mr. Kelly), through whose electorate the railway runs, could perhaps tell me, through you, Sir, the weight of the trains.

Mr. Kelly.—There are 850,000—

Mr. SPEAKER.—Order! The honorable member is out of order.

Mr. DUTHIE.—I am very sorry that the honorable member is not allowed to give me the full information.

The Prime Minister said further—

The provision of this rolling-stock would enable the State to obtain immediately substantial savings in operating costs through the introduction of diesel traction on the railway.

That is reasonable enough. He continued—

The railway is at present carrying approximately 800,000 tons of concentrates per annum, in addition to general traffic, and an estimate supplied by the Premier indicated that operational savings of about £483,000 a year could be achieved with the use of the new modern rolling-stock.

From an economic stand-point, that is sensible. The saving of so much annually would be of great advantage to South Australia.

I want to ask another question, Mr. Speaker. Where will the diesel loco-

motives and the wagons be built? Will they be constructed in South Australia?

Mr. Ward.—Or in Japan?

Mr. DUTHIE.—Or in Japan, or in some other part of the world? The Prime Minister said nothing about where the rolling-stock is to be built.

Mr. Reynolds.—We shall make that decision.

Mr. DUTHIE.—I think it is a very important decision, too. Where are the locomotives and wagons to be constructed? The Prime Minister has been completely silent on the matter. I am very much surprised at the silence of the Minister for Shipping and Transport (Mr. Opperman), who is now at the table. I hope that he will take part in the debate and answer my question.

Mr. Malcolm Fraser.—The honorable member is making, not a speech, but a silly, rambling discourse.

Mr. DUTHIE.—The honorable member's interjection shows how silly he is.

The Prime Minister went on to say—
... the Commonwealth was impressed by the economies which could be achieved by the provision of more modern rolling-stock.

He did not say how long the construction of the rolling-stock will take, Mr. Speaker. I have read very carefully the agreement which is the schedule to this bill, and I can find no mention of the time when all these proposals are to be put into effect. The whole proposal is just an airy-fairy, vaporous one. The agreement between the State Government and the Commonwealth Government may have been signed, but when will it be put into effect? How long are we to wait before the twelve diesel-electric locomotives and the 100 ore wagons are constructed? The starting date is important, because this is a major project which will probably take a year or so to complete. That makes us realize more and more that this is an election tie-up between the Commonwealth and the State. The more one reads the schedule to the bill the more one realizes the real nature of the set-up. Clause 6 of the agreement provides as follows:—

(1.) The State shall from its Consolidated Revenue pay to the Commonwealth an amount equal to three-tenths of the payments made by the

Commonwealth to the State in each financial year under clause 5 of this agreement by fifty equal annual contributions commencing on the thirtieth day of June next following the end of that financial year, together with interest on so much of that amount as has not been paid at the beginning of the financial year in which the contribution is due, calculated from the beginning of that financial year.

That is about as clear as the Government's economic policy.

Mr. CALWELL.—And as misleading, too.

Mr. DUTHIE.—Yes, and probably as misleading. If that means that the payments are to be spread over 50 years all I can say is that that is an incredibly long time for a wealthy State like South Australia to be allowed for the repayment of £1,250,000.

Mr. Ward.—It sounds like the agreement with Ansett.

Mr. DUTHIE.—Yes. Clause 6 of the agreement continues—

(2.) The rate of interest payable by the State under this clause shall be the rate payable on the long term loan last raised by the Commonwealth in Australia for public subscription prior to the end of the financial year in which the payments were made by the Commonwealth.

Clause 7 of the agreement reads—

The State shall submit to the Minister not later than the thirtieth day of April in each year an estimate of the payments for which request will be made to the Commonwealth during the next succeeding financial year.

Clause 8 reads—

(1.) The State shall furnish to the Minister annually and at such other times as he may request a report and financial statement in connexion with expenditure by the State on the locomotives and wagons to be acquired by the State under this agreement.

Good heavens, you would think that obtaining these locomotives and wagons was going to take the next ten years. This is another indication of the nebulous nature of the agreement. The State is being given unlimited time to get these wagons and diesels built. There is nothing definite about the agreement. It will be many many years before standardization comes if this aspect is going to take so long.

Mr. SPEAKER.—Order! The honorable member is getting out of order.

Mr. DUTHIE.—The Minister has a lot to tell the Opposition before we shall be satisfied with this strange and nebulous

measure. Even though we agree with the measure in principle we regard the progress to be made under it as too slow, and the agreement as too indefinite. It is not stated when this work is to start, or when the line is to be in operation. The financial arrangements also are about as loose and ephemeral as the Government's economic arrangements generally are. For these reasons we accept the bill under protest.

Question resolved in the affirmative.

Bill read a second time, and reported from committee without amendment or debate; report adopted.

Third Reading.

Motion (by Mr. Opperman)—by leave—proposed—

That the bill be now read a third time.

Mr. CALWELL (Melbourne—Leader of the Opposition) [12.45].—The Opposition is in a very inquisitive frame of mind. We should like an assurance that the locomotives to be ordered as the result of this legislation will be manufactured in Australia and not in Japan.

Mr. OPPERMAN (Corio — Minister for Shipping and Transport) [12.46].—in reply—I think that, because of the remarks that have been made *sotto voce* by the Leader of the Opposition (Mr. Calwell) based on his assumption that those locomotives and vehicles will be built in other countries, I should clarify the position to the House. The money is being made available by the Commonwealth to South Australia, and it will be the responsibility of South Australia to let the contracts. It will be South Australia's money, and South Australia will apply it in the way that will be in the best interests of the State.

The honorable member for Wilmot (Mr. Duthie) mentioned the time of commencement. As he read out himself, immediately the line is in operation there will be a profit of £483,000. Despite what has been said about Sir Thomas Playford by the honorable member for Hindmarsh (Mr. Clyde Cameron), I do not think that anybody can say that Sir Thomas has not shown, right throughout his political career, that he has acute business acumen.

Mr. Cairns.—No one would argue about that.

Mr. OPPERMAN.—That is exactly my point. He, of all people, will take advantage of this money to have the line running profitably without delay.

Question resolved in the affirmative.

Bill read a third time.

Sitting suspended from 12.47 to 2.15 p.m.

AIRLINES AGREEMENTS BILL 1961.
Second Reading.

Debate resumed from 25th October (vide page 2474), on motion by **Mr. Townley**—

That the bill be now read a second time.

Mr. WHITLAM (Werriwa) [2.15].—When the Prime Minister (Mr. Menzies) answered his first question on the Paltridge affair, he said he was not an avid but a selective reader of newspapers. Last night, the right honorable gentleman showed himself not an avid but a selective reader of correspondence. He confined himself to the initial and concluding pleasantries in two letters. I will come back to the correspondence later. I think at this stage all that one needs to say about it is that none of the letters to which the Prime Minister made reference, and which were produced in another place, was produced by him when the Leader of the Opposition asked for them on Tuesday. He quoted selected letters and selected portions of those letters last night. He then suggested to us, in order that we might belatedly see the correspondence for which we had asked a day and a half before, that we might seek the adjournment of the debate and examine them. We accepted his offer. We have examined the correspondence. We find one letter from the Minister for Civil Aviation (Senator Paltridge). He is unquestionably a confused and a confusing talker, both face to face and over the telephone. He does not convey at the time the impression which, eighteen months later, he now for the first time is prodded into saying he meant to convey. He is a sparing letter-writer; one short letter from him occurred in all this correspondence.

I will now come to the pith and substance of the Prime Minister's speech last night. The right honorable gentleman dealt with the two allegations which he thought were made against his Minister for Civil Aviation. The first charge was that the Minister

had sought to persuade or to order East-West Airlines Limited to accept a take-over offer made by Mr. Reg Ansett or his company. The other allegation—which he created in order to dispose of it—was that the Minister for Civil Aviation was doing his best to ruin East-West Airlines.

Now, the Prime Minister in his argument on the first charge stuck to his answer of Tuesday of this week and to his Minister's answer given on Tuesday of last week. He stressed the fact that an offer was made by Mr. Ansett to East-West Airlines in May of last year and was refused by East-West Airlines in May of last year. He made great play of the fact—

Mr. Bury.—There had not been an offer.

Mr. WHITLAM.—Yes; and you had a letter from Mr. Ansett pointing out that the offer was still open. You had it in July this year as we all did. The Prime Minister stressed how futile it would have been on all his reasoning for the Minister to urge the directors of East-West Airlines to consider an offer which had been refused by East-West Airlines and which was no longer being made by the Ansett company. But the flaw in this argument appears very clearly from the statement by the Minister in another place of which we were given a copy also last night. The Minister pointed out that on 25th June last year, an extraordinary meeting of shareholders of East-West Airlines amended the articles so that in future share transfers would require specific approval of the board of the company. Now, Sir, the deputation which the Minister summoned or agreed to receive in June last year—

Mr. Anderson.—He did not summon it.

Mr. WHITLAM.—Your colleague, the honorable member for New England (Mr. Drummond) used the word summoned. I would accept his word as soon as I would accept the word of any one in this place. I would think that any honorable member in this place confronted with a statement, on oath or unsworn, by the Minister for Civil Aviation and a statement by the honorable member for New England would believe the latter. And I would think that the crusty tory who represents the electorate of Hume in this place is

the only honorable member on the left of yourself, Mr. Speaker—that is, the only member in the Country Party or the Labour Party—who would not believe the honorable member for New England in preference to the Minister for Civil Aviation on this matter.

I come back to the flaw in the Prime Minister's argument concerning the deputation to the Minister in July of last year. The Minister has not referred in his several statements to the presence at that deputation of the honorable member for New England. Throughout, the Minister relies on the silence of his departmental officers. He thought he could rely on the silence of his colleague, but his colleague was not going to be silenced and see his constituent and trusty friend—a professional man he knows—traduced in another place in the way the Minister was doing. The plain fact is that the deputation took place with the acting chairman of directors and other directors of East-West Airlines, and subsequent conversations took place in June of this year at Orange and in July of this year in the Minister's study at Canberra with the chairman of directors of East-West Airlines to persuade the directors to give sanction to the transfer of shares. The whole object and the whole relevance of the conversations with the Minister has been that he would persuade the board to give the necessary consent to the transfer of shares to Mr. Ansett's company.

The Prime Minister's braggadocio, bluster, bluff and bullying last night completely avoids the issue. These conversations were to persuade the directors to give the consent which, since June of last year, they have to give before there can be a transfer of shares. This offer by Mr. Ansett is still open. In July of this year, Mr. Ansett wrote to every member of this Parliament, and those who are avid and not merely selective readers of their correspondence will remember this statement in it—

We have no intention of making any further approaches, but if the Directors and shareholders of East-West ever see the economies and advantages of such an amalgamation or some other form of association and decide to approach my company we would be prepared to study the position very carefully, with the object of achieving a mutually satisfactory arrangement.

Every request which Mr. Ansett made in that letter to honorable members in July

has been brought about by this and the companion bills—every one of them. There is only one thing in the bill which he did not ask for and that is the precise amount of the guarantee he required for his loans. So much for the Prime Minister's first point. All these conversations had a very distinct relevance.

The other point that the Prime Minister made is that the Minister for Civil Aviation is unlikely to destroy a company for which he has provided by way of subsidies all its profits and for which he had provided by way of re-equipment most of its aircraft. Of course, that sounds very convincing until one realizes how much more assistance the Minister has given to Airlines of New South Wales, a subsidiary of Ansett's. The subsidy to East-West Airlines is £27,300, but the subsidy to Airlines of New South Wales is £44,000. The aircraft provided by the Minister for East-West Airlines amounted to one Friendship, but for Airlines of New South Wales he provided four Friendships. In September, 1957, the Minister admitted that rural airlines were unable to make profitable returns on DC3 aircraft, which still comprised in numbers the main element of the Australian aircraft fleet. He therefore announced—

In the case of feeder services, the Government has decided to extend assistance by way of subsidy to the operators of essential air services in rural areas and also to help selected operators obtain suitable replacement aircraft for the D.C.3.

It is quite plain that the selected operator in New South Wales was Mr. Ansett and his company, in the same way as the selected operator in interstate transport has been Mr. Ansett's other company.

I should think that the Prime Minister's second defence falls to the ground. He made very great play in his selected quotations from two letters of the word "threat". He used the word "threat" or "threatened" five times. In fact, the word was never used here before the letters to which he referred were written. The word was used by Mr. Shand, the chairman of directors of East-West Airlines Limited, when referring this week to the letter received by his company in March of this year notifying it that the subsidy would be cancelled from the end of June of this year. He said that that was a threat, and it could be interpreted only as a threat. Of course it was a threat.

What difference would it make to Airlines of New South Wales Proprietary Limited, whose subsidy was also being cancelled, if it lost £44,000 a year? That company is part of an empire which this Government had already guaranteed, subsidized and built up to an annual turnover of £26,800,000 in 1959-60, and £44,000 is a very small part of that sum. But to East-West Airlines Limited, the withdrawal of a subsidy of £27,300 is vital, because it is an independent airline. It and MacRobertson Miller Airlines Limited are the only surviving independent airlines in Australia.

Mr. Townley.—What about Connellan Airways Limited?

Mr. WHITLAM.—True, there is also Connellan Airways Limited. I refer now to the correspondence. The only letter from the Minister was written in August of this year. Honorable members will remember that he said, concerning the deputation he received in July of last year, that Mr. Pringle, the acting chairman of East-West Airlines Limited told him he was proposing talks with Ansett-A.N.A. and asked him to arrange a meeting, which he declined to do. He said that after the Canberra meeting, Mr. Pringle wrote to him. The letter is dated 8th August of last year and is in these terms—

The purpose of my writing you this personal letter is to inform you that I am taking my Directors for a short holiday to Brampton Island on Sunday, 21st August, 1960, where we will be remaining for a period of seven days. It has occurred to me that this could provide the ideal opportunity for a friendly talk with Mr. Ansett along the lines mentioned in Canberra.

It is felt that such a meeting would be the only way in which we could ascertain whether or not there is any chance of this Company working out some mutually acceptable agreement with the Ansett Group.

I do not know Mr. Ansett personally, and I would therefore be most grateful if you could pass this information on to him at an appropriate time.

We have the Minister's statement that at the time of the deputation in July last year, he declined to arrange a meeting with Mr. Ansett. But on 8th August of last year, we have Mr. Pringle so far forgetting or misunderstanding the Minister as to ask him to arrange the meeting. In the light of subsequent revelations, this was a very embarrassing request. The Minister did not write in

answer; he telephoned. Once again he was misunderstood. Why did the Minister not cover himself with a written repudiation of the suggestion that he should pass on this invitation to Mr. Ansett? The arrangements for Mr. Pringle and his party to come to Canberra were made by telephone. We do not know, therefore, whether there was a request, a summons or an acceptance. The Minister did not mention the presence of the honorable member for New England (Mr. Drummond) until the latter revealed the fact. There has been no note or letter; the only letter written by the Minister was in August this year.

Mr. Bury.—What evidence is there of this?

Mr. WHITLAM.—There was, first, a statement by Mr. Pringle. Then there was a denial by the Minister. This was followed by a statement by the honorable member for New England and then there was another statement by Mr. Pringle. Today we have a record made by Captain Smith, who was in the deputation.

Mr. Hulme.—When was it made?

Mr. WHITLAM.—On 29th July, 1960. The note of that interview is as follows:—

The result was:—

1. A better understanding of our position in relation to the requirements of the Government, to know everything that East-West Airlines is planning if it wants its subsidy to continue.
2. Definite knowledge that the Minister would like to see East-West Airlines join the Ansett Transport Industries group. It is my opinion that he would be in favour of this without caring very much how it was accomplished.

This is a contemporary note of a conversation between the Minister and other interested parties. It is vouched for in this place by the honorable member for New England. It continues—

3. The Minister, and to a degree, the Director-General, were infuriated by the company's approach to the N.S.W. Government, with its subsequent promise of support for East-West Airlines and bad publicity for Ansett.
4. The Director-General gave a résumé of the assistance that the department had given to East-West Airlines, which, it would appear, was responsible for almost everything that East-West Airlines has achieved to date, and effectively punctuated his remarks with brief references

to the difficulty that the Minister would experience in paying a subsidy to a company that did not place its destiny entirely in his hands, or words to that effect.

Mr. Hulme.—Was that a fact?

Mr. WHITLAM.—The Minister made no note at the time. He was not prepared to commit himself to writing, and he has refused to go into the witness-box on this statement.

Mr. Bury.—This is purely one-sided.

Mr. WHITLAM.—Of course, it is one-sided and it is corroborated by the honorable member for New England.

Mr. Hulme.—No, he did not say that at all.

Mr. SPEAKER (Hon. John McLeay).—Order! I ask the House to come to order.

The Deputy Leader of the Opposition will address the Chair.

Mr. WHITLAM.—The note continues—

Senator Paltridge was completely honest in his talks—

Mr. Snedden.—And has remained honest at all times.

Mr. WHITLAM.—I think what the note meant was that he had been completely frank.

Mr. Snedden.—And he has continued to be.

Mr. WHITLAM.—No, that is not now the position.

Mr. Snedden.—It is.

Mr. WHITLAM.—Of course, the honorable member for Bruce has never been known to deviate from his support of any government policy or actions during his presence in this chamber or in this country.

Mr. Snedden.—That is very true.

Mr. WHITLAM.—He will cover up anything that is done in these matters. The note then goes on—

Indeed he was very friendly. Both of these men, however, would, for various reasons, be prepared to see East-West Airlines sacrificed on the altar of rationalization in order to make their two-airline policy work. We must never lose sight of this fact.

That is the only contemporary note made of this deputation. Fresh in our minds is what we heard the honorable member for New England say on it.

I have no time to go on to refer to the varied versions made by Mr. Shand and by Senator Paltridge on the conversation between them at Orange in June of this year and at Canberra in July of this year. I shall content myself with quoting what was said in the New South Wales Legislative Assembly a week ago by Mr. Davis Hughes, the Country Party member for Armidale. He said—

First, Mr. Shand has made a statement in regard to a conversation that he had with Senator Paltridge. I accept completely all that Mr. Shand says. Second, any such conversation was a private conversation in which Senator Paltridge was not speaking with the voice of the Federal Government. We now know, of course, that he was speaking with the double voice of the Federal Government in this matter. Mr. Davis Hughes repeated—

This issue was a private conversation between Senator Shane Paltridge and Mr. Shand, and I have already said that I accept Mr. Shand's version. It was not an expression of opinion on behalf of the Federal Government or any other government. Senator Paltridge was not speaking on behalf of the Government.

Mr. Davis Hughes continued—

I have said that what Mr. Shand said is correct. Senator Paltridge would now have us believe that he has always been reluctant to give any advice on what this company should do, and has always left matters for the commercial judgment of the company's board. Nevertheless, he has been very ready in the other place, the Prime Minister, presumably on information given to him by the Minister for Civil Aviation, has been ready in this place, and the Director-General has been very ready in correspondence, to make many comments on the commercial judgment of this company's board in connexion with the issue of company shares, the jeopardizing of its subsidy, its search for new aircraft, operation of its new air routes, its declaration of surpluses and dividends and its refusal to be taken over or to amalgamate. It is quite plain that there is conflict between the parties on this point. I have no hesitation in saying whom I believe among those whom I know.

The newspapers have referred very clearly to this matter. For instance, this morning,

the "Sydney Morning Herald" tersely says—

The Prime Minister said yesterday: "I believe Senator Paltridge's statements to be absolutely true". Since Senator Paltridge has said one thing one day and another the next, it may fairly be asked which of his statements are to be taken as "absolutely true".

The Minister's attempt to intimidate a small private airline into surrendering to a big competitor assumes, in the words of the "Sydney Morning Herald", the proportion of a serious scandal. Even if it were not for the divergence of statements on the Minister's attitude, let us look at his record in connexion with the matter. Right throughout, the present Minister for Civil Aviation has favoured Ansett Transport Industries Limited in every form of intra-State travel. In 1958, Butler Air Transport Limited was taken over by Ansett. There had been three airlines in New South Wales up to that time. Ansett took over Butler Air Transport Limited. Trans-Australia Airlines then thought, "Let us compete with our competitor within New South Wales". T.A.A. then applied to the New South Wales Government for a licence to operate within New South Wales on the routes that had formerly been served by Butler Air Transport Limited, which had just been taken over by T.A.A.'s interstate competitor. The Minister instructed T.A.A. to withdraw that application.

Also in 1958, this Parliament amended the act to limit the period within which a State parliament could pass legislation giving permission for T.A.A. to operate within the State. At that time, Tasmania had an act which had not been proclaimed. The Tasmanian Government proclaimed the act, and thereupon it became legal for Trans-Australia Airlines to operate within Tasmania. In the succeeding three and a half years, the Minister has refused permission to T.A.A. to operate within that State.

Mr. Townley.—T.A.A. operates every day in Tasmania.

Mr. WHITLAM.—From Launceston to Hobart. Your Minister for Civil Aviation has not looked after your State as well as you did when you were Minister for Civil Aviation. He has refused T.A.A. permission to operate between Wynyard and Smithton or the north coast ports and Hobart. T.A.A. can fly from Melbourne to

the north coast of Tasmania but, within Tasmania people must travel along the north coast or go from the north coast to Hobart either by road or rail, and if they wish to go from one port to another, they must go by either of those means. The Minister prevented intra-State operation by T.A.A. there.

Thirdly, the Minister has declared that it is government policy not to allow T.A.A. to operate intra-State. On 23rd August last year, he stated in the other place—

. . . Trans-Australia Airlines has always held the view, and always pressed the view, that in its opinion no restraint at all should be placed on its operations in respect of intra-state services. Mr. McDonald said—and I have acknowledged it in this chamber on a number of occasions—that that was the view of the Australian National Airlines Commission. The Government, however, for policy reasons, has decided that that view shall not be implemented.

I come now to the fourth instance of this Minister's preference for Ansett-A.N.A. in intra-State operations. The Commonwealth Government spends £200,000 on air transport within South Australia to the Woomera Rocket Range. T.A.A. is not allowed to have the business. The Ansett subsidiary, Airlines of South Australia Proprietary Limited, is given that business. The Commonwealth has refused to charter T.A.A. but it has, in fact, chartered the other companies for cloud seeding, for map making and for oil surveys. Fifthly, as I have already pointed out, the Minister has cancelled the subsidies to the two intra-State airlines in New South Wales—the larger subsidy to the subsidiary of the colossus and the smaller subsidy to the only independent company still operating there. Sixthly, the Minister has now forbidden T.A.A. to make more Friendships available to East-West Airlines Limited. The only Friendship which East-West Airlines Limited has received under the Minister's policy as stated four years ago was made available by T.A.A. The Minister has now directed that, pursuant to the New South Wales Government's equalization of air business within the State, T.A.A. is not to make any more Friendships available to East-West Airlines Limited.

Now, in the letter which the Prime Minister wrote on Monday of this week to Mr. Shand, the Government itself has made two further things plain. The first

is that there will be no further Friendships imported into Australia for East-West Airlines Limited and the second that East-West Airlines Limited will not be able to cross-charter Friendships for DC3's within New South Wales as Ansett was able to cross-charter Viscounts for DC6B's with T.A.A. in interstate transport.

I have referred to the definite actions of the Minister. I now refer to the actions of the co-ordinator who is, of course, the Director-General of Civil Aviation, and who is required to carry out the Government's policy. Wherever an application has come before the co-ordinator in connexion with intra-state traffic, he has obliged Ansett-A.N.A. Trans-Australia Airlines asked for permission to land at Wagga and Cooma in the course of interstate traffic, but the co-ordinator, carrying out government policy, refused permission to do so. It is clear that in all these matters the Minister is just maintaining the subservient, acquiescent attitude towards Mr. Ansett which he has shown throughout his term of office. When it comes to air routes, aircraft or further subsidies, he obliges Mr. Ansett in every case. That is, he does not care how much internal air fares increase in Australia. External air fares have not increased comparably. You can travel from London to Australia by air not only three times as fast as after the war but at less cost. But in that time air fares within Australia have doubled, and they have doubled in order to foster the Government's obligations to Mr. Ansett. Only in America is there a private airline system, and in America the airlines do not make the 10 per cent. interest which the Government is prepared to guarantee that Mr. Ansett will make on his investment. No airline can be as profitable as this. We are guaranteeing Mr. Ansett's take-overs and gambling debts, and we are keeping him afloat in order to keep him flying.

In order to allow the Minister and everybody else who has got the courage to do so to swear to the explanations that have been belatedly made in the last two weeks, I move—

That all words after "That" be omitted with a view to inserting the following words in place thereof:—"this House declines to give a second reading to the bill until such time as the Go-

vernment appoints a Royal Commission to inquire into the negotiation and administration by the Minister for Civil Aviation of agreements with airline operators."

If it suited the Prime Minister politically to have a royal commission, he would be the first to appoint it. There is no question that he would again re-vamp the Albert Hall before the election in order to have a preliminary hearing. There is no doubt that he would again brief assisting counsel to conceal at the preliminary hearing any embarrassing features of the prospective evidence.

Mr. SPEAKER.—Order! The honorable member's time has expired. Is the amendment seconded?

Mr. Calwell.—I second it, with great enthusiasm; and I reserve my right to speak.

Mr. Barnes (McPherson) [3.46].—I oppose the amendment. We have been very interested to see quite recently that the Opposition has introduced a fantasy over the airlines position in New South Wales. Last night the Prime Minister (Mr. Menzies) shattered that fantasy. To-day the Deputy Leader of the Opposition (Mr. Whitlam) has not shaken the force of the Prime Minister's speech, but has only attempted to heighten the fantasy. I listened most attentively to the honorable gentleman, and I cannot see where he has grounds to alter anything whatsoever that the Prime Minister said last night. Of course, the honorable gentleman has some advantages. If we read this morning's press, we see that the Sydney "Daily Telegraph" gives a very clear and fair statement of the proceedings in the House last night. If we read the "Sydney Morning Herald", we can see just where it stands. It is using this fantastic suggestion of the Opposition to further its criticisms of this Government. This is traditional with the "Sydney Morning Herald".

I particularly direct attention to the fact that the two letters from which the Prime Minister quoted last night, which gave most damning evidence against the Opposition, were not even printed in the "Sydney Morning Herald". What was most amusing to members on this side was that this newspaper even reported proceedings in our joint party room, stating that great emotions were experienced by the Minister for Civil Aviation (Senator Paltridge) to the extent that tears ran down his cheeks. If that is the

sort of reporting that this newspaper directs to this subject, we can take the rest of what it prints with a grain of salt.

After all, the Department of Civil Aviation has a great responsibility to this country to see that a safe, cheap and most efficient air service is provided for the whole community. I believe—and I speak with some experience of this matter—that Australia has a civil aviation service second to none in the world. This has not been brought about simply. It has been brought about in the face of all the very difficult factors that Australia has to surmount. We have, of course, the overall interstate services operated by the two main airlines. Then we have the intra-state services operated by companies within the States. Obviously, we cannot have cut-throat competition in Australia. We have seen what cut-throat competition has done to air services in America. I do not like to criticize the services of another country, which is looked upon as one of the great countries of the world; but its standards of safety are particularly low and its airline finances are in a particularly weak position. Here, we are endeavouring to promote competition on satisfactory grounds. If our friends in opposition had remained in power after 1949—God help this country if they had—we would have had only one airline in Australia, and that would have reduced our airline services to the level of our inefficient State railway services. No one would like to see that. We cannot have satisfactory air services in this country without competition. This Government stands for free enterprise and we are endeavouring to keep private airlines competing on fair terms with the government airline, Trans-Australia Airlines. I believe that that position has been arrived at.

Now we consider the position of the State airlines. East-West Airlines Limited and Airlines of New South Wales Proprietary Limited are the major operators in New South Wales. It is obvious, I think, that politics have come into the question of these airlines. To me it looks as if some effort has been made—I do not think one has to look too hard—by the New South Wales Government to embarrass this Government on the eve of a general election. It could not embarrass this Government on the case that has been put up. The State

has re-arranged its air services. Under the terms of the contract by which airlines get subsidies in New South Wales, these subsidies now have to be cancelled or re-examined. This is the provision to which I refer—

The Company shall not, during the continuance of this agreement without the prior written approval of the Director-General either directly or indirectly engage in—

- (a) interstate public transport air service operations; or
- (b) any intra-state regular public transport air service operations additional to those being operated at the date of this agreement.

Obviously, any change at all breaks that contract. It has been very interesting to listen to the Deputy Leader of the Opposition. He said that this letter, suggesting withdrawal of subsidy from East-West Airlines Limited is a threat. A letter of the Director-General of Civil Aviation is interesting, because it points out that the position applies not only to East-West Airlines Limited but also to Airlines of New South Wales Proprietary Limited. The letter, dated 28th March, 1961, and addressed to Mr. R. M. Ansett, managing director, Ansett Transport Industries Limited, reads—

You will be aware that action has been taken by the New South Wales Government to establish a co-ordinating authority for New South Wales' rural services. As the decisions of this authority may have a vital bearing on the Commonwealth's subsidy obligations, it has been decided to terminate as from 30th June, 1961, the subsidy contracts of both the New South Wales intra-state airlines with a view to re-negotiating the contracts in the light of changed circumstances.

This letter, therefore, constitutes the notice provided for in clause 1 of the agreement between the Commonwealth and Ansett Transport Industries Limited. My officers will be available to discuss the proposed terms of a new contract to take effect after 30th June, 1961, in the near future.

Yours faithfully,

(Sgd.) (D. G. Anderson)

Director-General of Civil Aviation.

That went out to both airlines and how it can be interpreted as a threat to one of them, I do not know. Obviously the subsidy has to be re-negotiated. After all, this Government is responsible for the taxpayers' money and we have not only to see that the people of Australia get a reliable, efficient and safe air service, but also that their money is not wasted. I know it will be suggested that the State Government can

do better by re-allocating air routes. It has the opportunity and the power to do that, but, after all, the present services were routed by experts of our Department of Civil Aviation. If the advice of the State Government's advisers is to be accepted, that is another matter. It rests completely with the Government of New South Wales.

I feel I am unable to go any further in this matter but I would like to quote, as the Prime Minister (Mr. Menzies) did, from a letter which shows the attitude of Mr. Shand. Is it the letter of a man who is under threat of being pressurized into doing something? I will read this letter because, unfortunately, the Prime Minister was not on the air last night when he read it, whereas the Deputy Leader of the Opposition (Mr. Whitlam) has had the advantage of being on the air. Anybody listening to him to-day and not knowing the facts, might get the wrong impression. This letter might be interesting also to those people who read only the "Sydney Morning Herald". It is dated 12th July, 1961, and it begins, "Dear Shane". Obviously the two are very friendly. The letter proceeds—

I have given a lot of thought to the talk we had in Orange.

I called at your office when in Canberra last week and found you had departed for South Africa. I hope your trip was as interesting as the one I had there recently.

I have been to see Donald Anderson and had a long talk with him.

Could you kindly wire me at your convenience, on your return as I would like to have a talk with you.

The letter continues in that friendly strain. In a letter dated 8th August, 1960, Mr. V. Pringle, acting chairman of directors of East-West Airlines Limited wrote to the Minister for Civil Aviation as follows:—

Dear Senator Paltridge,

Firstly, I would like to convey to you our appreciation for the friendly and frank talk we had in your office in Canberra on the occasion that Archie and I visited you.

Mr. Bryant.—On a point of order, Mr. Speaker: Is it in order for the honorable member to quote from a "Hansard" report of the current debate?

Mr. SPEAKER.—Order! There is no point of order. The honorable member for McPherson may continue.

Mr. Barnes.—The letter continues—

The purpose of my writing you this personal letter is to inform you that I am taking my Directors for a short holiday to Brampton Island on Sunday, 21st August, 1960, where we will be remaining for a period of seven days. It has occurred to me that this could provide the ideal opportunity for a friendly talk with Mr. Ansett along the lines mentioned in Canberra.

It is felt that such a meeting would be the only way in which we could ascertain whether or not there is any chance of this Company working out some mutually acceptable agreement with the Ansett Group.

I do not know Mr. Ansett personally, and I would therefore be most grateful if you could pass this information on to him at an appropriate time.

With kind personal regards,

Yours sincerely,

V. PRINGLE

Acting Chairman of Directors.

Mr. Bandit.—Is that supposed to have been written by a man who was being pressurized?

Mr. Barnes.—As the honorable member for Wide Bay reminds me, that letter is supposed to have been written by a man who was being threatened. I have not anything further to add except that I feel that the Deputy Leader of the Opposition has made out no case at all.

Mr. O'CONNOR (Dalley) [3.2].—Mr. Speaker, the measure before the House continues the extraordinary treatment that the Government has given to Ansett-A.N.A. through the years. There is not the slightest doubt that many people in this country have rightly come to regard Mr. Reg Ansett as the favoured son of this Government. Through this bill the Government proposes to restrict the operations of T.A.A. and to assist the operations of Ansett-A.N.A. When one looks at what has happened to this company and the favoured treatment it has received down the years, one can understand an editorial in the Sydney "Daily Mirror" which said, "Private enterprise has never had it so good".

In view of all the activities of private enterprise in this country I think it is not inappropriate to ask why, in this particular industry and in this particular section of transport, Ansett-A.N.A. is receiving such favoured treatment. Surely no one would countenance for a moment a proposal that a government should set up a railway system, erect railway stations and provide

staff, and then let a private company which provided only the rolling-stock operate the services. But that is precisely what is happening here to-day in civil aviation. This Government is using the taxpayers' money in a manner which cannot be defended. It is doing this, allegedly, in the name of private enterprise, but all it has achieved up till now has been to assist the growth of Ansett-A.N.A. towards even greater monopoly. We have heard honorable members, and particularly the honorable member for McPherson (Mr. Barnes) talking about free enterprise, but they have had nothing to say about the fact that Ansett-A.N.A., from the very inception of its operations, has been taking over smaller competitors. In the last ten years Ansett-A.N.A. has absorbed no less than six private companies in the field of civil aviation. If members of the Government are so interested in and concerned about the preservation of private enterprise and free competition in this country, what have they to say about the people who have been driven out of this industry as a result of their inability to compete with Ansett-A.N.A.? If it is right for the Government to give this favorable treatment to one big private company, why did it not give similar treatment to other companies?

I now want to refer to allegations that have been made concerning the Minister for Civil Aviation (Senator Paltridge). At the outset I wish to say that I have absolutely no charges to make against the Minister. I do believe, however, that a situation has arisen which this Parliament cannot pass by in the manner in which the Prime Minister (Mr. Menzies) evidently proposes to pass it by. The Prime Minister has a responsibility to this Parliament as well as to his own party. When this matter was mentioned a few days ago, reference being made to the allegations of Messrs. Pringle and Shand concerning the Government and the Minister, the Prime Minister suggested that the whole affair was a kind of a stunt. The following day a member of his own party supported the allegations, and the Prime Minister did not attempt then to dismiss them as a stunt. He went further and said that the matter had become a political issue because an election was approaching, and that we of the Opposition were merely exploiting it for political purposes. I say quite definitely that a case has been made out that

warrants the appointment of a royal commission, as proposed in the amendment of the Deputy Leader of the Opposition (Mr. Whitlam).

To-day a further witness comes into the picture. An article in this morning's "Sydney Morning Herald" reads—

Mr. Shand said last night that on July 29, 1961, Captain Smith—

Captain Smith, I may say, is connected with East-West Airlines—

submitted the following record of the meeting:

"The result was:—

" 1. A better understanding of our position in relation to the requirements of the Government, to know everything that East-West Airlines is planning if it wants its subsidy to continue.

" 2. Definite knowledge that the Minister would like to see East-West Airlines join the Ansett Transport Industries group. It is my opinion that he would be in favour of this without caring very much how it was accomplished.

" 3. The Minister, and to a degree, the Director-General, were infuriated by the company's approach to the N.S.W. Government, with its subsequent promise of support for East-West Airlines and bad publicity for Ansett.

" 4. The Director-General gave a resume of the assistance that the department had given to East-West Airlines, which, it would appear was responsible for almost everything that East-West Airlines has achieved to date, and effectively punctuated his remarks with brief references to the difficulty that the Minister would experience in paying a subsidy to a company that did not place its destiny entirely in his hands, or words to that effect.

" Senator Paltridge was completely honest in his talks and does not bear any malice towards East-West Airlines. Indeed he was very friendly. Both of these men, however, would, for various reasons, be prepared to see East-West Airlines sacrificed on the altar of rationalisation in order to make their two-airline policy work. We must never lose sight of this fact."

The position is that two reputable citizens have made allegations against a responsible Minister of this Government. Those allegations have, in effect, been confirmed by a Government supporter in this House. To-day we have a fourth person coming into the picture, Captain Smith. I say that a *prima facie* case has been established that calls for an investigation. It is impossible to escape that conclusion. I ask the Government: How serious or how grave

must allegations be before the Government will make a move? The Prime Minister and the members of his Government seem to be concerned only with their own personal prospects, rather than with the well-being and prestige of this Parliament. The position of the Parliament was well stated by the late honorable member for Barker, Mr. Archie Cameron, in 1948, when he was speaking in this House about the appointment of a royal commission to investigate a matter involving a Minister of the Crown. May I say, incidentally, that the royal commission was appointed at the request of the Minister himself at that time. That Minister is now the honorable member for East Sydney (Mr. Ward). The late Mr. Cameron said—

The time-honoured procedure of democratic government in British countries is that, as soon as a Minister is called into question in relation to his transactions and his reputation as they touch the administration of his department, he shall withdraw from the administration of the department until his reputation and his administration have been cleared by competent authorities. Precedents for such a course of action have occurred in this Parliament during my membership of it and during the membership of many other honorable members on both sides of the chamber. A precedent occurred recently in the United Kingdom. To-day's press contains references to the return to the Attlee Government of Dr. Hugh Dalton, who left that Government last year in circumstances which were not without precedent in the United Kingdom Parliament. Dr. Dalton was not charged with any impropriety; he had merely made a slip in regard to the disclosure of some information contained in the United Kingdom Budget.

On 3rd November, 1938, the then Postmaster-General, Senator A. J. McLachlan, after a question concerning his activities had been placed on the notice-paper of the House of Representatives by the honorable member for Brisbane (Mr. George Lawson), tendered his resignation, which read, in part—

Having regard to the suggestion underlying the question that I may in some obscure way have influenced the department, I feel that one course only is open to me, and that is to tender my resignation as Postmaster-General. This I do with some reluctance at such a time, but the protection of my honour and the honour of the Government against any insinuation that underlies the question on the notice-paper leaves no other course open to me, and appears to be the one I should adopt under the circumstances.

While speaking in the Senate on the day on which he tendered his resignation, Senator McLachlan said—

My only regret is that the public life of this democracy has sunk so low that it should be for one moment suspected that a man would abuse the trust reposed in him by the Crown. I say that it is a degradation of democracy that such a charge should be made. My personal honour is dearer to me than all the pelf in the world.

It is quite obvious that a very strong case has been made out for government action. The Opposition is not alone in holding this opinion. Reference has been made to reaction throughout the country to these allegations. An editorial in this morning's "Sydney Morning Herald" said—

If, however, as a great many people will prefer to believe after Mr. Drummond's revelations, the Federal Government through the Minister for Civil Aviation tried to intimidate a small private airline into surrendering to a big competitor manifestly favoured by the Government in other directions, then the affair assumes the proportion of a serious scandal. That the Government should intervene at all in such an issue is beyond all propriety. That it should intervene to promote a monopoly and force free-enterprise competition out of existence is the grossest possible betrayal of the principles it is pledged to uphold.

It is quite true, as the speaker who preceded me in this debate said, that the Sydney "Daily Telegraph", in its editorial of yesterday, expressed support of the Government. It may be of interest to the House if I read some remarks that appeared in that editorial—

Is it rational to take away a business—and an air route is a business—that a company may have built up at considerable expense and give it to someone else?

What would the response be if the Government applied the same principle to other kinds of business?

And, looking at it soberly, why should the Government have to move in to protect East-West Airlines any more than it protects any other company?

I may add that the only company in this field that it has protected is Ansett-A.N.A. Six companies have disappeared from the civil aviation field, as I said earlier. The leader continues—

Takeover bids, in any case, are matters between companies, and not the concern of governments.

East-West Airlines has a comparative handful of shareholders. Ansett has thousands of shareholders who have just as much right to consideration as any others.

That last paragraph is a rather illuminating one to find in a leader in the "Daily Telegraph". That newspaper, as would be

expected, comes down on the side of monopoly. I should say that people in small enterprises will be disturbed to find that that newspaper has very little to say for them.

Mr. Reynolds.—The honorable member knows the record of the "Daily Telegraph" in take-overs.

Mr. O'CONNOR.—As my honorable friend has intimated, the Sydney "Daily Telegraph" has indulged in take-overs, but so far it has not come out of them very well. The extract that I have just read from the newspaper's leader is typical of the sort of thing that one would expect of a newspaper company that has made many thousands of pounds out of the community in New South Wales and, for the assistance of the community, can do nothing better than endow to the tune of £10,000 a race run at Randwick each year. The needy, the poor and those who are destitute receive nothing at all from the people who conduct the "Daily Telegraph" newspaper. The proprietors of that journal consider that the most worth-while contribution to community welfare can be made by donating £10,000 to the Australian Jockey Club in Sydney. The attitude of those who conduct this newspaper speaks for itself.

I return now to the speech made last evening by the Prime Minister. Among other things, he tried to evade the issue on the question of whether the statement alleged to have been made by the Minister for Civil Aviation was in fact made. The Prime Minister, nowhere in his speech, faced up to that issue. He consistently ran away from it and tried to impose his own strangely improvised statute of limitations. He tried to make out that the lapse of eighteen months since the incident in question was supposed to have happened was a sufficiently long time to warrant his refusing to consider the matter further. This brings me back to the Royal Commission on Timber Rights in the Territory of Papua-New Guinea, which I mentioned earlier. As I have said, that commission was appointed, at the request of the honorable member for East Sydney, by letters patent dated 11th January, 1949, to inquire into certain transactions in relation to timber rights in the Territory of Papua

and New Guinea. The royal commissioner, in the introduction to his report, stated—

This inquiry arose out of a transaction embodied in two Deeds dated respectively the 19th December, 1944, and the 20th November, 1945 . . . Incidentally, I may say that I do not think that any man has ever been acquitted so clearly and definitely of charges made against him as was the honorable member for East Sydney on that occasion.

The pertinent point that I am making is that that royal commission was not appointed until about four years after the times in 1944 and 1945 to which the allegations related. What a fatuous approach has been adopted by the Prime Minister towards the matter at present at issue in attempting to play down its importance by stating that the allegations relate to a time eighteen months ago! Surely the time is not relevant. The important question that should be answered, not only on behalf of the Minister but also on behalf of the Government is: Were these statements really made? Are the allegations correct or incorrect? If one accepts the reasoning of the Prime Minister, one will take the view that, if more than eighteen months have elapsed since an incident is alleged to have occurred, an inquiry into it is impossible. Significantly, the Prime Minister at no time faced up to the question of whether the statement alleged to have been made was in fact made.

I consider that the allegations are of such a kind as to warrant full investigation. I offer no opinion at all about whether they are correct or otherwise. I prefer to believe that they are not. Party opportunism and party advantage seem to have become the main considerations for the Prime Minister. He has accused us of participating in a political stunt by raising this matter on the eve of an election, but his approach to the issue and his actions in relation to it leave him open to the charge that he is not unmindful of the possible effect on the Government's election prospects of the appointment of a royal commission now.

I appeal to the Government, even at this late stage, to take the right course and to uphold the standards of this House and of public life generally in Australia. In this instance, *prima facie* evidence which has been submitted to this House comes, not from one reputable person, but from no

fewer than four. How many persons does the Government require to make and substantiate allegations before it will act? A sufficient answer is not to be found by saying that cordial relations have existed between the Minister for Civil Aviation and East-West Airlines in the last eighteen months, the cordiality of those relations being shown in correspondence, and that this in itself is a sufficient reason why the matter need not be investigated. I say that this Parliament has a clear responsibility to investigate the issue and that it will fail to discharge that responsibility if it does not take the course suggested by the Deputy Leader of the Opposition. For these reasons, I support the amendment that he has proposed.

Mr. CHANEY (Perth) [3.23].—Mr. Deputy Speaker.—

Mr. Peters.—This will be good!

Mr. CHANEY.—The honorable member ought to wait for it and not become impatient. Probably, until the Deputy Leader of the Opposition (Mr. Whitlam) proposed his amendment, most of the speeches made in this debate had little or no relation to the bill. Now that the amendment is before the House, honorable members are at liberty, under the Standing Orders, to discuss the matters that have arisen in the way in which the honorable member for Dalley (Mr. O'Connor) dealt with them. He took as the authority for his remarks the "Sydney Morning Herald" newspaper. I do not know whether or not that newspaper can be relied on for accuracy. I think that most honorable members have learned that what the newspapers print is not always accurate. Indeed, honorable members on both sides of the House have at various times had occasion to complain in this place of gross misrepresentation in the newspapers.

The text of the remarks made by the honorable member for Dalley was a passage from a "Sydney Morning Herald" report, which was in these terms—

Mr. Shand said last night that on July 29, 1961, Captain Smith submitted the following record of the meeting:

The details then follow, and the record of the meeting continues—

Senator Paltridge was completely honest in his talks and does not bear any malice towards East-West Airlines.

This is a record of the proceedings at a meeting which took place on 7th July, 1960—more than twelve months before the account was submitted by Captain Smith. As I have said, I do not know whether the statements made are true. I do not know whether or not to believe the newspaper. An Opposition member may accept this statement, which was made more than twelve months after the meeting, as being an accurate record of what occurred, but I refuse to believe that, even three weeks after a meeting, somebody could commit to paper an account as long as that and vouch absolutely for its accuracy. We have had quoted in this House passages from correspondence between East-West Airlines Limited and the Minister for Civil Aviation (Senator Paltridge). Which account do we believe?

I think it is unfortunate that the Opposition has attempted, in this debate, in some way or other to put the honorable member for New England (Mr. Drummond) in a bad light.

Mr. Peters.—A good light.

Mr. CHANEY.—To any one on this side of the House, it appears to be a bad light. If you study carefully what he said you will see that it is totally different from the interpretation that the newspapers and honorable members opposite are putting on it.

I do not want to devote my time to the defence of somebody who, I believe, needs no defence—the Minister for Civil Aviation—and I think that enough has been said on this matter in this House. I believe that the whole thing has been blown up out of all proportions by the newspapers because there is nothing in the bill for them to comment on anyway. If there is a royal commission—I think that is in the terms of the amendment moved by the Opposition—it should not inquire into the activities of the Minister, but could well inquire into the activities of the New South Wales Government and the company itself.

Mr. Peters.—And into Ansett-A.N.A.

Mr. CHANEY.—Just get these things right. We have heard the word "pressurization" used—not in regard to aircraft, but in regard to companies. I believe that pressurization has gone on in totally different areas, and if honorable members accept the documented facts given in this House and in another place they must agree with that. The Leader of the Opposition in another place said only this morning that he accepted the word of the Minister all along, but that it was obvious that somebody was telling a lie. This is totally different from the attitude adopted by the Opposition in this House. The honorable member for Dalley said that the Prime Minister was responsible to his own party. I do not think I am giving any secrets away when I say that the whole of the Prime Minister's party supported him and the Minister for Civil Aviation in this matter, and without any doubt. If the position were reversed, and the Labour Party were on this side of the House, in government, no doubt the same charge as is made against us—that we were simply supporting the government in any event—would be made against Labour Party supporters. That is the most natural thing in politics, as a study of the "Hansard" reports for the 60 years of the life of the Commonwealth Parliament will show.

Now I turn to the bill, which has not been discussed at all during the debate. The honorable member for Dalley and the Deputy Leader of the Opposition said that this was a clear-cut case of the Minister trying to destroy T.A.A. This is really ludicrous in the extreme, as the record of T.A.A. soon shows. We should get back to the bill and forget about East-West Airlines Limited, as I think honorable members opposite could well do, because the whole thing has so obviously been whipped up into something big in the newspapers. Let us go back to the record of T.A.A., which shows that the initial planning for that airline was done in 1948. From 1949 to 1961, T.A.A. has been under the control of the present Government. If any Minister, including the Minister for Defence (Mr. Townley) who is now at the table, and the present Minister for Civil Aviation had set out to destroy T.A.A., how could we have the picture now presented in its own record? In the

two-year period that ended on 30th June, 1949, T.A.A. aircraft flew 132,225 hours, embarked 798,570 passengers, travelled 376,346,800 passenger-miles, carried 18,675 short tons of freight and 2,162 short tons of mail. Over those two years T.A.A. earned £6,828,000 total revenue, and incurred losses amounting to £392,000. The losses were incurred under the administration of the Labour Government.

I am not critical of the loss incurred by T.A.A. in those first two years, because in the initial stage of the establishment of an airline many non-recurring costs must be met, and I think that earnings of nearly £7,000,000, with a loss of £392,000, in a time when the airline had its teething troubles, was a fairly worthwhile performance. In 1960, T.A.A.'s operations had increased quite dramatically, as the figures for the financial year that ended on 30th June, 1960, show. The hours flown totalled 86,795, as against an average of about 66,000 for each of the two years in the period that ended on 30th June, 1949. It may be said at first glance that that is only an increase of 30 per cent., but it must be remembered that that total of hours was flown by faster aircraft, which covered more miles per hour. The growth in the airlines' activities is fairly high in actual fact—a growth which has occurred under Ministers, who, according to the Opposition, have been trying to destroy T.A.A.

Honorable members opposite can keep firmly in their minds that the Government is determined to have a two-airline system, and is determined that neither T.A.A. nor the other major airline will be destroyed. It is easy for people who live in Melbourne or Sydney to say that this country could do with a one major airline system, but it is a different story in Western Australia and other remote parts of this continent, where it is difficult enough to get service on the line that is available.

In 1960, the number of passengers embarked had risen to 1,071,253 compared with the average of about 390,000 for each of the two years of the period that ended on 30th June, 1949. And this happened while the Government, according to honorable members opposite, was trying to destroy the airline. What a magnificent kind of destruction! I hope that we try to destroy everything in Australia in the same

way. Passenger miles travelled by the airline in 1960 were 513,319,100 as against an average of about 180,000,000 in each of the other two years that I have mentioned. The freight carried in 1960 almost doubled compared with each of those other two years.

Those figures are the answer to the argument which we hear time and time again that the Government is out to destroy T.A.A. Now let us look at the particulars regarding T.A.A.'s fleet of aircraft. In 1949, the airline was operating with aircraft which were mostly surplus aircraft disposed of by the armed forces. As at 30th June, 1949, T.A.A. had just bought five Convair 240's, three Douglas DC4's, nineteen Douglas DC3 passenger aircraft, three Douglas DC3 freighters and four de Havilland 84's. It employed 3,393 persons. As a result of the so-called process of destruction undertaken by this Government, with the various Ministers using all their efforts to destroy T.A.A., somehow by 30th June, 1961, the airline had acquired three Lockheed 188's, two Viscount 816's, ten Viscount 700's, nine Fokker F27's, two Douglas DC6's, two Douglas DC4's, nineteen Douglas DC3's, four de Havilland DHC3's and three Bell 47 helicopters. Its staff had risen from 3,393 in 1949, to 4,848.

Mr. Reynolds.—But have you thought what it might have done?

Mr. CHANEY.—This is the old story. What we are really debating is the two airline system. Honorable members will recall the cross-charter arrangement under which DC6's owned by one airline were exchanged for Viscounts owned by the other. It was a terrific deal, and according to members of the Opposition it was part of the attempt to destroy T.A.A. What actually happened was that the deal enabled that organization to operate in New Guinea, which it otherwise would not have been able to do. I believe that if the exchange had not been made A.N.A. would have been in a position to provide cheaper tourist services with the DC6's which carry 100 passengers each, and could have cut into T.A.A.'s passenger total. Remember, it is not necessary to have the kind of airline system under which pas-

sengers are served with chicken salad, and so on. When people fly, their main object is to get to their destination. One of the greatest problems in our aviation to-day is not getting people from Sydney to Melbourne, for instance, in a short time, but getting them to and from the various airports expeditiously.

A lot has been said about rationalization. I believe that civil aviation is the spoiled child of the Australian transport industry. If other transport systems in Australia had received from governments the assistance that civil aviation has received we would hear less talk about railway deficits and bad roads. There was criticism from the Opposition also about air fares in Australia. Honorable members opposite claim that the Government's policy caused fares to increase. Australia's air fares compare more favorably with those in other countries, as honorable members who have travelled abroad know quite well. The service provided also compares more than favorably. Anybody who has seen the internal airline system in Canada will agree with that statement. Over there, you have to wait in a line like sheep in a race, and when the starter's gun goes off you rush for the plane. The healthy young men get the seats they want and husbands, wives and children come last. The service and the meals are both second-rate. Our own system certainly compares more than favorably with that.

In Australia, the first-class fare per passenger mile is 6.55d. In America the first-class fare is 7.62d. a passenger mile although the service is much worse, not in terms of aircraft or control by the aeronautics board but in terms of actual passenger comfort. The first-class fare on European airways is 13.31d. a passenger mile. So where is the argument about Australian fares? When it comes to tourist class, the fare of Australian services is 5.02d. a passenger mile compared with 10.55d. in Europe. I think it is time we had a rational look at this rationalization programme and refrained from so many assumptions, making mountains out of molehills and initiating headlines in every newspaper in Australia about something that has no basis of fact.

On 5th September, I directed a series of questions to the Minister representing the Minister for Civil Aviation to this effect—

1. What are the details of the public funds which have been invested in the Government-owned Trans-Australia Airlines each year for the past ten years?

2. What has been the (a) yearly and (b) average return to the Treasury in the nature of a dividend over the last ten years?

3. Is this return on public moneys satisfactory having regard to the dividend paid by the privately-owned airline operator?

4. Does Trans-Australia Airlines have, in addition to capital provided by the Treasury, access to loans at rates less than those available to other operators?

5. Does the Australian National Airlines Commission also have available for use in its business some £4,000,000 of superannuation funds?

There was criticism of this last matter to the effect that the Government was misusing superannuation funds. That was another statement that was made without any facts to support it. The Minister representing the Minister for Civil Aviation replied to me on 27th September and the answers are to be found at page 1437 of "Hansard". In 1946-47, when T.A.A. was first established, the capital subscribed during the year was £2,170,000. In 1947-48, the capital was increased by £1,500,000, and there was then a progressive total of £3,670,000. Honorable members may remember that in those days the initial fleets of DC3 aircraft from disposals could be procured for about £10,000 or some such ridiculously low price because of the surplus of DC3 aircraft immediately after the Second World War. In 1948-49, there was an increase of £700,000 to £4,370,000.

There was no need for capital finance between 1948-49 and 1957-58 because in 1948-49, the government of the day put into capital funds of T.A.A. a sufficient sum to see it over those years. The year 1949 was an election year, as honorable members will recall. The next advance was £500,000 which made the total £4,870,000. In 1958-59, capital subscribed totalled £1,000,000 making the total £5,870,000. There was an increase of £500,000 in 1959-60, and the total then was £6,370,000. In 1960-61, capital subscribed during the year totalled £1,130,000 making a grand total of £7,500,000 of which more than half had been advanced by this Government in its efforts, according to honorable members opposite, to destroy T.A.A. What a mag-

nificent argument! In 1950-51, the Australian National Airlines Commission paid in the nature of a dividend £136,562, equal to 3½ per cent. Nothing more was paid until 1954-55 when there was a payment of £131,000, equal to 3 per cent. The figure was fairly steady over the following five years ranging from 4 per cent. to 5 per cent. This represented an average return of £141,636 a year over each of the ten years to 1959-60, just under 3 per cent. Ansett Transport Industries paid a steady dividend of 10 per cent. and by normal commercial standards, T.A.A. dividend is low.

I believe that the Opposition generally would agree that T.A.A. is a business proposition and a highly successful one of which its employees can be justifiably proud. It is as well to remember that for every person employed by T.A.A., a person and a fraction is employed by Ansett-A.N.A. Whatever you do to either company affects a number of Australians in their employ. The Australian National Airlines Commission has three loans arranged on its behalf by the Government. One of them through Qantas Empire Airways Limited is for 2,250,000 dollars and the others are for 3,000,000 dollars and 2,000,000 dollars through the Treasury. The rates of interest paid on them are lower than the rates of interest paid by Ansett-A.N.A. on its loans. The guarantees to Ansett-A.N.A. were not taken up fully and those that were taken up have been met on time.

The Minister representing the Minister for Civil Aviation stated in reply to my fifth question—

The accumulated superannuation funds of the Airlines Commission total £3,759,000 of which £525,000 is invested. The remainder is available for use in the business.

Although I have heard one or two honorable members say that they would not take the word of the Minister for Civil Aviation (Senator Paltridge), these facts and figures are published in "Hansard" and cannot be denied. As I have said, I would rather have had a full debate on the airlines system and on the two bills that are before the House than have our time taken up by honorable members having to defend actions which needed no defence. I am quite certain that many people will look back on these years of administration

by the Minister for Civil Aviation as a time when civil aviation in Australia made wonderful strides. He has kept civil aviation in Australia at a level equal, or superior to that of any other system in the world.

Mr. CALWELL (Melbourne—Leader of the Opposition) [3.42].—I seconded this amendment and I did so because I believe it is necessary to remind the House that the tradition of parliamentary government and ministerial responsibility lays it down that when any Minister is under challenge at any time by any person of having done anything that has even a semblance of wrong-doing or favouritism, it is his duty either to be asked to be relieved of office or for the Leader of the Government to relieve him of his office.

Mr. Bury.—Charges made by whom?

Mr. CALWELL.—Charges made by reputable people; and it cannot be denied that in this case charges have been made by reputable people. While no notice was taken of the charges when they were made by people outside this House—and they should have been noticed—no excuse can be given for refusing to take notice of the charges now that they have been reinforced by the testimony of the honorable member for New England (Mr. Drummond) about whom no member of the Liberal Party or of the Australian Country Party dare say an offensive word.

Mr. Forbes.—On that basis, you should have resigned as Minister for Immigration once a week.

Mr. CALWELL.—I would not have had to resign once a week because nobody challenged my probity or integrity; and I hope the honorable member will be able to go through his political life with as decent a record as I have in this regard. This is not merely a question of judgment. This is a question of favoritism.

I can well remember two instances over the last 30 years when two Liberal Party Ministers, after the government of the day had been asked to appoint a royal commission to inquire into charges that they had acted imprudently, resigned their portfolios because they felt it was the proper thing to do. One was the late Senator A. J. McLachlan who was a Minister

when the secretary of a company stated in an annual report that he had been favorably disposed to the placing of contracts in favour of the company. That was sufficient. The Senator resigned from the Ministry and was never again included in it. In 1940, the then Minister for Customs, the late John Lawson, resigned from the Ministry because he happened to lease a racehorse from Mr. W. J. Smith the day after he had made an agreement on behalf of the Government with Mr. Smith for the making of motor cars in Australia. I am perfectly satisfied that there was nothing sinister or improper in anything that Mr. Lawson or Mr. Smith did. But immediately the matter was mentioned in public there was a furore. Mr. Lawson motored all through the night from the Macquarie electorate, which he represented, to Melbourne and handed the then Prime Minister, Mr. Menzies, his resignation.

To-day, the Prime Minister (Mr. Menzies) and the Minister for Civil Aviation (Senator Paltridge) try to brazen it out when charges are laid that the Minister has consistently favoured Ansett-A.N.A. in all its dealings to the detriment of Trans-Australia Airlines and worse than that, that he tried to apply pressure to East-West Airlines Limited to come to an arrangement with Ansett-A.N.A. about their activities.

Mr. Whitlam.—To get together.

Mr. CALWELL.—“To get together” were the words that were used. First, he said he did not use the words. It was only when the honorable member for New England said he heard him use them that the Minister said he may have used them. His memory became good only when he was presented with the irrefutable evidence that he did say what he denied he had said.

The members of the Liberal Party are trying to keep up their courage by suggesting that this is a political stunt. They say we have no justification for asking for a royal commission to inquire into these matters. We say we have every justification, in accordance with tradition and parliamentary practice, for asking for a royal commission. The Prime Minister's speech last night explained nothing. As the Deputy Leader of the Opposition (Mr. Whitlam) said, all he did was to prove that he was very selective, if not very avid, in his

reading of letters. He indulged in a good deal of clowning, quoting from kindly, friendly, almost sentimental letters. Some commenced "Dear Shane", others commenced "Dear Don" and "Dear Archie"; but none commenced "Dear Reg", although "Dear Reg" is more than dear in any sense of the term. He has been too dear to the Australian people.

If this Government had treated the late Sir Ivan Holyman and Australian National Airways Proprietary Limited half as generously as it has treated Ansett-A.N.A. Australian National Airways would never have been forced out of business and destroyed. A rationalization committee was established. Everything that Ansett-A.N.A. has ever asked of the rationalization committee it has obtained. It is true it did not always get what it wanted on the first occasion it asked. However, in accordance with the principle of Bruce and the spider, it was try, try again. Ansett-A.N.A. has not always had to wait very long. We were told that its claims to fly to New Guinea and to fly to Darwin from Mount Isa and Alice Springs would not be granted; but these claims have been acceded to. Now the chairman of the rationalization committee, who acted as co-ordinator when the other two members of the committee disagreed, has resigned, and the position goes back to the Minister, who must make a decision, according to the terms of the bill.

If everything is above board with this Government's administration and with the Minister it is extraordinary that when T.A.A. appealed against the application by Ansett-A.N.A. for the right to fly into Darwin from Mount Isa and from Alice Springs, it was told that the appeal would not be heard because the Minister, under some other power, had given Ansett-A.N.A. the right to do so. We say that this is mal-administration and distinct favoritism and we say it has been accorded at the expense of the Australian people.

Mr. Luchetti.—It is patronage.

Mr. CALWELL.—It is a very bad form of patronage. We know very well there must be two airlines. We tried to nationalize the airlines and we failed, so we cannot nationalize the airlines of Australia. There must be two airlines or more than two airlines. There cannot be one Govern-

ment airline; but there can be one private enterprise airline, and that is what Ansett-A.N.A. wants. Mr. Ansett has already demanded—the Government so far has refused his application—that the Government should sell out its interest in T.A.A. to a corporation in which the Government would have a certain percentage of shares. That would be the first step towards the sell-out of the whole of the shares to the private shareholders in the corporation, preparatory to its being gobbled up by Mr. Ansett.

When the Minister for Civil Aviation advised East-West Airlines Limited to talk matters over with Mr. Ansett, he was telling the company to emulate the fly and walk into the spider's web. When Mr. Ansett talks to people, he talks for the purpose of devouring them. He does not talk for any other purpose. He devoured Butler Air Transport Limited and he was able to defeat A.N.A. by skimming the cream off the traffic between Sydney and Melbourne in opposition to A.N.A. and T.A.A. When Butler tried to obtain dollars from this Government to do to Ansett what Ansett did to A.N.A., the Government said: "No. We do not believe in private enterprise to that extent. We will not allow Butler to compete with Ansett on the same terms as Ansett competed with A.N.A. before he destroyed it and then gobbled it up." That is the sort of spurious, phony, free enterprise in which this Government believes.

Mr. Murray.—What would you like to see happen to Ansett?

Mr. CALWELL.—I would like to see Ansett trade on fair terms and he is not trading on fair terms.

Mr. Harold Holt.—You would like to see him out of business.

Mr. CALWELL.—I would like to see a royal commission appointed to inquire into all the activities of the department and before I see Ansett out of business, I would like to see you out of business.

There are rumours circulating—they may have some substance—that the Government forced T.A.A. to take Electra aircraft because Ansett had adopted these aircraft. T.A.A. did not want them. The Lockheed organization came in. The rumours are that Ansett is tied up with that American

concern and that his company is receiving commission on all these sales, even those to T.A.A. The rumours are that he made a deal to help relieve himself of his financial obligations, and the Government knows all about it.

Mr. Turnbull.—They are only rumours.

Mr. CALWELL.—Of course they are only rumours, I know, just like other rumours going around. There is too much foreign capital coming into the country at present. Too much foreign capital is taking over too many of our essential enterprises. We hear a lot about the Hong Kong capital of £500,000,000, but there is a lot of American capital coming in, too.

We want an investigation into all these matters and we want to know how far the Government is involved. We believe that the Minister is covering up. We expected members of the Australian Country Party to support the honorable member for New England. He did not decide to make his statement here in the heat of passion. He told me all this story about a month ago at the Mascot airport and others have been telling me a good deal about it for some time past. But members of the Country Party generally seem to be vying with Government supporters in rushing to the defence of the Ansett group. They are all very decent fellows personally, of course, but, speaking about them politically, they are just a jackal pack that feeds on what is left of the spoil after the lions of liberalism have had their fill. There is nothing independent about them. They have no separate judgment. They just trail on behind the people who do the kill. This Government wants to kill T.A.A., a government enterprise, and we want to prevent that from happening. The honorable member for Mallee (Mr. Turnbull) does not believe in government enterprise at all.

Mr. Turnbull.—I do not believe in socialism. You can put that down.

Mr. CALWELL.—In that respect, you differ from the Prime Minister, because he does. In fact, he practices it but does not admit it. According to the news to-day, Mr. Ansett said that he would fight the New South Wales Government to the very last limit. For what reason? The Government of New South Wales wants to restrict him

to 51 per cent. of the intra-state traffic in New South Wales, and that is not enough. The other company is to have 49 per cent. and, in Mr. Ansett's view, that is too much. And Mr. Ansett has all the intra-state traffic in every other State of the Commonwealth, except in Western Australia. He has already crushed out Southern Airlines in Victoria and extinguished many flights. He has already taken over the Mount Gambier service in South Australia, and disadvantaged the people living in the south-eastern portion of that State too. But Mr. Ansett is concerned with profit, not service. When it comes to a question of subsidy, why should not this Government make payments to airlines operating in scattered areas in order to promote decentralization and development? What is wrong with that? We are all for it. We helped it. We carried on the work which this Government did in other days when it helped Connellan Airways Limited in the Northern Territory. And Mr. Ansett has cast his covetous eyes on that company, also. He has also cast his greedy, covetous eyes on the MacRobertson Miller Airlines Limited in Western Australia.

There is no line that he does not want to absorb or take over, and there is nothing that he will not do. But, to finance it all, he will ask the Australian people to subscribe to his notes, and he will pay them 8 per cent. or 9 per cent. interest. He will have to earn 16 per cent. or 17 per cent. on his investment to pay that amount of interest, and he is so powerful with the Government that the Government has told T.A.A. in this legislation, that it must earn 10 per cent. and make sufficient profit to build up reserves so that Ansett-A.N.A. can be maintained in a financial state. In other words, fares may have to go up by about 20 per cent. as a result of this legislation. We say that is all wrong, and that that in itself is sufficient reason for having a royal commission.

Then there is the announcement that Mr. Ansett has cancelled all his advertisements in the "Daily Mirror" newspaper in Sydney, in the Sydney "Sun" and in the "News" in Adelaide because they dared to criticize him. He is being kept going with government money. No doubt there will be more to follow, because nobody must dare to try and thwart Mr. Ansett; nobody must attempt to frustrate him; nobody must

oppose him. Those who stand in his way must be crushed, and he has decided that these newspapers cannot have advertisements if they will not back him, if they will not support him at every turn. He is a standover man, and everybody who votes against our proposed amendment will be voting for standover tactics, and standover tactics are unacceptable to any decent democrat, or to anybody who believes in the rule of law.

This Government has much to answer for. It did not want these revelations. It thought it could bluff its way through on this legislation. That is why it brought the bill down right at the last minute. But it had one other reason. Mr. Ansett has told the Government that if it does not control the Senate after 1st July of next year it will be too late to bring the bill down then, so it has got to be put through while the Government has a lot of dumb driven cattle that it can muster into voting for its bills while it still has the control of both Houses. The Government will not wait for the people's vote on this matter on 9th December. But we will take the issue to the people. This will be one of the election issues. We may not be able to remove the honorable member for Mallee from the precincts of the House, but we hope to deplete the ranks of the Country Party and to deplete the ranks of the Liberal Party too. We hope the people of Australia will vote for decency in government, that they will return a Labour government that will investigate all these matters. We will carry on a two-airline system, but it will be done on fair lines, not in the way in which this Government has operated, the way of slow attrition, by which T.A.A. is to be destroyed gradually and slowly so that the Government will be able to say in the end that T.A.A. failed because of inefficiency, mismanagement, or something else. I have more faith in the common sense of my fellow Australians than I have in the decency of the majority of members of this Government.

Mr. HAROLD HOLT (Higgins—Treasurer) [4.2].—My colleague, the Minister for Civil Aviation (Senator Paltridge) summed up the Labour Party's performance on this matter as an infamous political stunt, and anybody who has examined in a fair-minded

way the facts and the statements which have appeared publicly will have no hesitation in joining him in that verdict.

This has been one of the most shameful and disgraceful political performances on the part of any Labour Party that I have encountered in all my time in this Parliament. We do not have to go very far to find the motives behind the vicious, savage attack which has been made in this chamber by honorable members opposite. First, there is their general political philosophy. The Leader of the Opposition (Mr. Calwell) now tells us that they tried to socialize the airlines of this country. Of course they tried! The very fact that to-day we do not have socialized airlines in Australia is due to no lack of effort or determination on the part of honorable members opposite. And they are not confined to socializing the airlines. Each and every one of them is pledged to socializing great sections of Australian industry. When the Leader of the Opposition now says, "We will have a two-line air policy", what sort of faith in the future could any private operator have? What sort of faith could he have in the continuity and success of his airline enterprise under a government made up of men who have the attitude of mind revealed to us in the course of this debate? The Leader of the Opposition says that they cannot nationalize the airlines, therefore they will have a two-line air policy. He is trying to put it to us that the thing which is really holding them back is the constitutional limitation. They tried; but they were frustrated. But anybody who has had experience of administration in the government of this country knows that by the exercise of administration, if you have the necessary numbers in the House of Representatives and in the Senate, you do not need any change in the Constitution in order to establish in the result what you are after by way of nationalization.

If ever we needed proof of the way in which the Labour Party would go about dealing with a private operator, we have it in this case; and we have it not merely on the evidence of what has been said but on the performance of the State Government of New South Wales. Some time ago, after hearing the federal president or—as I think he became almost immediately afterwards—the federal secretary of the Australian

Labour Party, announce that nationalization of banking was still the policy of the Labour Party—he returned to that about three or four times in the course of the succeeding week—I said that a Labour Party with the necessary majority in both of these Houses could set out to nationalize the banking system, in effect, by the way in which it dealt administratively with the trading bank system of this country. If that is true, as I believe it is, of the banking system, it is true to an even greater degree of the airline industry, which is infinitely more vulnerable to administrative pressures from the Government.

The Labour Party having failed in its determined bid to socialize the airlines, when we came into office we saw to it that there was a two-airline system in Australia, and we have dealt as fairly as we could with each of those airlines. I think it is a verifiable fact that government air traffic is shown to be very much heavier with Trans-Australia Airlines, the government airline, than with the privately owned airline. That is partly because the timetables arranged by the national airline make it more convenient for members of this Parliament to use that airline rather than the other. I mention that as a demonstrable fact. Far from the Government acting in a way prejudicial to the government-owned airline, government traffic is substantially higher with that airline than with the privately owned airline. In relation to equipment, aircraft, postal services and so on, we have done what we could to hold the scales evenly between the two airlines.

I repeat, therefore, that if we are looking for motives behind this shabby, and indeed quite odious, performance on the part of honorable gentlemen opposite, one of the motives undoubtedly is their lingering determination to do what they can to put the private airline operator out of business and ensure that only a government monopoly remains. The second motive, of course, is the obvious political motive. They are getting near to an election. They are desperate for material. They have not taken a trick in the course of this session, and they know that in public opinion the Government remains high. So, hunting around for material, this is one of the flimsy objectives that they seize on in order to

launch some sort of an attack. It is such an irresponsible and ill-planned attack that if we were to adopt the amendment which they now put before us, this agreement which has been entered into by all the parties, including the government airline and the private airline—of which, I understand, a Labour candidate, in the person of Sir George Jones, is a director—would be just completely null and void. It could not operate at all if we were to join with the Labour Party in adopting this ridiculous move that it has put before us to-day.

I have used strong language in describing the Labour Party's performance in this episode. It does not derive its strength only from the motives I have mentioned. The real motive behind this performance and this very effective piece of teamwork between the Labour Opposition in this place and the Government in New South Wales is a very different objective indeed. Now, Sir, just look at the significance of the events. These charges are made about my colleague not at the time when the events occurred but, as the Prime Minister (Mr. Menzies) demonstrated last night, the best part of eighteen months subsequently. Why are they made at this time? I do not suggest that those gentlemen who are associated with East-West Airlines Limited are out to score any political trick against this Government but, at the risk of being accused of having a cynical turn of mind, I say that they cannot be unmindful of the advantage tactically that they have in pressing these matters with a government on the eve of an election, and doing what they can to persuade the New South Wales Government also to take some tactical advantage from that situation.

What we have found is this: The New South Wales Government has now agreed to a very radical and far-reaching change in the domestic airline arrangement. I am not going to try to cover all the details, but I shall quote a comment made by the State Opposition leader, Mr. Askin, when this matter developed inside his own Parliament. He is reported in the "Daily Telegraph" on 25th October as having, outside the Parliament, said of the State Government—

The Government's action is high-handed and typical of the socialist planners. Although the Commonwealth heavily subsidizes both airlines,

apparently the State Government, which contributes nothing, has most of the say.

I understand the State Government made no effort to get the two companies together to try to evolve a mutually satisfactory rationalization plan.

Instead, the Government preferred to act arbitrarily.

The onus rests heavily on the Government to establish that what it proposes is in the public interest and will not result in poorer facilities.

Let me turn for a moment to what was said on this matter by Captain Middlemiss who is, I understand, the general manager of Airlines of New South Wales Proprietary Limited, the competitor of East-West Airlines Limited. Last night, he said that the route changes would cost his company £500,000 a year. I am not adopting that estimate. I do not know whether it is accurate, but I am quoting the remarks of the man who is general manager of the company affected. Now, Sir, having in mind that this is the serious financial result which can proceed from this rearrangement by the New South Wales Labour Government, the whole matter takes on, I believe, a very much more sinister turn. I can only deduct—I try to do so as fairly as I can—from the circumstances that because it was known that the action to be taken would result in very heavy losses for the airline company conducted by Ansett, the New South Wales Labour Government, in team-work with the Labour Party in this place, set out to create a smoke-screen by trying to blacken the name of one of the most decent, devoted and able Ministers who has ever served this country. And when I say that this is a shameful and disgraceful episode, it is on that conclusion that I principally base my charge. In order to distract public attention from the fact that one airline, the Ansett subsidiary, is to be deprived of a considerable part of its revenue, we have had this attack on my colleague. Most of us who have some knowledge of public affairs, have marvelled at how such publicity and weight of attack could have been built upon such a flimsy basis as was put before us. It is only when all the facts emerge and the actions of the Government of New South Wales now become clearly known that we can perceive more clearly why these things are being done.

I do not think this performance will delude anybody if the facts can be brought fully into the light of day. I am certain that nobody on this side of the House will fall for the political trick contained in the amendment moved by the Deputy Leader of the Opposition (Mr. Whitlam). The Government has done its fairest and best to see to it that we have an efficient air transport system for the people of Australia, with active competition on equal terms between the Government line and the free enterprise line. I do not find, as I move around, any criticism that the Government leans to one organization rather than to the other, but on the facts, how can there be that kind of criticism?

We have heard a most vicious personal attack on Mr. Ansett. I hold no brief for, nor am I the defender of Mr. Ansett, but I do know that this man has been one of the great pioneering figures in commercial aviation in Australia and that there are areas of Australia which probably would never to this day have had air services had he not been prepared to make the effort and take the risks involved in that kind of operation. The Leader of the Opposition (Mr. Calwell) in a typical distortion of the facts, talked about Mr. Ansett having taken over a certain airline in South Australia. My understanding is that this was an airline which Mr. Ansett himself had established. It was his own airline. How can he be accused of having gobbled up something which he himself established? That is the sort of basis upon which these rotten charges are made and I hope the Parliament will give short shrift to the performance of the Opposition in this matter. I think we can quite reasonably leave the verdict not only to this House but also to the judgment of all decent people outside this Parliament.

Mr. WARD (East Sydney) [4.14].—
Mr. Speaker—

Motion (by Mr. Pearce) put—

That the question be now put.

The House divided.

(Mr. Speaker—Hon. John McLeay.)

Ayes	60
Noes	33
Majority	27

AYES.

Adermann, C. F.
 Anderson, C. G. W.
 Anthony, J. D.
 Aston, W. J.
 Bandit, H. N. C.
 Barnes, C. E.
 Barwick, Sir Garfield
 Bland, F. A.
 Browne, P. G.
 Buchanan, A. A.
 Bury, L. H. E.
 Cameron, Dr. Donald
 Cash, E. D.
 Chaney, F. C.
 Chipp, D. L.
 Chresby, A. A.
 Cleaver, R.
 Cramer, J. O.
 Davidson, C. W.
 Davis, F. J.
 Dean, R. L.
 Downer, A. R.
 Drummond, D. H.
 England, J. A.
 Failes, L. J.
 Forbes, A. J.
 Fox, E. M.
 Fraser, Malcolm
 Halbert, H. V.
 Hamilton, L. W.
 Hasluck, P. M.

Tellers:
 Pearce, H. G.
 Turnbull, W. G.

NOES.

Barnard, L. H.
 Beaton, N. L.
 Bryant, G. M.
 Cairns, J. F.
 Cameron, Clyde
 Clark, J. J.
 Clay, L. D.
 Cope, J. F.
 Costa, D. E.
 Courtney, F.
 Crean, F.
 Daly, F. M.
 Davies, R.
 Fraser, Allan
 Fulton, W. J.
 Griffiths, C. E.
 Haylen, L. C.

PAIRS.

Menzies, R. G.
 Bowden, G. J.
 McEwen, J.
 Wight, B. M.
 Page, Sir Earle
 Fairhall, A.
 Drury, E. N.
 Snedden, B. M.
 Erwin, G. D.
 Freeth, G.
 Holten, R. M.
 Brimblecombe, W. J.

Calwell, A. A.
 Kearney, V. D.
 Thompson, A. V.
 Riordan, W. J. F.
 Beazley, K. E.
 Uren, T.
 Curtin, D. J.
 Lawson, George
 Minogue, D.
 Galvin, P.
 Bird, A. C.
 Harrison, E. James

AYES.

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 Fox, E. M.
 Fraser, Malcolm
 Halbert, H. V.
 Hamilton, L. W.
 Hasluck, P. M.

Tellers:
 Pearce, H. G.
 Turnbull, W. G.

NOES.

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 Crean, F.
 Daly, F. M.
 Davies, R.
 Fraser, Allan
 Fulton, W. J.
 Griffiths, C. E.
 Haylen, L. C.

James, A. W.
 Johnson, L. R.
 Jones, C. K.
 Luchetti, A. S.
 Makin, N. J. O.
 McIvor, H. J.
 O'Connor, W. P.
 Peters, E. W.
 Pollard, R. T.
 Reynolds, L. J.
 Russell, E. H. D.
 Sexton, J. C. L.
 Ward, E. J.
 Whitlam, E. G.
 Tellers:
 Duthie, G. W. A.
 Stewart, F. E.

PAIRS.

Menzies, R. G.
 Bowden, G. J.
 McEwen, J.
 Wight, B. M.
 Page, Sir Earle
 Fairhall, A.
 Drury, E. N.
 Snedden, B. M.
 Erwin, G. D.
 Freeth, G.
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 Riordan, W. J. F.
 Beazley, K. E.
 Uren, T.
 Curtin, D. J.
 Lawson, George
 Minogue, D.
 Galvin, P.
 Bird, A. C.
 Harrison, E. James

Question so resolved in the affirmative.

Question put—

That the words proposed to be omitted (Mr. Whitlam's amendment) stand part of the question.

The House divided.

(Mr. Speaker—Hon. John McLeay.)

Ayes	60
Noes	33
Majority	27

Question so resolved in the affirmative.

Amendment negatived.

Question put—

That the bill be now read a second time.

The House divided.

(Mr. Speaker—Hon. John McLeay.)

Ayes	60
Noes	33
Majority	27

AYES.

Adermann, C. F.
 Anderson, C. G. W.
 Anthony, J. D.
 Aston, W. J.
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 Barnes, C. E.
 Barwick, Sir Garfield
 Bland, F. A.
 Browne, P. G.
 Buchanan, A. A.
 Bury, L. H. E.
 Cameron, Dr. Donald
 Cash, E. D.
 Chaney, F. C.
 Chipp, D. L.
 Chresby, A. A.
 Cleaver, R.
 Cramer, J. O.
 Davidson, C. W.
 Davis, F. J.
 Dean, R. L.
 Downer, A. R.
 Drummond, D. H.
 England, J. A.
 Failes, L. J.
 Forbes, A. J.
 Fox, E. M.
 Fraser, Malcolm
 Halbert, H. V.
 Hamilton, L. W.
 Hasluck, P. M.

NOES.

Barnard, L. H.
 Beaton, N. L.
 Bryant, G. M.
 Cairns, J. F.
 Cameron, Clyde
 Clark, J. J.
 Clay, L. D.
 Cope, J. F.
 Costa, D. E.
 Courtney, F.
 Crean, F.
 Daly, F. M.
 Davies, R.
 Fraser, Allan
 Fulton, W. J.
 Griffiths, C. E.
 Haylen, L. C.

James, A. W.
 Johnson, L. R.
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 Peters, E. W.
 Pollard, R. T.
 Reynolds, L. J.
 Russell, E. H. D.
 Sexton, J. C. L.
 Ward, E. J.
 Whittlam, E. G.

Tellers:
 Pearce, H. G.
 Turnbull, W. G.

PAIRS.

Menzies, R. G.
 Bowden, G. J.
 McEwen, J.
 Wright, B. M.
 Page, Sir Earle
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 Riordan, W. J. F.
 Beazley, K. E.
 Uren, T.
 Curtin, D. J.
 Lawson, George
 Minogue, D.
 Galvin, P.
 Bird, A. C.
 Harrison, E. James

Question so resolved in the affirmative.

Bill read a second time.

In committee:

Clause 1 agreed to.

Clause 2—

This Act shall come into operation on the day on which it receives the Royal Assent.

Mr. WARD (East Sydney) [4.35].—I move—

Omit “on the day on which it receives the Royal Assent”, insert “six months after the assembly of the Twenty-fourth Parliament”.

If the amendment is agreed to, instead of the measure which will ratify the new Civil Aviation Agreement being forced through by the use of the Government's majority in a way which will stifle debate and save the Government from obvious embarrassment over certain developments, the people will be given an opportunity to pass judgment on the agreement and on the Government's proposals, and the new Parliament and the new government will have an opportunity to consider the entire civil aviation rationalization scheme. There is no urgency about the ratification of this new Civil Aviation Agreement. I remind the committee that the existing agreement does not expire until 1967. However, the new agreement will extend for a further ten years beyond that time. I take some convincing, as, I think, do a lot of other people, that a new agreement has become urgently necessary six years before the date of expiry of the existing one. However, that appears to be the situation as presented to us by the Government.

Why does the Government hasten to enter into a new agreement at this stage? What it proposes is a complete negation of democratic government. We are right on the eve of a general election and the people will shortly have an opportunity to pass judgment on this Government and its legislative measures. The Government is attempting to make certain that, regardless of the way in which the people decide, Ansett-A.N.A. will be quite safe under the terms of the new agreement. The Government is afraid. Has not the Prime Minister (Mr. Menzies) already announced publicly the danger that the Government, even if it scrapes by in the election for the House of Representatives, is almost certain to lose control of the Senate? If it loses control of the Senate, obviously the new agreement will be in danger, for the Government would not be certain to have a measure such as this passed after the election. So it has tried to hasten through the passage of this bill in an effort deliberately to defeat the decision of the people at the poll on 9th December next.

I consider that no reasonable Australian citizen will regard the new agreement as being of the utmost urgency. The Treasurer (Mr. Harold Holt), earlier in the

debate on this bill, said that if the Opposition had its way the Civil Aviation Agreement would be ended. Does he suggest that the existing agreement will end if the measure that we are now considering does not come into operation until six months after the new Parliament assembles?

The amendment is a reasonable one, however a person looks at it. All that we, as democrats, are asking, is that the electors, who really determine the government of the country, be not prevented from making their decision on the issue. I suggest that we ought not to pass, right on the eve of a general election, legislation so contentious and so important as this bill is. I hope that a majority of the members of the committee will acknowledge the reasonableness of this amendment and will agree to it.

Mr. CAIRNS (Yarra) [4.40].—Mr. Chairman, I second the amendment proposed by the honorable member for East Sydney (Mr. Ward), which I wholeheartedly support.

The CHAIRMAN (Mr. Lucock).—There is no need for it to be seconded.

Mr. CAIRNS.—That is so, Sir. The amendment is a simple but, nevertheless, important one, and we all ought to support it. We in this committee have a right and a responsibility to ask a number of very significant questions. The committee and the people of Australia have a right to have those questions answered. The purpose of the amendment is to have the measure come into operation, not on the day on which it receives the Royal assent, but six months after the Twenty-fourth Parliament first assembles. If its operation is delayed in this manner, not only the Parliament but also the people of Australia will have an opportunity to consider what is involved in the agreement to which the bill relates.

The Treasurer (Mr. Harold Holt), some time ago, said that what was involved in this measure was the question of whether a two-airline policy or a one-airline policy was to operate, although the Leader of the Opposition (Mr. Calwell) had made quite clear that this was not the issue and that something else was involved. What is involved, Mr. Chairman, is the integrity of the Government. The Civil Aviation Agreement

under which the airlines are now operating does not expire until 1967. Yet the Government has considered it necessary, in the closing stages of the life of this Parliament, to introduce a bill which not only will provide for a new agreement to cover the next six years but also will extend the period for a further ten years until 1977. Why is it necessary, in the dying hours of a parliament, to introduce legislation to replace an agreement which will not expire for another six years? I think that the period for which the existing agreement will operate is probably far too long, in any event, and there is certainly no need to extend the operation of the new agreement for a further ten years beyond the term of the existing one.

A good deal of evidence has been produced, not by Opposition members and citizens who support the Opposition, but by businessmen, company directors and the honorable member for New England (Mr. Drummond). That evidence indicates that the Government is concerned about the operations of East-West Airlines Limited in New South Wales and is anxious to have that company come to terms with Ansett-A.N.A. This is the evidence, not of political opponents of the Government, but of political supporters of the Government. The Parliament and the people have a right to have the issues properly tested. Our legitimate move to have them inquired into has been defeated, simply because the Government has the numbers in this Parliament. However, the Government has good reason to believe that it will not have the numbers in the next Parliament, and it is not sufficiently confident of the validity of its legislation and its own integrity to give the people of Australia an opportunity to judge this bill. So the Government is opposed to the amendment proposed by the honorable member for East Sydney, and, using the numbers that it has in this committee, will no doubt succeed in having it defeated. Consequently, it will succeed in depriving the Australian people of an opportunity to express their opinion not only on the Government's policy towards private airlines which it has supported and backed with public money right and left, but also on its attitude to the public airline which, by means masquerading in the guise of a rationalization policy, has been handicapped

and hamstrung. If the amendment were agreed to, the people of Australia would have an opportunity to say how they think the airline industry in this country ought to be conducted.

Is it reasonable to expect that, by some kind of rationalization policy such as we have seen, greater efficiency can be achieved? The Government relies on competition to get efficiency and good results in this and other fields, so it says, but its policy of rationalization in the airline industry prevents competition. Only yesterday afternoon, in this chamber, the honorable member for Henty (Mr. Fox), who firmly supports the Government and has voted with it on these issues, showed that the effect of rationalization in this industry is to ensure that Trans-Australia Airlines is not permitted to do anything that Ansett-A.N.A. cannot do. He told us that when an Ansett-A.N.A. aircraft was prevented by some technical fault from making a scheduled flight T.A.A. was not permitted to make its corresponding flight. Is this real competition? Is this the kind of competition that the Government wishes to see established in the airline industry in this or any other country? But the Government is not sufficiently confident of its position in this matter to leave it to the electors to decide. So it rushes into the House legislation which is not necessary, and which deals with an agreement that does not come to an end for another six years from now. The Government is doing this so that it can give security of operation until 1977 to its friends in Ansett-A.N.A. If it could be sure of getting the numbers—if it were confident that it could rule the Senate after the election—would it not in fact put T.A.A. into the hands of the organization which it has really legislated for consistently over the past few years? It is because the Government is afraid of the vote of the Australian people that it has permitted T.A.A. to continue in operation. If it felt confident that it could get away with putting T.A.A. completely into the hands of Mr. Ansett and his friends from the United States of America it would do so. But it is not sufficiently confident of its position to accept the amendment moved by the honorable member for East Sydney. It will not allow this legislation to stand over for decision by the next Parliament,

although the agreement with which the legislation deals has another six years to run. Therefore, I think that not only is the correctness of the Government's policy in relation to airlines in this country at stake, but the integrity of the Government itself is also at stake in this matter. This is the point raised by the director of East-West Airlines Limited.

The CHAIRMAN.—Order! I remind the honorable member that at the moment the committee is considering only clause 2. While various points may be mentioned to illustrate an argument in relation to the amendment and on the question of why it has been moved, I suggest that the honorable member does not develop his remarks into a second-reading speech.

Mr. CAIRNS.—I see the significance of your ruling, Mr. Chairman. But this amendment moved by the honorable member for East Sydney goes to the root of the bill and it involves, therefore, all that the bill involves. What we are submitting is that if this amendment is accepted the Parliament and the people will have six months in which to consider all these matters adequately in a way which is not possible at this stage of a dying Parliament.

Mr. Ward.—And with the use of the gag.

Mr. CAIRNS.—The gag, of course, has been used. At any rate, Mr. Chairman, I intend to bring my remarks to a close at this point by saying this: Significant questions have been raised in relation to, first of all, the agreement which this bill will extend, but which has still six years to run. We have asked why it is necessary at this stage in 1961 to introduce new legislation in regard to this matter. Is not the answer that the Government has very good reason to think that if it stands the legislation over to be dealt with by the next Parliament it will not have the numbers to put over the kind of political sham, the kind of political stunt, that is involved in this measure?

Mr. Clyde Cameron.—Do you not know that they are involved in paying the big election expenses of the Government?

Mr. CAIRNS.—I do not know where the Government gets its funds for election purposes, but I know that they are most extensive. I know also that if I were in the position of Ansett-A.N.A. I would consider

it well to my profit to assist the Government in every way possible in raising funds for its election campaign. I would think that if Mr. Ansett and his company do not know that, then they do not know what is in their interest. But leave that aside. The amendment is designed to give an opportunity to the people to test the integrity of the Government in this matter. The Government has refused to have an inquiry to consider this measure, and it has refused to allow this Parliament adequate time for its consideration.

Mr. HAYLEN (Parkes) [4.50].—I support the amendment moved by the honorable member for East Sydney (Mr. Ward), and for a very good reason. The reason is that to-night we shall conclude our proceedings in this House and go to our masters—the people—and that the people are completely confused in regard to this bill. They may or may not support our contention that there are certain aspects of it that need inquiring into. They may or may not support the Government's handling of this measure with all its implications. But surely if we are a democracy, and if honorable members on the Government side are not just a collection of mealy-mouthed, punch-drunk people, we should do the very thing for which the amendment is designed. If we were in the middle of a session there might be some ground for claiming that the Government has a mandate in this matter. But that cannot be claimed at this stage in relation to something of this nature, with all its implications. The newspapers have given a great deal of publicity to this matter, which has caused the public to consider some of its aspects and has also caused the public, as a result, to be very troubled about the whole thing. In this House the weight of numbers—the brutal majority—swept over this side of the House and the whole business was settled outside in the Liberal caucus, when the Minister wept and the Prime Minister (Mr. Menzies) took him to his bosom—one of the greatest sights I should say that will ever be seen in this Parliament. The matter was judged outside, and then they came in here with the old juggernaut and the steamroller. We know all that. We say what a reasonable amendment this

amendment is. If the Government is sincere in the way in which it is always declaring its adherence to democracy in high, loud-sounding voice let it make the test. Let it say: "We are going to the people. We will let the voters in all the electorates make the decision on this bill".

The bill is a highly contentious matter, as the editorial in the "Sydney Morning Herald" this morning shows. Would not the man in the street, whom we loosely call the elector, be alarmed and concerned about this matter? Would not the people who have heard about the bill only because of the significant questions raised in this Parliament, and because of the things brought to the light of day by the Opposition, be concerned about it, since they are the people who are going to carry the burden of the new arrangement? Is the amendment not utterly reasonable? It states in effect that we accept the bill, but will defer the decision on it for six months to a time when tempers will have cooled and judgments will be different.

If this challenge is not accepted the Government stands condemned, not only for the bill, which we detest, as well as the implications behind it, and the things which have not yet come out, but also for the fact that it prates about democracy. The members on the Government side put themselves forward as the bright, shining lights representing all that is good in democracy. We have the Prime Minister as Sir Gallahad, with all his little knights of the Round Table, all performing their duties with such clarity and distinction and such honour. We put it to you, as ordinary people in this Parliament. We ask you to say: "Let not us judge this. Let us take it to the people." It will be a political decision, you may be sure of that. But beyond that, at this time which is comically called the dying hours of the Parliament, the punch-drunk Government is leading the way out of this House. It is going to the people. Here is something highly contentious. We have not the numbers to stop you. The steamroller runs over us. We have had the gag applied in accordance with the usual process used by governments to stop debate. But here is an opportunity fairly put to you to do something about this matter in a reasonable way.

I think that the Minister for Defence (Mr. Townley), who is now at the table, is a fair man, and that he is thinking, "It is not a bad idea". The honorable member for Perth (Mr. Chaney) laughs at the very idea of letting the people decide this matter. That is the warning we give you. You are power-drunk and determined to do these things, and when we suggest to you what is the obviously honest thing to do we get the horse laugh. I think that you should have another thought on this matter. I think that if the Minister for Defence followed his own conscience he would accept the amendment. Where is there any corner or political significance in it? The position has been put very concisely by the honorable member for East Sydney. This thing has been hard fought. It has been battled out at every stage. We have called for divisions in order to show our dislike of the measure, and now at the committee stage we have not contested every clause as we might have done, preferring to concentrate on this part of the bill. Are we to say that this is the end of our fight? Is this the end, after all that the newspapers have said, after all that general opinion has conjured out of this matter, and after a man of great dignity and bearing in this House—a man of a different political party from ours—has felt emboldened or obliged to stand up in the Parliament and deny what the Minister said? Is not all that big enough to warrant some inquiry, or at least some more consideration here of what this side is arguing at the moment? This is the last opportunity we shall have to give you the chance to live up to your loud-mouthed declarations regarding democracy.

"I conclude by reminding the Government that we are going to the people, to our masters. They will judge us on this and many other things, but if you take the coward's way out and roll this measure through the House to-night by juggernaut and steamroller, there will be a greater doubt in the mind of the people than there would be if you were honest and fair and said, "We will accept this amendment and lay this bill aside for six months". The essence of democracy is that you cannot bind your successors in this Parliament; but that is the very thing the Government is trying to do. That is how the people will look at it if you

have to get rid of this proposition at this late hour in the life of the Twenty-third Parliament by putting the measure through willy nilly. I plead with the Minister to accept the amendment. If he does so the people will at least think there is some little spark of the vitality of democracy left in the Government.

Mr. Clyde Cameron.—It is the slush fund that is making them go on with it.

Mr. HAYLEN.—The honorable member for Hindmarsh always has a penetrating thought. He tells me it is the slush fund that is responsible. Whatever lamps are burning and whatever oil lights them, I think we should make our declaration purely on the democratic attitude that has been taken by the honorable member for East Sydney. Give us an opportunity to consider this measure later. Lay it aside until there is a new Parliament. Answer the voice of the people and of democracy by not rushing the bill through in terror and in hiding and in some urgency from your masters who in this case certainly are not the people of Australia.

Mr. TOWNLEY (Denison—Minister for Defence) [4.57].—The honorable member for Parkes (Mr. Haylen) has made what seemed to be a reasonable and, in one sense, a generous suggestion that we accept the amendment of the honorable member for East Sydney (Mr. Ward). I say that he appeared to be reasonable and generous. He said that if I had my way, he was sure I would accept the amendment, and that sort of thing. In introducing the amendment, the honorable member for East Sydney said there was no urgency about the matter at all. He said it could be done at any time. No, Mr. Chairman, as the honorable member for Parkes made his speech, he spoke in a most persuasive way. It is only when you examine the facts of this matter that you see that the honorable member for Parkes too would get this bill, if he could, into the political atmosphere that has surrounded it in the past few days.

I would have been far more inclined to consider, and perhaps accept, the amendment that has been put up by the honorable member for East Sydney if it had come when he spoke on this bill several days ago. I want to pay the honorable member for East Sydney a compliment. These bills were

introduced first in the Senate, and when I brought them down in this place there were three of them. We agreed to take them together. The honorable member for East Sydney took the adjournment of the debate on each of the bills. When he came to speak on the Airlines Agreements Bill, he stuck to the bill right through almost to the finish. With great respect to the Chair, he and the honorable member for Farrer (Mr. Fairbairn) were about the only two honorable members who confined their remarks to the bills.

Now, after the discussion on this bill has gone off at a tangent and become mixed up with East-West Airlines, Mr. Shand and Mr. Pringle and the honorable member for New England (Mr. Drummond), we come at this late hour to an amendment. If there was anything genuine in this amendment, surely we could have expected that it would be put up at the correct time, when the honorable member for East Sydney was speaking. If consideration of it has been left so late as honorable members opposite suggest, the fault lies with the Opposition. The honorable member for East Sydney suggested that there was no urgency about this matter. I direct attention to the first paragraph of my second-reading speech to this effect—

The purpose of the Airlines Agreements Bill is to give effect to and obtain parliamentary approval for an agreement between the Commonwealth, the Australian National Airlines Commission, Ansett Transport Industries Limited and Australian National Airways Proprietary Limited.

I direct attention also to the next sentence—

The agreement has been executed by all the parties, including the commission, but does not come into force until it is approved by the Parliament.

Nobody should try to tell me that the Australian National Airlines Commission—that is, T.A.A.—has been pushed round by the Minister for Civil Aviation, because too many people in this place know the calibre and capacity of the men who form that commission. Sir Giles Chippindall, for one, is a man whose reputation is second to none as an administrator and great public servant. The honorable member for Hindmarsh (Mr. Clyde Cameron) appears to object to that statement. Let us leave the Australian National Airlines Commission and T.A.A. There has been a second

agreement by Ansett-A.N.A. The man who is a director of that company, who took part in and agreed to these negotiations and who is waiting for this measure to go through the House, is none other than the endorsed Labour Party candidate for the electorate of Henty.

Mr. Allan Fraser.—What does that prove?

Mr. TOWNLEY.—It proves that the people interested in this amendment—T.A.A. and Ansett-A.N.A. supported by an endorsed Labour Party candidate—want this legislation to go through. There is urgency in it. There is a second consideration also. This bill and the other bills envisage the introduction of jet aircraft to the airlines of Australia. It is specifically mentioned that they will not be in use before 1964 and both companies will introduce their jets at the same time because it takes that time for the Department of Civil Aviation to provide for air traffic control and the rest of it. But anybody who knows the airlines industry knows that if you want jets here by the end of 1964, there will be an urgency for the selection of these aircraft and the placing of an order. Otherwise we will be at the end of the line and will not get them for years and years. That applies to both the airline companies.

An enormous amount of nonsense has been spoken in this debate that has nothing to do with the bills themselves. Statements have been made by persons who simply do not understand the airlines industry. The Deputy Leader of the Opposition (Mr. Whitlam) to-day made some comments about the subsidy that was paid to East-West Airlines and he pointed out that double the amount of that subsidy was paid to the Ansett subsidiary.

The CHAIRMAN.—Order! I remind the Minister that as the committee is dealing with clause 2 he will not be in order in referring to matters debated on the second reading that are not related to the clause under discussion.

Mr. TOWNLEY.—The honorable member for East Sydney said there was no urgency.

The CHAIRMAN.—I also called the honorable member for Yarra to order for the same reason.

Mr. TOWNLEY.—In that case, Sir, I move—

That the question be now put.

Question put.

The committee divided.

(The Chairman—Mr. P. E. Lucock.)

Ayes	57
Noes	32
		—	
Majority	25

AYES.

Adermann, C. F. Haworth, W. C.
 Anderson, C. G. W. Holt, Harold
 Anthony, J. D. Howson, P.
 Aston, W. J. Huilme, A. S.
 Bandit, H. N. C. Jack, W. M.
 Barnes, C. E. Kelly, C. R.
 Barwick, Sir Garfield Kent Hughes, Sir Wilfrid
 Bland, F. A. Killen, D. J.
 Browne, P. G. King, R. S.
 Buchanan, A. A. Lindsay, R. W. L.
 Burley, L. H. E. Mackinnon, E. D.
 Cameron, Dr. Donald Cash, E. D.
 Chaney, F. C. McColl, M. L.
 Chipp, D. L. McMahon, W.
 Chresby, A. A. Murray, J.
 Cleaver, R. Opperman, H. F.
 Davidson, C. W. Osborne, F. M.
 Davis, F. J. Robertson, H. S.
 Dean, R. L. Stokes, P. W. C.
 Downer, A. R. Swartz, R. W. C.
 Drummond, D. H. Townley, A. G.
 England, J. A. Turner, H. B.
 Failes, L. J. Wentworth, W. C.
 Forbes, A. J. Wheeler, R. C.
 Fox, E. M. Whittorn, R. H.
 Fraser, Malcolm Wilson, K. C.
 Halbert, H. V. Tellers:
 Hasluck, P. M. Pearce, H. G.
 Turnbull, W. G.

NOES.

Barnard, L. H. James, A. W.
 Beaton, N. L. Johnson, L. R.
 Bryant, G. M. Jones, C. K.
 Cairns, J. F. Luchetti, A. S.
 Cameron, Clyde Makin, N. J. O.
 Clark, J. J. O'Connor, W. P.
 Clay, L. D. Peter, E. W.
 Cope, J. F. Pollard, R. T.
 Costa, D. E. Reynolds, L. J.
 Courtney, F. Russell, E. H. D.
 Crean, F. Sexton, J. C. L.
 Daly, F. M. Ward, E. J.
 Davies, R. Whitlam, E. G.
 Fraser, Allan Tellers:
 Fulton, W. J. Duthie, G. W. A.
 Griffiths, C. E. Stewart, F. E.
 Haylen, L. C.

PAIRS.

Menzies, R. G. Calwell, A. A.
 Bowden, G. J. Kearney, V. D.
 McEwen, J. Thompson, A. V.
 Wight, B. M. Riordan, W. J. F.
 Page, Sir Earle Beazley, K. E.
 Fairhall, A. Uren, T.
 Drury, E. N. Curtin, D. J.
 Snedden, B. M. Lawson, George
 Erwin, G. D. Minogue, D.
 Freeth, G. Galvin, P.
 Holten, R. M. Bird, A. C.
 Brimblecombe, W. J. Harrison, E. James
 Allan, Ian McIvor, H. J.

Question so resolved in the affirmative.

Question put—

That the words proposed to be omitted (Mr. Ward's amendment) stand part of the clause.

The committee divided.

(The Chairman—Mr. P. E. Lucock.)

Ayes	57
Noes	32
		—	
Majority	25

AYES.

Adermann, C. F. Haworth, W. C.
 Anderson, C. G. W. Holt, Harold
 Anthony, J. D. Howson, P.
 Aston, W. J. Huilme, A. S.
 Bandit, H. N. C. Jack, W. M.
 Barnes, C. E. Jess, J. D.
 Barwick, Sir Garfield Kelly, C. R.
 Bland, F. A. Kent Hughes, Sir Wilfrid
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 Buchanan, A. A. King, R. S.
 Burley, L. H. E. Lindsay, R. W. L.
 Cameron, Dr. Donald Mackinnon, E. D.
 Cash, E. D. McColl, M. L.
 Chaney, F. C. McMahon, W.
 Chipp, D. L. Murray, J.
 Chresby, A. A. Opperman, H. F.
 Cleaver, R. Osborne, F. M.
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 Davis, F. J. Stokes, P. W. C.
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 Failes, L. J. Wheeler, R. C.
 Forbes, A. J. Whittorn, R. H.
 Fox, E. M. Wilson, K. C.
 Fraser, Malcolm Tellers:
 Halbert, H. V. Pearce, H. G.
 Hasluck, P. M. Turnbull, W. G.

NOES.

Barnard, L. H. James, A. W.
 Beaton, N. L. Johnson, L. R.
 Bryant, G. M. Jones, C. K.
 Cairns, J. F. Luchetti, A. S.
 Cameron, Clyde Makin, N. J. O.
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 Crean, F. Sexton, J. C. L.
 Daly, F. M. Ward, E. J.
 Davies, R. Whitlam, E. G.
 Fraser, Allan Tellers:
 Fulton, W. J. Duthie, G. W. A.
 Griffiths, C. E. Stewart, F. E.

PAIRS.

Menzies, R. G. Calwell, A. A.
 Bowden, G. J. Kearney, V. D.
 McEwen, J. Thompson, A. V.
 Wight, B. M. Riordan, W. J. F.
 Page, Sir Earle Beazley, K. E.
 Fairhall, A. Uren, T.
 Drury, E. N. Curtin, D. J.
 Snedden, B. M. Lawson, George
 Erwin, G. D. Minogue, D.
 Freeth, G. Galvin, P.
 Holten, R. M. Bird, A. C.
 Brimblecombe, W. J. Harrison, E. James
 Allan, Ian McIvor, H. J.

Question so resolved in the affirmative.

Amendment negatived.

Clause agreed to.

Clause 3—

3. The title of the Principal Act is repealed and the following title inserted in its stead:—

"An Act to approve certain Agreements relating to Air Transport, and for purposes connected therewith".

Mr. WARD (East Sydney) [5.15].—As I am of the opinion that this clause does not describe adequately the contents of the bill, I move—

Omit all words after "Agreements", insert "To give an unfair advantage to Ansett Transport Industries".

I think that would be a much more satisfactory title for the bill, because there can be no doubt that that is what is proposed by this legislation. My proposed amendment is wide enough to give any honorable member of the Opposition who was prevented by the gag from expressing his views during the second reading of the bill an opportunity to direct attention to the many advantages which, for some undisclosed reason, this anti-Labour government proposes to give to this private business organization.

Let us examine some of the things which the bill proposes to do. First, as some speakers have pointed out already, it proposes to extend for another ten years to 1977 an agreement which still has six years to run. There is no reason why that agreement should be extended immediately. The Minister said that the reason for the urgency of this legislation was that the two airlines had to consider the question of re-equipment. He said that they had to consider new types of aircraft, and that they would be required to place orders by a certain time if they were to avoid long delays in delivery. How he can conscientiously put forward such an argument is beyond my understanding because, if he reads the agreement which this Parliament is asked to accept, he will see that neither company is to be permitted even to apply for a licence to purchase new aircraft until 18th November, 1962. These airlines do not wait until they are placing the order before deciding what type of aircraft they want. I should imagine that types of aircraft suitable for re-equipment would be receiving the attention of the airline companies continuously. The bill is introduced now because the Government does not want Trans-Australia Airlines, which already has sufficient reserves to buy turbo-jet aircraft, to be at any advantage. By way of interjection, the Minister said to me across the table that the money would not be immediately available to Ansett-A.N.A. It is available to T.A.A., but it is not available

to the Ansett transport group. Evidently it will take some time for the Ansett group to raise the money. Therefore, T.A.A. is not to be permitted to place orders for turbo-jet aircraft because that would give an advantage to the government airline over the privately owned airline in that it would receive prior delivery of the aircraft. Then, after the order has been fulfilled, the airlines are not to be permitted to operate the turbo-jet aircraft, even if they are already delivered, until 1st July, 1964. In those circumstances, how can anybody argue that there is any urgent need for this legislation?

This bill will be of great advantage to Ansett-A.N.A. When we are dealing with another clause, I shall have something to say about the advantage this organization will enjoy in shutting out other competitors from interstate air routes and in crushing its competitors in the intra-state services. We all know of the great advantages which the Ansett Transport group has enjoyed under what is known as the rationalization scheme. In effect, this rationalization scheme is a scheme designed to crush competition with the Ansett Transport group because, in fair, honest, open competition, T.A.A. must succeed to a much greater extent than it has been permitted to do up to date. I repeat, the rationalization scheme is designed to crush competition and to give an advantage to a great, private monopolistic concern which is now reaching out for control of all the intra-state services.

Any one who cares to read the report published recently by the Minister for Civil Aviation (Senator Paltridge) will see detailed in it the matters which have been dealt with by the rationalization committee. He will also discover that in all major matters every request of T.A.A. has been rejected whilst every request made by the Ansett Transport group has sooner or later been acceded to. It is obvious, therefore, that the purpose of the rationalization committee is to tie up T.A.A. and restrict the development of that organization.

What is the use of the Minister saying that both the Australian National Airlines Commission and the Ansett-A.N.A. group agreed to this proposal? This is a shotgun wedding, if ever there was one. What opportunity has the commission of resisting

the Government when it gets the tip from the Minister for Civil Aviation that this sort of thing has got to go through? I have already mentioned the question of re-equipment and stated that where, normally, the advantage should go to the government airline—Trans-Australia Airlines—that organization is being prevented from acting until such time as Ansett-A.N.A. is ready to re-equip with turbo-jet aircraft.

I turn now to the question of finance. Although each airline is supposed to be enabled to place orders for only two of these aircraft at the end of next year, this Government proposes to guarantee loans for Ansett-A.N.A. to an amount of £6,000,000. If Ansett-A.N.A. cannot obtain the money on the commercial market at a reasonable rate of interest, the Government undertakes to provide the money needed. When we talk about wanting additional money for housing, or for the re-employment of Australian workers, we are told that there is no money available. Now we find that if Ansett-A.N.A. cannot raise on the commercial market the money it requires to purchase two turbo-jet aircraft, the Government will guarantee loans to the tune of £6,000,000. Why is the amount of £6,000,000 being guaranteed? These aircraft cost between £1,200,000 and £2,000,000, depending on the type purchased. If the Ansett Transport group purchases its two aircraft at the highest figure, it will still have £2,000,000 to spare. Why is this group to be guaranteed 50 per cent. above the figure needed to buy these aircraft?

I turn now to another advantage to be enjoyed by this private airline. I refer to air navigation charges and the aviation fuel tax. This Government gave the Ansett group an undertaking that the last Budget would contain no proposal to increases in navigation charges. Ansett-A.N.A. sought that undertaking, and it was given by the Government, despite the fact that the Government's declared policy is to obtain full recoupment of all public moneys expended on providing airport facilities in Australia. An examination of the figures will disclose that the Government spends on aviation services millions upon millions of pounds in excess of the revenue it derives from air navigation charges and aviation fuel tax. How many years will it take

to attain full recoupment of public moneys spent on airport facilities under a scheme such as this, which restricts the taxing powers of Parliament and prevents not one, but all, Parliaments in the next sixteen years from increasing air navigation charges by more than 10 per cent. in any one year? Last year, the revenue derived by the Government from air navigation charges amounted to a little less than £1,400,000. The proposed increase of 10 per cent. for next year will mean only £140,000—a mere bagatelle when compared to the many millions of pounds being spent on providing facilities at airports. Who will gain the advantage here? Certainly it will not be Trans-Australia Airlines, because that organization has been able to build up ample reserves, in addition to making a reasonable return on money invested. Therefore, it requires no assistance.

I come now to freights, and here we find what is perhaps the greatest contradiction of all in the Government's argument about rationalization. The Government says that the rationalization scheme is designed to equalize the capacity of aircraft, to ensure that all aircraft are equal in quality and that there shall be an equitable arrangement of air routes. It says also that the committee shall draw up a scale of fares.

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

Mr. CLYDE CAMERON (Hindmarsh) [5.25].—I support the amendment. There is no doubt whatever that it ought to be carried. That will be admitted by any one who cares to make so much as a cursory examination of the schedule that sets out the terms of the agreement. The provision about which I am particularly concerned seeks to tie the hands of future governments until 1977 and restrain them from using the taxing powers of the Parliament in the way that they may consider to be proper at the time. It will be a sorry day for democracy if a government that is about to go out of office has the right to tell future parliaments, yet to be elected, for another fifteen years that they shall not use their taxing powers in respect of this or some other matter. If it is constitutional for this Government to lay down what future governments for the next fifteen years will do in the field of

taxation, there is nothing to stop it from making the period 150 years. The time would not matter. The only principle involved is whether one parliament has the right to bind a future parliament in the field of taxation. If it is held to be constitutional that this Parliament has the right to bind the hands of parliaments yet unelected—the next five parliaments, as my honorable member for East Sydney reminds me—there cannot possibly be anything in the law to stop any parliament from binding the hands of the next ten, twenty or 100 parliaments.

I am not competent to express an opinion on constitutional law. It is not my own personal opinion, but the opinion of men who are competent to express an opinion on constitutional law, that this part of the agreement is invalid. It cannot possibly be given effect. I hope that, as a member of the Parliament, I shall one day have the opportunity to disown completely the provision of the agreement which seeks to prevent future parliaments from imposing taxation as they may think proper. It is entirely wrong, moreover, that any parliament should have the right to bind future parliaments. In this instance, it is for fifteen years, but once the principle is accepted there can be no limit to the period. It might be 100 years; and nothing could be done about it. This agreement is so lop-sided in favour of Ansett-A.N.A. that we are entitled to ask whether there is any truth in the strong rumour going around that Ansett's have paid substantial sums into the Liberal Party slush fund to meet its election expenses.

Mr. Townley.—I take objection to that remark and ask that it be withdrawn.

The CHAIRMAN.—Order! I ask the honorable member to withdraw the remark.

Mr. CLYDE CAMERON.—No, I will not withdraw it and I say to you, Mr. Chairman, that you cannot require me to withdraw the remark that Ansett's have paid substantial sums of money into the slush fund of the Liberal Party. The Liberal Party has no protection in this Parliament any more than has the Labour Party, as we have learned to our sorrow when night after night in the debate on the

motion for the adjournment of the House, honorable members opposite make scurrilous attacks on the Labour Party. The Liberal Party has absolutely no protection in this Parliament, Mr. Chairman, and I ask for your ruling on that.

The CHAIRMAN.—Order! The Minister has taken exception to a certain remark made by the honorable member for Hindmarsh.

Mr. Ward.—As reflecting on whom?

Mr. Townley.—On myself, as a member of the Liberal Party.

The CHAIRMAN.—Order! It has been the practice in the House and in the committee, in certain circumstances, that when remarks are made by an honorable member, and objection is taken by a member of another party, the member who makes the remarks is asked to withdraw them. I have asked the honorable member to withdraw the remark that he made. My ruling is that, as the remark was a generalization, if the honorable member is not prepared to withdraw it the Chair cannot enforce its request for a withdrawal. However, in the circumstances, as the Minister requests a withdrawal, I ask again that the honorable member for Hindmarsh withdraw the remark.

Mr. CLYDE CAMERON.—I appreciate your approach to this matter, Mr. Chairman. You have been very moderate, and it is with a heavy heart that I have to refuse your very reasonable, moderately put request. I regret that I cannot withdraw, because of the way in which Government supporters have repeatedly attacked our party in the same manner. If it had not become the fashion in this Parliament to do this kind of thing, I would be the first to bow to your wishes. Indeed, I would not even have made the suggestion in the first place. But it seems to be the fashion in this place to cast all kinds of aspersions on political parties to which members belong, and nothing is done about it.

To pursue what I was saying, there are persistent rumours going round that the Liberal Party is receiving enormous assistance in contributions to its slush fund from Ansett-A.N.A. It has also been rumoured that Ansett-A.N.A. has told

the Liberal Party that it can book television advertising and advertising in newspapers and render the account to Ansett-A.N.A., so that not only will the account be paid by Ansett but also Ansett will be able to claim a deduction in respect of it for income tax purposes. A lot of it will be rebated in tax.

The CHAIRMAN.—Order! I suggest that the honorable member keep to the bill and the amendment moved by the honorable member for East Sydney.

Mr. CLYDE CAMERON.—One of the provisions that I think is completely objectionable is the manner in which the agreement prevents Trans-Australia Airlines from really competing with Ansett-A.N.A. in the way in which these so-called stalwarts of private enterprise pretend to believe. T.A.A. will not be allowed to alter its schedules, engage in new routes, reduce its freight charges, or reduce its passenger charges, without the permission of Ansett-A.N.A. We know that if T.A.A. were free to operate schedules as it desired, if it were free to operate on all the routes on which it would like to operate, and if it were free to fix its own fares, then and only then would we have competition in the real sense of the word. Already T.A.A. is paying the same taxes upon the fuel that it uses, it is paying the same taxes on the parts that are required for its aircraft, and it is paying the same landing charges as are paid by Ansett-A.N.A. It is compelled to pay to the Treasury interest on the money that it borrowed from the Treasury in the first place. So in every commercial sense T.A.A. is being compelled to meet the same requirements as Ansett-A.N.A. is compelled to meet.

T.A.A. should be free to fix its own fares and to use its initiative in the purchase of the best aircraft available. It has shown its ability to do this on three occasions. First, it beat A.N.A. in the purchase of Convair aircraft. T.A.A. had a tremendous advantage over A.N.A. simply because T.A.A. technicians and engineers showed greater initiative and greater foresight. This also showed to great advantage when they selected the Viscount semi-jet aircraft, which operate on kerosene, fly at a greater

speed and a higher altitude, and are more comfortable than the aircraft which the private airline had. Then the Government, in order to see that T.A.A. did not get the real advantage that the operation of kerosene-burning aircraft would have given, imposed a tax on aviation kerosene which cost T.A.A. an extra £300,000 a year. Then, T.A.A. secured an option to buy Caravelle aircraft. This was the third occasion on which a T.A.A. decision would have given it a distinct advantage over Ansett-A.N.A.

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

Mr. CAIRNS (Yarra) [5.35].—Mr. Chairman, as the time of the honorable member for Hindmarsh (Mr. Clyde Cameron) has expired without his completing his most important submissions to the committee, I would like to take up where he left off. T.A.A., through the skill and anticipation of its engineers, selected Caravelle aircraft to fly in this country. Of course, the possession of those aircraft would have given an advantage as was recognized by all concerned in the industry. For some reason, no doubt connected with the internal financing of Ansett-A.N.A., that company had decided to purchase Electra aircraft from the United States of America, although the Electras were more expensive to buy and to run, and were not so attractive to the flying public. So the Government saw to it that T.A.A. was not permitted to proceed with its arrangement to buy Caravelle aircraft. Not only did the Government take this step, but it also saw to it that T.A.A. was required to purchase the very aircraft—the Electras—which it had passed over in the first place. This ensured that Ansett-A.N.A. would be protected in the operation of its aircraft. It was also no accident that Ansett-A.N.A. got first delivery of the Electras.

Because of intelligent anticipation and skilful planning, T.A.A. was far better equipped than Ansett-A.N.A. It had a larger number of Viscounts, the most effective aircraft to fly in Australia up to that time. Ansett-A.N.A., because of its inability to attract capital, even with all the protection and assistance that the Government had given over the years, was encumbered by a number of old aircraft, DC4's and DC6's, which could not compete with Viscounts. So

an arrangement was made under which T.A.A. was required to hand over to Ansett-A.N.A. three Viscounts, the best aircraft then flying in Australia, in exchange for two DC6's. Every time I fly in a DC6 I think I am flying in a chaffcutter. One has only to fly in a Viscount and a DC6 to know which is the better aircraft. The claim that three Viscounts were equal in value to two DC6's has only to be stated for us to know the extent to which this Government is prepared to go out of its way to assist Ansett-A.N.A. So, the amendment moved by the honorable member for East Sydney (Mr. Ward) becomes completely relevant. This principal act, when amended by this bill, will not be as stated in clause 3—

An Act to approve certain Agreements relating to Air Transport, and for purposes connected therewith.

As the amendment moved by the honorable member for East Sydney justifiably indicates, it will be an act "to give an unfair advantage to Ansett Transport Industries".

This measure is designed to continue the policy that has prevailed over the last six or seven years of giving an unfair advantage to Ansett-A.N.A. This policy first became apparent when T.A.A., by its own business acumen, put itself ahead by purchasing Viscount aircraft. The Government's reaction was to impose a tax on kerosene fuel that the Viscounts used so as to take away the advantage that T.A.A. had been able to achieve. Then there was the compulsory exchange of Viscounts for DC6's, but T.A.A. has been able to take advantage of that deal. It has been able to run the DC6's in its New Guinea service and by this means has endeavoured to get back some of the losses forced upon it by the Government. The situation now is that we have good reason to believe that Ansett-A.N.A. with the backing of the Government is proceeding on a plan which will continue over the next ten or fifteen years in two stages.

The first stage of the plan is for Ansett-A.N.A. to take over all intra-state airlines in Australia. The Minister for Civil Aviation (Senator Paltridge) has assisted this move by putting pressure on East-West Airlines Limited to sell out to Ansett-A.N.A. Once the intra-state airlines have been taken over—and that is the purpose of this bill—the Government will then proceed to the

second stage of the plan. The second stage is the taking over of T.A.A. by Ansett-A.N.A. which, by that time, will be controlled by American interests. That is the blueprint for the development of Australia's airlines. That is the Government's plan, and so we have moved this amendment, the effect of which would be to call the principal act "An Act to approve certain Agreements to give an unfair advantage to Ansett Transport Industries". That is the aim of the bill and it should be clearly stated. I support the amendment.

Mr. CHANEY (Perth) [5.40].—These proceedings are being broadcast and three or four members of the Opposition are playing a very shrewd political game. Their aim is to keep on talking until the debate is gagged. They will then say that they have been prevented from speaking, hoping of course that any one listening will get the idea that a grave injustice is being done. The honorable member for Yarra (Mr. Cairns) made statements which have no basis of truth.

Mr. Cairns.—Disprove them!

Mr. CHANEY.—All right. The honorable member said that T.A.A. had been forced to hand over three Viscounts for two chaff-cutter DC6's and that the Viscounts were highly valuable modern aircraft. In fact they were Viscount 720's which were nowhere near modern. I think that they included "TVA" and "TVB", the first two Viscounts that T.A.A. got. There is in the world to-day a market for second-hand aircraft and there is a demand for second-hand DC6's. Their value is much greater than that of a second-hand Viscount. I doubt whether you could sell a second-hand Viscount 720 on the world second-hand market.

These are facts, but the Opposition will not admit them. Just because somebody gets up and puts an opposing view and states a fact or two, the Opposition gets annoyed. Honorable members opposite say that T.A.A. was stopped from buying Caravelles. Let us have a look at the record of the Caravelles. The Caravelles operating on the airlines of the world to-day are Mark 14's and the ones that Trans-Australia Airlines wanted to order at one time were Mark 1's. At that stage, even if Caravelles had been suitable for Australian

conditions and Trans-Australia Airlines had got them, they would not have complied with civil aviation requirements relating to flying aids and other things. All these things were taken into account but members opposite go on ad nauseam. I think that occasionally we should have a few facts.

Mr. COPE (Watson) [5.43].—It seems a remarkable thing that the honorable member for Perth (Mr. Chaney) has no faith in the past leader of Trans-Australia Airlines, the man that this Government has just appointed as chairman of the Commonwealth Banking Corporation. This man acted on the advice of all his experts in Trans-Australia Airlines after very careful consideration—they had travelled throughout the world—and came to a wise decision. He chose French Caravelle aircraft with Rolls-Royce engines. I venture to say that there are very few members in this House who do not feel safe when they look out of the window of an aircraft and see "R.R." on the engines. They know that they are the best engines in the world. These aircraft were selected by the Trans-Australia Airlines experts, who gave advice to Mr. Warren McDonald.

The point is—and I say this deliberately—that there is no doubt that some negotiation is going on as a result of which this Government gives preference to United States factories and commercial interests over the industries of other countries. Let us look at the matter in its true perspective. We have an eight-to-one favorable trade balance with France, where the Caravelles are manufactured. We have an adverse trade balance of two to one with the U.S.A. Besides this there is always the dollar difficulty to consider, whereas there are no sterling difficulties connected with trade with France. Yet the Government buys these aircraft from the U.S.A. Does not this show that the Government is favouring the U.S.A., when it purchases aircraft from that country which are not the best available?

I defy any honorable member on the Government side to dispute the advice that was given to Mr. Warren McDonald by the experts of T.A.A. Is there any honorable member opposite who doubts the veracity or the great ability of Mr. Warren McDonald? I do not think there is. The

argument of the honorable member for Perth is too silly for words.

Mr. BRYANT (Wills) [5.46].—The honorable member for Perth (Mr. Chaney), who seems to have assumed the role of spokesman for Ansett Transport Industries Limited and for the Minister for Civil Aviation (Senator Paltridge) might well tell us who it was who initiated the cross-charter arrangement. This is, I think, fundamental to the question. If Trans-Australia Airlines wanted these DC6B aircraft, then I suppose there would be something in the honorable member's argument. But, so far as I can ascertain, and so far as I have gathered from conversations with people associated with the deal, T.A.A. did not want to make the arrangement. The machines were an embarrassment to T.A.A., which had to engage in a new kind of traffic. For instance, it had to run charter flights bringing school children from Melbourne and Sydney to Canberra. This was a special new kind of traffic into which it was forced to enter for the benefit of Mr. Ansett and his company. Mr. Chairman, no one on this side of the House has anything against Mr. Ansett personally. We have great respect for people who can use this Government in the way in which the head of Ansett Transport Industries Limited has apparently been able to do.

In my view there is one aspect of the Government's dealings with airlines that completely condemns it. Ever since I entered this Parliament I have heard people on the other side, including the Minister for Defence (Mr. Townley), who is now at the table, talking about the advantages of private enterprise competition and free trading. Yet we find that as soon as a major government undertaking, with the spirit of the nation and the support of the majority of the people behind it, is able to put private enterprise on the skids, the supporters of the Government forget about free and private enterprise, and they use the Parliament and the governmental power to support a private enterprise. As a result of this Government's legislation dealing with airlines we have become almost a partly-owned subsidiary of Ansett Transport Industries Limited. Here we see the Parliament of the Commonwealth of Australia spending considerable time in guaranteeing the continued prosperity of a private

enterprise airline. What must the people outside think of this, or what would they think of it if they could get the straight facts?

The simplest demonstration of the Government's patronage, of course, was its action in transferring its own freight and passenger business partly to Ansett Transport Industries Limited, or to Australian National Airways Limited, as it used to be. What would be the result if a person went into the Bankruptcy Court and, in reply to the question, "Why did you give part of your business to your competitors?", he said, "I thought this was only fair and just"? He would be charged with misbehaviour. He would be accused of handling his affairs in a haphazard and irresponsible fashion. How can the Government possibly justify such an arrangement?

If this is an arrangement that is supposed to work both ways, how much of Ansett-A.N.A.'s business is transferred to T.A.A.? How many of the staff of Ansett-A.N.A. travel with T.A.A.? Is it not a fact that Mr. Ansett sent circular letters to many people in industry and commerce, as well as in governmental organizations, including a large number of Melbourne metropolitan municipal councils, contending that T.A.A. was a government socialist enterprise and that it should not be supported? I speak with some feeling about this attempt by the Government to use the resources of the nation to foster the prosperity of private individuals who are in no way directly responsible to this Parliament or answerable in any way for the use of public revenue.

Mr. HAMILTON (Canning) [5.51].—I have not been in the chamber during most of this debate, but I have had the opportunity of listening to it, and I am somewhat surprised at the attitude being displayed by the Opposition. It is quite plain that this is purely a stunt during the closing hours of this Parliament, the Opposition hoping that it can gain some advantage on 9th December. However, I do not think the people of Australia will be lulled into any false sense of security by the sham battle that honorable members opposite are putting up. The honorable member for Wills (Mr. Bryant) said that the Government

is using the resources of the nation to foster some private enterprise.

Mr. Bryant.—That is right.

Mr. HAMILTON.—I agree; that is what you said. I want to remind the members of this Parliament and the people that when the Labour Government was in office it used the resources of the nation to make it impossible for private enterprise to function. There was a time when these self-same gentlemen opposite, or others of their political persuasion, made the situation with regard to airlines in this country such that people flying in the aircraft of one operator were running a very grave risk. The Labour Government used every means possible, and used the nation's resources, to feed one airline and starve another. It went so far as to refuse capital to the private airline operator so that it could get spare parts to keep its aircraft in a fit and proper condition.

Mr. Daly.—That is not right.

Mr. HAMILTON.—The honorable member for Grayndler says that is not right, but he used to sit here, as the member for Martin, and support every move that was made by the government in those days. Since this Government has had command of the treasury bench none of the strange things has been happening to a certain airline that happened before the Government came to power. Ever since 1949 this Government has set out to achieve some sensible arrangement to cover air transport in Australia. This country, because of its topography, is the safest in the world for air transport, and the Government tried to make it possible for both airlines to function. I think everybody will admit that some assistance has had to be given to the private airline to enable it to keep going. To-day we still have only 10,500,000 in this country, and the private airline may be getting only a small scraping of butter on its bread, but as our population grows both airlines will develop satisfactorily, so long as they do not go too deeply into capital expenditure.

I am surprised to hear some of the comments coming from the Opposition side. The honorable member for Watson (Mr. Cope) spoke about Rolls-Royce engines. Admittedly they are very good. The Rolls-Royce company has the proud record of

providing power for 54 per cent. of the airlines of the world. I had the privilege only recently of inspecting one of its factories in Scotland. I might inform the honorable member that quite a few American companies are using aircraft with Rolls-Royce engines.

Mr. Chaney.—The Allison is a Rolls-Royce engine.

Mr. HAMILTON.—That is so. Honorable members opposite have talked about the purchase of Electras and have suggested that Caravelles should have been purchased. Well, that is all in the past, and there is not the slightest doubt that the Electras are doing quite a good job.

Mr. Clyde Cameron.—Ah!

Mr. HAMILTON.—I fly in them a lot more often and a lot farther than the honorable member does. I am not afraid to fly in them as are some Opposition members.

Mr. Townley.—The Electra is the greatest money-spinner that we have ever had in the airline business.

Mr. HAMILTON.—Of course it is. I have forgotten the exact figures, but, if my memory serves me correctly, an Electra can fly at a profit with less than half its full complement of passengers. Other machines cannot do that.

There has also been much criticism about the exchange by Trans-Australia Airlines of early-model Viscount aircraft for DC6 aircraft from Ansett-A.N.A. I think that the officials of every airline which has used DC6's on services to New Guinea will agree that they have been a godsend on those services. I think that any honorable member who thinks that he can play the part of a responsible representative of the people in this Parliament and, at the same time, decry the policy of keeping the two airlines going ought to see a psychiatrist. If we develop an airline monopoly, whether it be government or private, we may as well shut the hangar door and forget all about civil aviation.

Mr. Chaney.—That applies particularly in Western Australia.

Mr. HAMILTON.—It applies everywhere in Australia, and, as my friend has said, it applies particularly in Western Australia.

Mr. Ward.—Ansett-A.N.A. now has a monopoly of most of the intra-state services.

Mr. HAMILTON.—Does the honorable member really think so?

Mr. Ward.—Yes.

Mr. HAMILTON.—I suggest that the honorable member check the figures. I disagree with him. I do not think that Ansett-A.N.A. has such a monopoly.

Mr. Chaney.—The honorable member for East Sydney is quite wrong.

Mr. HAMILTON.—I disagree with him, anyway.

Mr. Davies.—Quote the figures!

Mr. HAMILTON.—I have forgotten the figures for the moment. The honorable member will not lead me away from what I want to say.

The Opposition wants to omit from the title of the principal act the words "relating to Air Transport, and for purposes connected therewith", in order, so it says, to prevent Ansett-A.N.A. from being given an unfair advantage. Why do honorable members opposite not think about the unfair advantage that Labour gave to Australian National Airways Proprietary Limited, as that airline was known, a few years ago, and about the havoc that was caused in the process?

In conclusion, I want to say merely that the people of Australia will take no notice of the sham fight that has been waged over the last few days and will not believe the stories that are published in some sections of the press. The people ought to think back a few years and reflect on what the Australian Labour Party, which now aspires to government, did when it was in office and had an opportunity to do something. I am certain that the people of Australia will refuse to have a bar of the Labour Party's ideas on any aspect of airline operations, because Labour has no worthwhile proposition to submit to the people. Labour's record condemns it even before it opens its election campaign.

Mr. WARD (East Sydney) [8.0].—Prior to the suspension of the sitting I spoke to the amendment which I have moved on behalf of the Opposition to clause 3 of the Airlines Agreements Bill. Earlier I had given a number of reasons to show that the long title of this bill was inappropriate and that, as the amendment proposes, the long title should explain that this is an act to approve certain agreements to give an unfair advantage to Ansett Transport Industries Limited. Earlier, I gave a number of instances of advantages which Ansett Transport Industries Limited was to be given by the Government under this legislation, but time did not permit me to deal with the whole list of advantages. So I propose now to direct attention to what is intended by the Government in regard to the great national enterprise known as Trans-Australia Airlines.

Everybody is aware that T.A.A. is a very efficiently run organization, and that it has been giving an adequate return to the Treasury—if a return is required. The Labour Party's attitude in that connexion, of course, is that T.A.A. should be regarded as a national undertaking giving service to the Australian community. Under this proposal a target profit is to be set each year, and the management of T.A.A. is to be obliged to try to reach that target. In determining the target the Minister has to take a number of factors into account. The organization is to lose the advantage of paying cheaper interest on the advances made to it by the Treasury. It is also to lose the advantage of the self-insurance, which it now carries to cover its operations, because under this legislation it is to be given the option of continuing its self-insurance or insuring in the ordinary commercial field. If it carries self-insurance it is to be obliged to deduct from its earnings a sum equal to the current commercial premiums for insurance cover. Those premiums are based on the world market. That means that T.A.A. will lose the advantage of the cheaper system of carrying its own insurance in the way it has done hitherto, and will have to pay the higher premium rate determined on the much higher incidence of accidents in overseas airlines. When those moneys are deducted from its earnings it will not be able to use them, as it can now, under its self-insurance scheme, in the

running of its business because it is now to be required to invest the moneys in Commonwealth securities. That will place T.A.A. at a distinct disadvantage in comparison with the position that it now occupies as against its competitor, Ansett-A.N.A.

At present, T.A.A. uses its employees' superannuation fund contributions in the business. I do not think there is anything wrong with that. It pays 3½ per cent. interest on the money used. But no longer is T.A.A. to be allowed to use those superannuation funds in the running of the business, because those, too, are to be invested in government securities.

I have only one other thing to say about this matter. Prior to the suspension of the sitting, the honorable member for Canning (Mr. Hamilton) said that the Labour Opposition was only putting up a sham fight, and that we were not serious in our opposition to this legislation. Let me assure the Government and its supporters that we are very serious about it. The honorable member for Canning accused the Opposition of trying, over a period of time, to destroy the private airline by suggesting that it was unsafe and that the only safe way to travel by air was by T.A.A. All I ask members of the Parliament to do in order to judge the safety record of the two airlines is to make a comparison of the number of accidents that have occurred in the operation of the privately-owned airlines with those which have occurred in the government airline. If anybody wants proof of which is the safer airline in the opinion of Government supporters, he has only to look at the fact that although Government supporters and Government members are free to travel by Ansett-A.N.A. if they choose the great preponderance of them show a preference for travel by T.A.A. So if there were any such thing as fair competition in the passenger flight field T.A.A. would quickly outstrip its rival. It is only because of this so-called rationalization policy by which T.A.A. is not allowed to act competitively in obtaining business for itself and has its routes, its time-tables and its scale of fares determined by the rationalization committee, that this is not possible. That is what the Government regards as

competition. Yet even in those circumstances T.A.A. still gets the greater proportion of the travelling public to use its service, because air travellers prefer it as a better and safer service.

When it comes to the carrying of freight the opposite position obtains, because some people do not mind endangering freight by sending it by Ansett-A.N.A. whereas they might prefer personally to travel by the safer airline T.A.A. So only 37 per cent. of total freight is carried by T.A.A., and the balance, 63 per cent., is carried on the private airline. When T.A.A. applied to the rationalization committee to have steps taken to share freights on an equal basis as in the case of passenger services—in my opinion quite a reasonable proposition in the circumstances—the rationalization committee and the Government claimed that that would be an interference with competition.

Thus this airline is prevented from increasing its business. When it is a case of the private airline having the advantage the Government does not interfere, but when the government airline has the advantage the Government interferes in order to see that some of the benefits which the government airline has earned by its wise and prudent management are handed over to the private airline. I should think that any reasonable person would realize that this legislation will provide definite advantages to the private airline as against T.A.A. That is why this side of the Parliament heartily supports the amendment.

Mr. HAROLD HOLT (Higgins—Treasurer) [8.8].—Earlier in the day, when speaking in the second-reading debate in the House, I described the performance of the Opposition in this matter as disgraceful and shameful. If ever those words were justified their justification was confirmed by some of the things which have been said by the spokesman for the Opposition at this committee stage of the bill—the honorable member for East Sydney (Mr. Ward). I wonder just how low the Opposition can get in matters of this kind. It is one thing, Sir, to make for political purposes the kind of vicious personal attack which has been made on the Minister for Civil Aviation—

Mr. Bryant.—I rise to order, Mr. Chairman. The Treasurer is imputing to this side

of the chamber motives which are certainly not in accordance with the facts. I was one of the speakers in the debate. I think that he has infringed the Standing Orders, and I ask for a withdrawal of the imputations.

The CHAIRMAN.—Order! There is no substance in that point of order.

Mr. HAROLD HOLT.—I was about to say that not only my colleague the Minister for Civil Aviation—who, I think, requires no defence by any member in this place, because there is no member opposite who believes in his heart one word of the charges which have been bandied round so wildly against him here in recent days—has been subjected to attack; there is also the personal attack made on a man who has been one of the great pioneering figures in commercial aviation in Australia—Mr. Reg Ansett. That is a dreadful thing to say to the people of Australia who are among the most air-minded people in the world. By reason of the vast distances we have to cover, we are more frequent users of aircraft per head of population than probably any other people in the world.

Yet here we have a spokesman for the Australian Labour Party in this place who, in order to achieve a cheap political trick, has claimed that one airline is an insecure, dangerous airline for the people to use. It is the Department of Civil Aviation which determines the safety standards for flying in Australia. Australia can be very proud of the safety record we have enjoyed. That applies to all airlines—T.A.A., Ansett-A.N.A. and the other airlines which function in this country. If they were not operating on the safety standards which are required by the authorities they would be grounded. The very fact that their aircraft are in the air is proof that they are observing the conditions we prescribe for them. Any Opposition which descends to the tactics of trying to create in the minds of the public fears that they will be unsafe if they travel in a particular airline is worthy of the condemnation of the Australian people.

Mr. HAYLEN (Parkes) [8.12].—If ever there was a Jekyll and Hyde in the Parliament it is the Treasurer (Mr. Harold Holt). During this past week, the right honorable gentleman has been smearing members of the Australian Labour Party who are to stand for election to the Senate and has been

enjoying himself thoroughly. To-night he came into the chamber beating his breast. We know that he comes from a well-known theatrical family, but this sort of ham acting is not to be endured. He spoke of the Minister for Civil Aviation (Senator Paltridge) as this Minister without reproach, this great man who has done all of these things. And then the right honorable gentleman switched a remark made by the honorable member for East Sydney (Mr. Ward). All the honorable member for East Sydney did was to compare the safety reports of the two airlines, something that could be legitimately done.

But I want to return to the sneer and smear merchant who has qualified as one of the worst McCarthy-ites in this chamber in one short week. We are putting it up to the Government that we are not taking it. Is the Government going to run into the dissolution of this Parliament and out of this session without answering what people are saying outside? If supporters of the Government do not believe what we are saying and if they think we are playing at politics, are they prepared to take up the challenge? Is the Government so smug that it does not believe anything can happen to it? If that is what supporters of the Government think, let them listen to what the "Sydney Morning Herald" has said. There are words there that any government with any guts would answer. It would not run away from them. It would not duck into recess or dissolution and say, "Thank God, we have escaped that".

There is a case to answer and supporters of the Government should remember that if they get out of this Parliament, we will pursue them through the electorate and demand an answer. The "Sydney Morning Herald" is a reputable newspaper. Sometimes it is misguided in the way it reports my activities, but I forgive it for that because, in a general sense, it is pretty fair. It spoke yesterday of the sight of the Minister in tantrums and the Prime Minister (Mr. Menzies) defending him. But that was only the lead-in. It stated something that the Government should consider. It uses such words as "serious scandal" and "a gross betrayal of principle". The newspaper has stated this in discussing the famous conversation that took place between the Minister and the directors of East-West Airlines. Did it take place?

What was said? Who said it? It reflects the utter confusion of the public as to what the Minister for Civil Aviation did say, or how many times he said what he did not say, and how many people denied it. Then he was full of tantrums and fears.

Let me tell the committee what the "Sydney Morning Herald" said and let the Government answer these statements before it gets out of this place. If it does not answer it, the Government will stand condemned outside. This is what the "Sydney Morning Herald" stated to-day—

If, however, as a great many people will prefer to believe . . . the Federal Government through the Minister for Civil Aviation tried to intimidate a small private airline into surrendering to a big competitor manifestly favoured by the Government in other directions, then the affair assumes the proportions of a serious scandal.

Are the Government, the Prime Minister and his Cabinet going to walk out of the Parliament and not answer the "Sydney Morning Herald"? The newspaper has said that this "assumes the proportions of a serious scandal". Yet we have this Jekyll and Hyde getting up and saying: "Look what the Labour Party is doing. Look at what the honorable member for East Sydney said." We are trying to bring the Government to a sense of its democratic responsibilities. If what I have read is not enough, let me read the concluding passage referring to the intervention of the Government—

That the Government should intervene at all in such an issue is beyond all propriety.

Is the Government going outside this chamber and admitting that it is beyond all propriety? If it is power-drunk and does not care what sort of scandal is tied to its tail during the general election culminating on 9th December; if it is afraid to face—

The CHAIRMAN.—Order! The remarks of the honorable member for Parkes have no relation to the bill or the amendment moved by the honorable member for East Sydney that are now before the committee. I rule that the honorable member must return to the subject before the committee.

Mr. HAYLEN.—Will you tell me, Sir, what was the relation of the remarks of the Treasurer in the same connexion? I am referring to the Airlines Agreements Bill. The "Sydney Morning Herald" stated in relation to the Government's

attempt to promote a monopoly and force free enterprise out of existence that this was the grossest possible betrayal. Will the Government answer that charge? It is the grossest possible betrayal of the Government's policy. Is the Government going to re-write its policy speech for 9th December, and say: "We believe in the grossest possible betrayal of free enterprise. We believe we have concocted a scandal and we have not the guts—

The CHAIRMAN.—Order! The honorable member must direct his remarks to the clause and the amendment before the committee.

Mr. HAYLEN.—Perhaps you will allow me to say this, Sir: These are the final hours of this Parliament and I would have been grateful if you had intervened to protect me from the Treasurer. Since that cannot happen, I will conclude by saying that I support what the honorable member for East Sydney has said and I deny what the Treasurer has said in his simulated, phoney anxiety about the airlines. He could not care a tinker's damn. All he was trying to do was to secure a point. We are trying to provoke the Government and its supporters into some sensibility of their democratic duties. We ask them to stand up to this fight and not run away. We ask supporters of the Government to listen to the amendments and debate them. Apart from the Minister for Defence (Mr. Townley) there has not been a senior Minister at the table or a Minister in the chamber when we have been discussing this matter. We are contesting the title, the clause and the agreement and we will contest the schedule until we bring Ministers to their feet to denounce this thing.

A charge has been made outside by responsible people that the Government has been guilty of the grossest act in relation to its own policy and that this is a public scandal. Will the Government sit down and take it? If so, we have every right to keep moving amendment after amendment until we bring the Government to a sense of its duty.

Mr. CHANEY (Perth) [8.19].—The honorable member for Parkes (Mr. Haylen) only has to shift the rose in his buttonhole to his nose and he would really look like Ferdinand the bull. Ferdinand was brought

up on the plains of Spain to be a very terrible fighter, but when it came to the point he was not so good. What the honorable member has said is a lot of nonsense. If you go to the Parliamentary Library there is a book there on how to lie with statistics. It is an extremely useful publication and the honorable member for Parkes as an author might appreciate it. There is a story in this book about a man who was drowned in a river with an average depth of 7 inches. That is exactly what has happened with this bill. Since the sitting was resumed to-night, the honorable member for Canning (Mr. Hamilton), who is not with us at present, made a speech in which he pointed out that in his early days in Parliament—I think he was elected in 1946—

Mr. Haylen.—I rise to order, Mr. Chairman. If what I said was irrelevant, will you rule as to whether the honorable member's remarks are relevant at the moment? The clause before the committee now deals with the title of the bill. What relation has this to Ferdinand the bull?

The CHAIRMAN.—There is no substance in the point of order taken by the honorable member for Parkes. The honorable member for Perth has mentioned two honorable members who have spoken on the bill and has referred to matters mentioned by them.

Mr. CHANEY.—All I have done is to make a few introductory remarks. The honorable member for East Sydney (Mr. Ward) took the honorable member for Canning to task on what he said about the Government assisting one airline to the detriment of another. This was at a definite period, just after the war, when parts were hard to get and only some varieties of aircraft were available. He said—I take his word for it—that favouritism was extended to Trans-Australia Airlines. The honorable member for East Sydney mentioned the accident rate. The statistics relating to civil aviation in Australia for the overall operation of all airlines, including T.A.A. and Ansett-A.N.A., would surprise honorable members. To my knowledge, there have been only two fatal crashes. One occurred with an Ansett-A.N.A. aircraft in the days when the organization was Australian National Airways Proprietary

Limited. A DC4 crashed in the hills near York after take-off from Perth.

Mr. Cope.—One crashed in Tasmania, too.

Mr. CHANEY.—Yes, but that was a freighter.

Mr. Cope.—No, it was a passenger aircraft.

Mr. CHANEY.—If the honorable member looks up the records he will find I am right. I am referring to accidents in which passengers were involved. Following the crash of the DC4 near Perth, there was a tremendously long inquiry. I attended some of the sessions. The best legal brains in Australia appeared at the inquiry, but the cause of the crash was not determined. Originally it was thought that there was water in the petrol. Other theories were advanced and experts were brought from America. However, the cause of the crash was never definitely established. Then T.A.A. had a fatal crash at Mackay when a Fokker Friendship went into the sea at night. The cause of this has been guessed at or assumed.

The worst feature of this debate is that honorable members should use aircraft crashes in this way. The accident rate is the lowest in the world and it should not be used as some sort of political lever. We should keep in mind that relatives are still interested in these matters. Our low accident rate does great credit to the Department of Civil Aviation for the rules and regulations it has introduced and enforced. This action has made air travel in Australia extremely safe. If honorable members want any proof of this, they need only go to an insurance company. For a few pounds, they can obtain a tremendous cover on their lives if they are about to travel in an aeroplane. The odds prove that air travel here is much safer than is travel in motor vehicles or by any other means. To bring in the accident rate and to talk about airlines in this way is a poor political trick. In actual fact, the two airlines have much the same record, and both can be extremely proud of their records. Their records are good because the Department of Civil Aviation, administered by Senator Paltridge, lays down rules that make it almost impossible

for aeroplanes to crash or for people to lose their lives.

Mr. Jones.—Why does the Government not agree to appoint a royal commission?

Mr. CHANEY.—If we were to appoint a royal commission on everything you raised in this place, we would never finish. I have been here for only six years, but the Opposition has objected to everything the Government has done. Does that mean we should have a royal commission on everything? Surely it is about time the Opposition accepted something.

The honorable member for East Sydney said that the proof that T.A.A. was a better and a safer airline was the number of Government members who travelled on it. If honorable members look at the statistics of airline travel they will find that there are certain passenger loading factors that must be observed if the airline is to operate profitably. If this chamber rose at 9 o'clock to-night, I am quite certain that those members who are fortunate enough to live in Melbourne or Sydney only an hour or an hour and a half away, would have a special aircraft provided for them. They are not like us poor unfortunates who must travel to Western Australia.

Mr. Turnbull.—I take longer to reach my home than you do.

Mr. CHANEY.—I accept that the honorable member for Mallee takes longer to reach his home than we do. If a special aircraft were brought here for honorable members, it would have a 100 per cent. load factor but would still operate at a loss. Any special aircraft must come here first without any load and therefore the maximum load factor it could have, even if every seat were occupied on the outward flight, would be 50 per cent. I do not say that honorable members should be denied this privilege, but a company such as Ansett-A.N.A. has a responsibility to its shareholders to ensure that its load factor is above 50 per cent. or, in some instances, above 70 per cent.

Mr. L. R. Johnson.—This is a bit wide of the clause.

Mr. CHANEY.—It is a salient fact. It is very easy to stand up here and make statements that are not based on facts,

Honorable members should obtain copies of the book "How to Lie with Statistics".

Mr. L. R. Johnson.—Mr. Chairman, I wish to take a point of order. Having in mind that you ruled the speech of the honorable member for Parkes out of order, I ask you whether the honorable member for Perth is directing his speech to the clause under discussion?

The CHAIRMAN.—The honorable member for Perth is relating his remarks to the amendment moved by the Opposition. The honorable member for Parkes was not doing so. When I ruled that the honorable member for Parkes was out of order, I explained my reason and I pointed out that he was not directing his remarks to the clause or to the amendment. There is no substance in the point of order raised by the honorable member for Hughes.

Mr. CHANEY.—I want to say only one thing before I sit down.

Mr. Daly.—That will be enough, too.

Mr. CHANEY.—I think it will, actually. Your words are prophetic.

As I said, the debate was being drawn out by the Opposition this afternoon. I and many of my colleagues are quite willing to sit here all night, if necessary. After all, I cannot catch an aeroplane back to Western Australia until to-morrow afternoon, and I am quite willing to stay here all to-morrow, too. But I am determined to stand in my place at every opportunity and answer all the wild statements made by honorable members opposite. I refer honorable members to the Senate "Hansard" of 4th October last at page 875. There, a table of comparative safety factors is given, with the passenger fatalities per 100,000,000 miles flown. I am an air traveller and a former member of the Royal Australian Air Force. I think the Deputy Leader of the Opposition (Mr. Whitlam) will agree with me that the way to bring on crashes in the Air Force was to talk about them or to talk about the safety factor; some one was sure to upset the safety record. I do not appreciate this subject being brought into the debate.

Progress reported.

WAR SERVICE HOMES BILL 1961. Second Reading.

Debate resumed from 29th August (vide page 541), on motion by **Mr. Robertson**— That the bill be now read a second time.

Mr. STEWART (Lang) [8.30].—This bill seeks to make two minor amendments to the principal act. One of those amendments relates to excess moneys paid in by borrowers from the War Service Homes Division. It provides that the borrower may withdraw excess payments to effect repairs, make additions or alterations to his property and do other things to conserve and increase his equity in that property. This is in conformity with what has been the practice for years now.

The second amendment provides that only eligible persons may obtain loans from the War Service Homes Division. Apparently, because of loop-holes in the act, there has developed a practice under which certain people who have not been entitled to them have obtained loans from the War Service Homes Division. The Opposition does not oppose the measure. But we do argue that the administration of the War Service Homes Act, under which money is made available at 3½ per cent. interest over long periods, has demonstrated clearly that money can be lent at low rates of interest over long periods with profit to those administering the scheme. We therefore suggest that the Government should introduce a scheme similar to this for the lending of money to all sections of the community at low rates of interest over long periods for the purchase or construction of homes.

I propose to show that, whilst the war service homes scheme is a magnificent one, it has been deliberately hamstrung by this Government in that it has suffered from shortage of funds. That the activities of the War Service Homes Division have been curtailed by this Government is plain from a perusal of the reports of that organization. Part V. of the act lays down the conditions under which advances may be made to eligible persons. For instance, an advance may be made to an eligible person to enable him to erect a dwelling house on his holding, or to purchase land and erect thereon a dwelling house, or to purchase a

dwelling house, together with the land on which it is erected, or to enlarge a dwelling house owned by him, and so on. The act also provides that the Director of War Service Homes, may, at the discretion of the Minister, take over existing mortgages or grant second assistance. It is only in very rare instances that those two provisions can be availed of.

One important point which I wish to emphasize is that considerable delay takes place between the time of making application and the time of obtaining loans for the purposes set out in the act. For instance, the delay in obtaining finance for the purchase of existing properties is 20 months while that in obtaining money for the carrying out of extensions is eighteen months. In those cases where applicants wish to buy homes which the division itself has erected under group schemes, the delay in obtaining finance in New South Wales is sixteen months. In Queensland, it is eight months, and in Western Australia six months, although, of course, that time includes the time taken to construct the house. It is a long time now since loans could be obtained without having to wait for any time at all. Because of this long waiting time, many ex-servicemen who would be eligible for assistance from the War Service Homes Division have found it necessary to obtain accommodation elsewhere.

Mr. SPEAKER (Hon. John McLeay)
Order! I direct the honorable member's attention to the fact that this is not a wide open bill. I very much doubt whether the question of waiting time can be related to this measure. I suggest that the honorable member keep that in mind from now on.

Mr. Haylen.—I rise to order. Do you consider that this is not a wide open bill? Have you a copy of the bill before you?

Mr. SPEAKER.—Yes.

Mr. Haylen.—It concerns administration and the approval of loans. In my opinion it is in essence a wide bill.

Mr. SPEAKER.—Order! This is a very restricted bill. I find difficulty in deciding whether the honorable member's remarks are relevant to the measure. I think a degree of tolerance should be exercised. At the

same time, I suggest that there should be no abuse of that tolerance.

Mr. STEWART.—I am endeavouring to show that further amendments to the act are required to make the scheme work in the way in which it was intended it should work when the act was introduced in 1918. Since it was introduced in 1918, 224,775 persons have been assisted and of that number 54,024 were returned servicemen from World War I., while 170,751 were returned servicemen from World War II., Korea and Malaya. Only 16 per cent. of those eligible servicemen who returned from World War I. have received assistance. Possibly that is because from the end of World War I. until the 1930's money was not very plentiful. During that period, we went through a great depression and many people who would have liked to buy homes were unable to find the necessary deposit.

Mr. SPEAKER.—Order! The honorable member will not be in order in referring to waiting time. The honorable member is now opening up a wide discussion of the whole question of war service homes. This is a very restricted measure, and I suggest that he try to co-operate with the Chair.

Mr. STEWART.—The Opposition intends to move an amendment to the bill and I am endeavouring to put the arguments in favour of the amendment.

Mr. SPEAKER.—Order! It would be better to move the amendment, if the honorable member wishes to speak to it.

Mr. STEWART.—On behalf of the Opposition, I propose an amendment in the following terms:—

That the following new clause be inserted in the bill:—

"2A. Section twenty-one of the Principal Act is amended by omitting from sub-section (1.) the words 'Two thousand seven hundred and fifty pounds' and inserting in their stead the words 'Three thousand five hundred pounds'."

Mr. SPEAKER.—Order! If the honorable member wants to pursue that line, it would be better to wait until the bill is being discussed in committee.

Mr. STEWART.—Can I foreshadow an amendment at this stage?

Mr. SPEAKER.—Order! The honorable member will not be in order in opening a wide debate on war service homes. In the course of his second-reading speech,

the Minister directed attention to the fact that the bill proposed to tighten up certain minor matters in connexion with war service homes. It is very difficult to decide what is and what is not relevant to the measure. I think that, with a degree of tolerance and the co-operation of honorable members, we shall get along all right.

Mr. STEWART.—May I point out that this is a bill for an act to amend the War Service Homes Act 1918-1956. If it is a bill to amend the whole of the act, then, surely, the whole of the act is open for discussion.

Mr. SPEAKER.—Order! The honorable member will not be in order in canvassing my ruling. The whole of the act is not open for discussion.

Mr. Haylen.—I rise to order. I am not canvassing your ruling, except to say that it has been the practice in this House, when acts are being amended even ever so slightly, to give honorable members the opportunity of debating the whole of the act. That is a practice which has developed because of your generosity, and the honorable member for Lang is following that practice. As this is the last major measure before the House, I suggest that you might place a wider interpretation on it.

Mr. Whitlam.—On the point of order: No Government supporter has taken a point of order that the honorable member for Lang (Mr. Stewart) was speaking too widely in saying what he has already said. You, Sir, have ruled spontaneously that he is out of order because he is speaking too widely. On that, I should like to make two submissions. The first is that the practice is to allow members to speak on the subject-matter of a principal act when there is any amendment to that principal act, unless the long title of the amending bill limits discussion. I perfectly apprehend that where the long title refers, say, to one section or one matter in the principal act honorable members have to confine themselves to that section or that matter. If, however, as in the present case, there is no such limitation in the long title of the bill, honorable members are entitled to address themselves

to anything which arises under the principal act.

Mr. Harold Holt.—No.

Mr. Whitlam.—The other point I wish to make is this: Since the Leader of the House, the Treasurer (Mr. Harold Holt), has by interjection come into this matter, I point out that it was understood between him and me that there would be a full debate on war service homes under this bill. For that reason, Sir, there was no prolonged debate—as there has been in previous years—on the appropriate portion of the Estimates. You, Sir, cannot be here while the debate on the Estimates proceeds, but I can inform you that for several years, since there was last an amendment to the War Service Homes Act—there has not been one since 1956—

Mr. Harold Holt.—There is legislation every year.

Mr. Whitlam.—There is not, in fact. The last time the principal act was amended was in 1956. On that occasion there was a full debate on the principal act and the administration of the War Service Homes Division during consideration of the amending bill. Since then, there has been a full debate on the administration of the War Service Homes Division and the deficiencies of the act at the appropriate stage of the debate on the Estimates. On this occasion, the Opposition forwent the opportunity for its annual debate on the War Service Homes Division and the deficiencies of the act, when the item of the Estimates came on. The understanding between the right honorable gentleman and me, Sir, was that the opportunity would appropriately arise, and would be given by the Government and taken by the Opposition, on this bill. The right honorable gentleman shakes his head in disagreement.

Mr. Harold Holt.—The only understanding was on the amount of time to be allocated to the Estimates as a whole.

Mr. Pollard.—What are you frightened of?

Mr. Harold Holt.—I am just wondering why you are stonewalling the proceedings of the Parliament.

Mr. Whitlam.—The right honorable gentleman will concede that in 1957 and succeeding years, when there have been no amendments to the War Service Homes Act, there have been full debates on the estimates for the War Service Homes Division. He will not dispute that.

Mr. Harold Holt.—You have had the same length of time on the Estimates this year as in other years.

Mr. Whitlam.—The right honorable gentleman should have the grace to concede that there was no prolonged discussion during the Estimates debate on any subject—this among them—which was coming up under substantive legislation. This matter was known to be coming up. The bill was received from the other place two months ago. Everybody knew that it would be coming up towards the end of the session and it was expected that there would be a full debate—the usual debate on war service homes—under this bill. For those two reasons, Sir, I submit that you should allow this debate to take place in the traditional way and that you should not truncate it.

Mr. Robertson.—I refrained from rising to a point of order when the honorable member for Lang began his speech because, my intention, like yours, Sir, was to be generous to the honorable member so long as he confined himself in general terms to the amendments contained in this amending legislation. In my second-reading speech, I said that the bill had two purposes only. The first was to validate a traditional practice that had been in operation to the advantage of those who qualified for war service homes since 1933 and which now has been discovered to be dubious, measured against the principal act. The second was to remove an anomaly which was prejudicial to those who qualified for war service homes and those who are on the waiting list, waiting for their applications to be favorably considered. My second-reading speech made no reference to any other aspect of the question at all. Throughout the whole of that speech I emphasized, at convenient points—

Mr. Haylen.—It does not matter what you say.

Mr. Robertson.—Admittedly, it did not matter what I said, but I tried to convey to the House that this bill that I was explaining at that point of time had two purposes, and two purposes only, and that it was the intention of the Government to restrict the bill to those two purposes. If any confusion has arisen, the Government must be exonerated in this instance. I have no knowledge of any arrangements that the Deputy Leader of the Opposition (Mr. Whitlam) may have made with the Treasurer (Mr. Harold Holt). I had no knowledge of them at the time; I have no knowledge of them now. But in the interests of those who have qualified for war service homes and in the interests of those who are waiting for their applications to be favorably considered, there is an obligation on the House to pass this legislation as quickly and with as much unanimity as possible.

Mr. Harold Holt.—The Deputy Leader of the Opposition (Mr. Whitlam) has sought to put before the House what he alleges to have been certain arrangements made with relation to the business, including this matter, which is currently before you, Sir, for consideration. The first point I make on that is that the Deputy Leader has made it clear to me, not once but many times, that he had no authority whatever from the Opposition to reach any agreement with me in my capacity as Leader of the House. He puts views before me and he says that it is for the Government to decide what action it proposes to take in relation to the business and that he will report that decision to the members of his party. So there is no question—and I am sure that he would be the first to be embarrassed if anybody were to suggest that there was—of any agreement having been reached between him and me on this matter.

Secondly, the same time has been made available by the Government this year, spread over the period of discussion of the Estimates, as was the case last year. That is a period which, I think, honorable members have agreed—by their general attitudes anyhow—to be reasonable for the purpose. A variety of important subject matters has been before us by way of amending legislation. If the honorable gentleman is right in maintaining that every

amending bill that comes along provides the opportunity for a full-dress debate on a wide area of Government policy, legislation and administration, we could never hope to get through the business of the Parliament in an orderly fashion at all. There are rules of relevancy, Sir, which you have the responsibility to apply and which, if I may say so with respect, you apply very effectively. I believe the House is entitled on this occasion, as on others, to the application of those rules. The honorable member for Lang who is in charge of the bill for the Opposition, has given notice of an amendment which he proposes to move. I understand that the amendment is in order, and on that matter the Opposition will be able to put its viewpoint. That, I gather, is the principal matter which honorable gentlemen opposite wish to bring before us, in any event. But what is becoming increasingly apparent, I regret to say, on this closing day of the session—and there is not an honorable member around the chamber who has not been aware that this is the closing day of the session—is that the Opposition, either officially or because of its lack of internal discipline as the result of action by individual members, is determined to stonewall the proceedings of the Parliament and convert the final stages of the session into something of a shambles. I hope the House will not lend itself to those practices.

Mr. SPEAKER.—As I have already pointed out to the honorable member for Lang the Standing Orders do not provide for a wide open debate on war service homes on this measure. It is very difficult to determine what is relevant and what is not, but such matters as the waiting time for the granting of loans are not relevant. If honorable members will be reasonable so will the Chair.

Mr. STEWART.—Mr. Speaker, I bow to your ruling and I do not intend to canvass it. I propose, during the rest of my speech, to relate my remarks to clause 2 which begins—

Section three of the Principal Act is repealed and the following section inserted in its stead:—It then goes on to mention such things as the sale of homes on the rent-purchase system, advances on mortgage for purposes of homes, conditions of contracts of sale

and advances, funds and, finally, "miscellaneous". I feel that under those headings I would be entitled to talk in the same vein as I was following before the point of order was taken, but I would like first to challenge a statement made by the Treasurer (Mr. Harold Holt). The fact that the Government has determined the time for the session to end does not mean that the voices on this side of the House will be stilled. We have a right to express our opinions on every matter that comes before this chamber, and for the Treasurer to accuse us of stonewalling is completely wrong.

Mr. Harold Holt.—If you do that you will be coming back next week.

Mr. STEWART.—I am quite happy to come back next week. It is the Treasurer who has taken umbrage because we intend to talk on this measure. Let me say to him: There will be a returned soldiers' conference in Canberra beginning next week. On the agenda of the conference there is a host of items dealing with the administration of the War Service Homes Division including an increase of the maximum amount of loan, eligibility of people to apply for war service homes and so on. The organization concerned expects members on both sides of this House to express their views. I am speaking at the moment of the Returned Sailors, Soldiers and Airmen's Imperial League of Australia, but there are other ex-servicemen's organizations, including the Australian Legion of Ex-servicemen and Women, which have emphasized their displeasure with the way in which the War Service Homes Act is being administered. If the Treasurer wishes, he can go back to his electorate and see that the ladies of Malvern do not interfere with his campaign. He can also meet the people whom he claimed in this House were being financed by sinister elements. But we are here to do a job for the people we represent and I think we are all entitled to speak for as long as we like, or as long as we are allowed to under the Standing Orders.

There is no doubt that the ex-service men's organizations are far from satisfied with the administration of the War Service Homes Act. They have made repeated requests for amendments but those amendments have not been made. We intend to

show that the act is being administered incorrectly—not by the officers of the department, but by the Minister and by the Government, who have hamstrung the department by not giving it the necessary finance. The Government has kept the scheme from working properly although it has proved that it can work satisfactorily and can provide homes at a very low cost to a great number of people. There are 800,000 ex-servicemen from the last war, the Korean war and the Malayan campaign, who would be eligible for homes, but the Director of the War Service Homes Division in his last report anticipated that only 240,000 or 30 per cent. of them would seek assistance. Obviously there are many more ex-servicemen than that who do not own their own homes, but because of the waiting time and the procrastination by the Government in making finance available, we find that only 30 per cent. of eligible ex-service-men are expected to make use of this legislation. The terms and conditions for home ownership are excellent and every ex-serviceman would avail himself of them if he could. This is proved by the fact that this bill has been brought down in order to curb the activities of certain people in certain States who have been taking advantage of the excellent conditions illegally.

The War Service Homes Division should be able to make money available immediately to every eligible applicant, whether to buy an old home, to get a group home, to build for himself, or to buy a new property. But this Government is not worried about that at all. Over the last half-dozen years it has made available for this purpose £35,000,000 a year, and I will give the House the average receipts from rentals, loan repayments and so on. The total revenue in 1959-60 was about £19,000,000, so that in that year the Government's net contribution to war service homes was only £16,000,000. In 1960-61 expenditure on war service homes amounted to £35,041,819 and the receipts were £21,014,153, so that there was a total cost to the Government of only £14,000,000. As receipts are increasing each year by approximately £1,250,000, it will be only eleven years before the Government is receiving back exactly the sum of £35,000,000 which it is paying out. So unless substantially increased finance is made available by the

Government for war service homes we will find that in eleven years' time this item will be self-balancing with £35,000,000 being made available by the Government and £35,000,000 coming back in the repayment of instalments of loans, rents and so on.

The Government's record in all types of housing, whether through the Commonwealth and State Housing Agreement, the Commonwealth Bank or the War Service Homes Division, is one which must be deplored. Ex-servicemen are expected to wait for many months for advances, and there has been no increase in the maximum loan for a number of years. The building loan was increased from £2,000 to £2,750 in December, 1950. It was extended to £2,750 for all forms of assistance in November, 1954. If we look at the cost figures taken from the report of the War Service Homes Division and compare the average cost of dwellings and land in each year, we find that in 1951-52, when the loan was increased from £2,000 to £2,750, in New South Wales the average cost of houses to the War Service Homes Division was £2,525, in Victoria £2,477 and in Queensland £2,393.

Mr. SPEAKER.—Order! The honorable member's time has expired.

Mr. STOKES (Maribyrnong) [9.0].—During the past two or three weeks, in the closing stages of this Parliament, we have seen the spectacle of the Opposition attempting to make every use of the few matters that might be considered contentious, which are of importance to certain sections of the community, trying to make political capital out of every one of them.

Mr. Ward.—You are getting worried.

Mr. STOKES.—I am not worried. In any case, remember that you will be only 2-i-c. Many honorable members opposite are trying to interject. That is all right. I like to hear the dogs snarl when I throw a stone; when I hit a cur he yelps. The honorable member for Lang (Mr. Stewart), following the pattern tha twe have seen developing over the past several weeks in respect of various issues——

Mr. Daly.—Keep politics out of it.

Mr. STOKES.—It is a pity you did not go to Russia; they would have kept you there.

Mr. SPEAKER.—Order! I think it will be better for all concerned if the honorable member addresses the Chair. I ask other honorable members to remain silent.

Mr. STOKES.—I shall endeavour to get back to the bill, Mr. Speaker. The honorable member for Lang has foreshadowed an amendment to the War Service Homes Bill which will seek to increase the maximum amount of the loan available to an individual ex-serviceman. The amendment has been circulated among honorable members.

Mr. SPEAKER.—Order! I point out that the honorable member made only passing reference to it. He intends to introduce it in committee.

Mr. STOKES.—Yes, but he said that the intention is to increase the maximum amount of the loan to £3,500. I have no fault to find with the contention that there is an argument for increasing the amount of the loan for a war service home. In fact, there have been many occasions on which ex-servicemen have had to withdraw their applications, because in the period between making the applications and having the loans granted costs have increased to such an extent that their ready cash has proved insufficient to make up the difference between the maximum amount of the loan and the cost of house and land.

Mr. Reynolds.—You were condemning us a moment ago for raising this issue.

Mr. STOKES.—Just a moment; let me finish. I will come to you presently. To-day in Victoria an unimproved block of land costs £800 to £1,000, and the cost of an ordinary weatherboard home is from £3,750 to £4,000. In these circumstances an ex-serviceman has to find about £2,000 to add to his loan, or else he must take out a second mortgage to cover the difference. If he does this he will have to pay perhaps £5 a week for from three to five years to discharge the second mortgage, in addition to his repayments on the original loan under the war service homes legislation. For the second mortgage he is charged a minimum of 10 per cent. interest. For the three to

five years during which he repays his second mortgage he must meet interest payments on the loan of £2,750 from the War Services Homes Division, as well as interest payments at the rate of, say, 10 per cent. on another £750 or more, so that until he has discharged the second mortgage he will be faced with an overall interest burden of about 6 per cent. on the total debt.

I know that many ex-servicemen are struggling with these difficulties. I also know that the Government, when preparing the recent Budget, decided to give the flagging building industry an impetus by spreading the amount of money available under the War Service Homes Act among as many applicants as possible. For this reason it retained the maximum ceiling for an individual loan at £2,750. This was one of the moves the Government made to assist the economy, and I should not have thought that the Opposition would find fault with it. There is another aspect of this matter that the Opposition must take into account. The act provides that advances may be made to applicants who wish to discharge existing mortgages. These advances have been held back for many years by administrative action. By deciding to make advances of this kind and by deciding not to increase the amount of the maximum individual loans, the Government has attempted to spread the available money, amounting to £35,000,000, over a sufficient number of applicants to cut down substantially the time during which applicants wait for loans in respect of new homes to be granted.

The honorable member for Lang knows that the provisions of the war service homes legislation, and the Government's intentions in this field, have been fully discussed during the debate on the Estimates. He also knows that after a message has been received from the Governor-General recommending the appropriation of the amount stated in those Estimates, any attempt to use a bill such as the one now before us, which simply seeks an administrative amendment, as a means for proposing the amendment that the honorable member has foreshadowed represents another political trick. Honorable members opposite have enough knowledge of the procedures of this House to realize that it is quite out of order to introduce such an amendment. For this reason I say that I

cannot support the amendment that has been foreshadowed, although I may be in sympathy with the principles underlying it. It represents at this time nothing more than a cheap trick to make political capital on the eve of an election. I cannot go along with such tactics, and for that reason alone I will not support the amendment. I would agree that a recommendation could be made to the Government to consider raising the amount of the maximum loan next year. I would go along with such a recommendation.

Mr. SPEAKER.—Order! The honorable member for Yarra, who is interjecting, is out of his place and is also out of order. I must ask the honorable members to maintain silence.

Mr. STOKES.—The reasons given for the introduction of this amending legislation are two-fold. First, it is sought to regularize a practice that has been followed in the War Service Homes Division since 1933 of allowing borrowers to re-borrow any amounts that they may have repaid in excess of those that they contracted to repay, for the purpose of meeting outgoings on their property for repairs, alterations or additions. The second purpose of the legislation is to prevent ineligible persons from acquiring war service homes on the beneficial terms intended only to be enjoyed by eligible ex-servicemen and their dependants and by those in other categories provided for by the act.

With regard to the first reason, I am at some loss to understand why this amendment has been necessary in its present form. The act itself appears to me to make ample provision to cover this aspect. Section 20 (1.) states—

Subject to this Act . . . the Director may, upon application in writing, make an advance to an eligible person on the prescribed security, for the purpose of enabling him—

- (d) to complete a partially erected dwelling-house owned by him;
- (e) to enlarge a dwelling-house owned by him; . . .

Section 18A says—

(1.) The Director may, with the approval of the Minister, enter into an arrangement—

- (a) for the making of roads or other facilities affording access to dwelling-houses acquired, erected or to be erected in pursuance of this Act;
- (b) for connecting any such dwelling-houses with sewerage, drainage, water, gas and electric power and lighting systems;

and
(c) for establishing or extending such systems to connect with any such dwelling-houses;

(2.) The cost allotted to a dwelling-house under this section shall not be included in reckoning the total amount which may be advanced under section twenty-one of this Act.

(3.) The cost so allotted shall be a charge against the purchaser of, or borrower in respect of, the dwelling-house, and the Director may require him to refund the amount of that cost by such instalments as the Director determines. I should have thought that these provisions would give the director power to make additional advances for these purposes from the moneys ordinarily available to him. I understand that it is now held that section 18A is restricted to group undertakings by the War Service Homes Division and has no relation to individual applications for the purposes that I have mentioned.

The Minister for Social Services (Mr. Robertson), in his second-reading speech, referred to the first of the two amendments to be made to the principal act by this bill in these terms—

The first of these two matters concerns the principle that an ex-serviceman who makes payments to the War Service Homes Division in excess of his instalment during the term of his loan, may withdraw these excess amounts to meet the normal costs of ownership, to carry out repairs, make additions or alterations and conserve and increase his equity in his own property . . .

It has been the practice of the War Service Homes Division since 1933 to permit purchasers or borrowers to use the amounts accumulated to their credit for the payment of items of expenditure directly related to their property. Under this practice, the owners of war service homes have been allowed to draw on their excess deposits to meet rates and taxes, to install water, electric light, gas services and sewerage, to make alterations and additions to their properties and to carry out repairs.

This implies that the practice has extended only to borrowers who have accumulated excess funds and only to the extent of the funds that they have so accumulated. I understand that, as a matter of practice, this is not wholly the case and that individual borrowers may apply to the division, regardless of whether or not they have accumulated credits, and obtain additional advances to meet expenses such as have been mentioned and to make alterations and additions. The real core of the matter appears to be the fact that,

in the main, these additional advances which it is now sought to regularize have been met from the funded total of these accumulated credits, which the Minister has said aggregate £4,127,326.

Paragraph (c) of sub-section (2.) of section 39 of the act states that there shall be credited to the War Service Homes Trust Account—

purchase money, repayments of advances, and all other moneys received by the Director . . .

Paragraph (c) of sub-section (3.) provides that there shall be debited to the trust account—

advances made by the Director in pursuance of this Act . . .

It is all very well for the Minister to say—

For many years ex-servicemen acquiring a war service home have been encouraged to make excess payments and it has been the custom to advise them that they may withdraw amounts from their accumulated credits to meet costs and charges directly related to the property.

I want to leave with the House this thought: These accumulated funds do not seem likely to grow in the future. Who will be concerned about placing money on deposit in excess of instalments at an interest rate of 3½ per cent., when, even from the State Savings Bank of Victoria one can get 4 per cent. on deposits at call? If one cares to deposit money with other institutions at call, one can get even higher rates, and the attractive rates offered for specified terms for the present special Commonwealth bonds and other trustee investments make it likely that few would consider accumulating excess payments on which the War Service Homes Division would pay interest at only 3½ per cent.

The Minister said also—

Each year approximately 4,000 persons draw on their accumulated credits for the payment of rates and 500 or more use their credits to make additions and extensions to their homes.

I wonder whether this practice may have to cease if future demands exceed the total of these accumulated credits. I suggest that the amendment of section 18A, the terms of which I have read to the House, to empower the director, at his discretion, to make additional advances from the War Service Homes Trust Account for the prescribed purposes to which these accumulated credits can properly be applied under the terms of section 39, would represent a far

better approach to the matter than does the amendment proposed in this bill now before us.

Let me turn now to the second amendment to the act to be made by this bill. This amendment will have the effect of absolutely prohibiting the transfer of a war service home to an ineligible person. It has been explained that section 35 of the act gives the Director of War Service Homes power to give or withhold his consent to a transfer to an ineligible person, having regard to certain conditions specified, one of which is that the transfer shall be in the interests of the transferor—the ex-serviceman borrower. It is claimed that certain conveyancing devices are being used to circumvent this section and to obtain the director's consent to a transfer to an ineligible person so that that person may enjoy the benefits of the act, including the concessional rate of interest, although, on the face of it, the eligible ex-serviceman borrower legally remains the party contracting with the director. This practice, it is said, is growing. The Minister stated—

. . . agents are now openly advertising for war service homes with existing loans.

Section 50A (2.) makes it an offence to use in advertising the words "war service homes", or any words nearly resembling them which are likely to deceive. Apparently this provision is not being used to restrict the practice. On the other hand, if this provision is considered to be ineffective, we ought to see in this bill a provision designed to strengthen the one in section 50A (2.), but the bill contains no such provision.

Mr. DALY.—Why does not the honorable member finish on that note?

Mr. STOKES.—I shall finish the honorable member if he is not careful. The Minister stated that these conveyancing arrangements that I have mentioned operate through an agreement—

which allows the ineligible purchaser to take occupation of the home and to pay off the balance of the loan to the division over the remainder of the term.

He went on—

Various kinds of arrangements have come to notice, some of which constitute a sale on terms of the interest of the purchaser or borrower,

Others, in substance, amount to an agreement to let the home, coupled with an option to purchase.

Mr. Peters.—Whose side is the honorable member on?

Mr. STOKES.—I am on the side of justice, as always. Let us take a closer look at some of these conveyancing devices, Mr. Speaker. It must be quite apparent that one of them is a straightforward sale of the borrower's equity subject to the purchaser taking over the division's mortgage. In this case, the title to the property remains in the name of the original borrower, subject to the registered mortgage to the division, and the documents are held by the division. In a smaller number of transactions where a contract of sale between the division and the eligible person exists, the title is in the name of the Director of War Service Homes and is held by the Division. Therefore, any ineligible purchaser desiring to circumvent section 35 cannot obtain the security of any registered recognition of his interest in the property, but must have recourse only to an unregistered agreement. This agreement could take the form of an assignment of the equity of redemption of the original contracting party with the division, to the ineligible purchaser, accompanied by a transfer of title to be held in escrow. When this type of conveyance is used in similar transactions outside the division the purchaser usually can obtain some protection by registering a caveat against the title to protect his interests. But to avoid disclosure to the director even this protection must be forgone by the ineligible purchaser whom this amendment seeks to exclude. Although there may be an ultimate benefit to the purchaser in the saving of several hundreds of pounds in interest, over the long term, I doubt whether any solicitor acting in such a case would advise a client to place his cash payment of possibly £1,000 in such jeopardy without registered protection. We are told that this practice is flourishing.

The second method is a contract of sale on terms. I feel that this type of transaction would be the one more normally used and could take at least two main forms. One of these would be where the term is expressed in the contract at three,

five or seven years, and the purchaser signs a contract to pay a deposit and make weekly or monthly repayments of the balance of the purchase money, to include interest at current rates, and embodying a clause declaring the mortgage to the War Service Homes Division and an undertaking by the vendor to maintain the mortgage repayments until such time as the vendor's equity has been satisfied and then to apply all repayments up to the due date of the contract in reduction of the mortgage until final settlement—should this position arise. Normally at final settlement on termination of the contract there would still be some moneys owing to the vendor in addition to the balance owing under the mortgage.

At the present time the director, if applied to and if satisfied in accordance with the conditions laid down in section 35, would normally give his consent. A main factor in these conditions is that he must be satisfied that the transaction is in the best interests of the transferor—that is, the original borrower. Another factor outside those conditions would be that the division was obtaining a much earlier repayment of the debt—not in 45 years, but in three, five or seven years. What are the best interests of the transferor? First, let us examine some of the reasons for a war service loan recipient requiring to sell his home. They could include that he wanted to make a profit; that he had been permanently transferred to some other part of a State; or interstate or overseas; that his family had grown beyond the capacity of his original home and that additions to that home were physically or economically impracticable; that he or some member of his family was suffering from chronic illness which necessitated a change of climate. If he can sell for cash no problem arises, but if he is compelled to sell on terms in order to effect a reasonably quick sale which may be dictated by business reasons or health, then this is the only avenue.

Many people will say that this is second assistance. Others will ask why he should get 7 per cent. on the amount of the mortgage covered by the balance of the purchase money when he himself is paying the division only 3½ per cent. Do not let us get this wrong. He is forced to purchase another home on similar terms to those on which he sold his original home, paying the

same terms-inflated price and the same increased rate of interest. Further, he is not getting second assistance. True, he is getting another home, but the assistance by way of repatriation benefit has not altered. He still has only the one repatriation benefit. In fact, he has forgone that benefit by entering into another private contract for the home that necessity has compelled him to acquire on shorter terms and higher interest than he originally enjoyed. Is he not still an eligible ex-serviceman whom the act has the intention to assist in the acquisition of a home?

I have no feeling of tenderness whatsoever for people indulging in illicit transactions for profit, and I concede that it is difficult to accept pleas of ignorance of the regulations in extenuation. But I was originally concerned when it appeared to me from the words that the Minister used in his second-reading speech that all dealings other than leases or mortgages would come within the scope of this amendment to the detriment of the ex-serviceman compelled to sell his first home for business or family reasons on a proper contract of sale on terms—which transaction had been properly submitted to the director for his consent under section 35 (1.) (c)—and the granting of which consent is governed by section 35 (2.) (b) where the proposed transferee is not an eligible person, and where the main consideration is that the transaction is in the interests of the transferor. I am pleased to say that the Attorney-General (Sir Garfield Barwick) has assured me that these additional powers will in no wise limit the ability of the director to exercise his discretion on the conditions set forth in section 35 and give consent where it is considered proper to a disposal of the property to an ineligible person without the necessity of calling up the original loan until completion of the sale. I accept this assurance and, apart from the points I have criticized, I am perfectly satisfied that the director and the Minister will apply these additional powers justly and with equity, and that the bill is another measure which is satisfactory in all the circumstances.

Mr. POLLARD (Lalor) [9.29].—I think it will be generally agreed by all honorable members that whenever a measure affecting the welfare of ex-servicemen is brought before the Parliament I always use my best

endeavours to keep the discussion on fairly reasonable non-party lines. I think that that is an attitude that should be maintained as far as possible.

I note that in this bill there are references to rates, taxes or charges on or in respect of the land, the erection of any building or any structure on the land, the carrying out of improvements on, to or in relation to the land, the dwelling house or any other building or structure on the land, the repair, maintenance, alteration or extension of the dwelling house or any other building or structure on the land, and so forth. They are all related to the purposes for which loan moneys may be advanced by the director. My speech will be related to all these matters. Here is the situation as I see it. I submit the facts concerning faults that have developed in a home in the Lalor electorate.

The building allotment was purchased by an ex-soldier. The War Service Homes Division inspected the land and sank two holes in a soil stability test. The division approved the site, provided plans and specifications and let a contract. The house is small; it is of 9 squares. It is of timber frame set on concrete stumps and sole pads. The owner went into occupancy in February, 1956. The position now is that structurally the house is a shambles. The foundations have subsided from 1 to 3½ inches and as a result the timber frame is severely twisted. Windows will not close and doors jam.

The owner has said that he first suspected trouble about fifteen months after occupancy and informed the division's officers to that effect. On 1st March, 1960, the owner wrote to the division and said he would like an inspection. He said the house was sinking and had been slightly that way for some time. He had not been able to close doors and he had put brick supports under the house. On 25th August, 1960, the division informed the owner by letter that certain repairs were required at the owner's expense. The first was to jack up the bearers until the floors were level. Not a word was said about the twisted house frame. On 12th December, 1960, the division informed the owner by letter that the cost of foundation repairs would reach three figures. I have refrained from stating

the figures because the work is the subject of tender. No mention was made of the cost of restoring the twisted framework to normality. No allegation of any consequence has been made by the division that the owner has contributed to the present state of the building except that he had filled land on each side of the house to a higher level than the under-floor level. This is of no material consequence. The filling did not amount to more than 2 inches and thousands of home owners have adopted the same practice without any damaging effect. Any effect could be of only the most minute character. It is a paltry excuse.

I point out to the House that section 20 of the War Service Homes Act gives the Director of the War Service Homes Division authority to make an advance from loans to an eligible person to erect a dwelling house on the holding of an applicant. That applies to this case. Section 24 requires the director to be satisfied that the house when erected is substantial and durable. This house is not substantial and durable. On 1st March, 1960, the director wrote to me and I now give a summary of the letter's contents. He stated that the immediate cause of the subsidence seemed to be a subsidence of the area under the floor of the house and the sinking of the stumps from two to three inches and added—

The movement of the foundations appears to be primarily due to excessive movement of the soil to which the district is subject. Similar failures in the district caused the local council considerable concern.

The Commonwealth Scientific and Industrial Research Organization advised the council that seasonal changes caused a movement of the soil in the district which varied the contour of the land to the extent of five to seven inches. The council expressed the view that the type of foundations specified by the division should normally have sufficed.

The peculiarities of the soil have been aggravated by surface drainage from the adjacent allotments; and also the owner's action in filling the land on each side of the house to a higher level than the underfloor area.

The director stated that it seemed that these factors combined to cause some settlement of the house. If all these reasons given by the director are correct, it is quite evident that the director was not justified in being satisfied that the house when erected would be substantial and durable as required by paragraph (a) of section 24. So a

ghastly mistake was made if these excuses are tenable.

I point out that the opinion of the local council officers, which included the opinion of the C.S.I.R.O., was not obtained until after I first made representations on 10th October, 1960. This was confirmed in writing by the Assistant Building Surveyor of the Footscray City Council to the War Service Homes Division on 3rd February, 1961. The area concerned is basaltic country and requires extra care in regard to drainage and foundation installations. The division was too late in obtaining information about this district's soils. It got no information about the soil and what would happen on this site until I informed the director that there was trouble afoot. Then it called on the Assistant City Surveyor of Footscray to have a consultation on the site. On 3rd February, this information about what the C.S.I.R.O. thinks of the soil in the district was obtained. In those circumstances, how could the director expect to be forewarned when the house was built in 1956-57? Why did not the division get an opinion on the soils at that period? That is the question. Everybody makes mistakes but the ghastly feature of this case is that those who made the mistakes will not admit that a mistake was made and will not bear the cost of the essential repairs.

Let us examine the drainage factor. Under the uniform drainage regulations quoted by the division there is this reference to building on land without proper means of drainage as happened in this case—

No building intended or adapted to be used wholly or partly for residential purposes shall be constructed upon land which cannot at all times be efficiently drained by gravitation into some adjoining street, channel or drainage easement, onto, through, or over which such drainage may lawfully be discharged.

Another section of the regulations dealing with subsoil drainage states—

Where the Surveyor considers such action necessary the subsoil at the site of any new building shall be drained by means of a system of subsoil drains properly laid to an approved outfall. The layout and type of drains and the methods to be used for disposing of the subsoil water shall be approved by the Surveyor.

I take it that that refers to a surveyor of the local municipality because the War Service Homes Division is not bound by the

laws of the State or the municipality although it tries to observe them. The fact is that there is not a solitary subsoil drain on the property. At no stage has the ex-serviceman been informed that he should put them in, and the division's asset was not protected as it should have been. The division also stated that one of the causes of the house being practically wrecked was the drainage factor and seepage from the adjoining block. It was obvious that it was a low-lying block. If the division had obtained information from the surveyor in the first place, then this might not have happened. On 12th December, 1960, the division stated in a letter to me—

The stump foundations are adequate having regard to the nature of the subsoil.

If the stumps were adequate having regard to the nature of the subsoil which is said to be causing the trouble, why did the house go down 3½ inches? Paragraph (b) of section 24 of the act requires the director to be satisfied that the plans and specifications of the dwelling house comply with the prescribed conditions and have been approved by the director. I have here the plans and specifications. My comment is that the division provided the plans and specifications and let the contract. There is a serious conflict between the plans and the written specifications. They do not comply with the division's own regulations. These regulations require that each plan shall show a plan of the building, section and two elevations. Every specification shall clearly describe the whole of the work required for carrying out the construction of the building. Let us look at the specification. The elevation plan shows that the overall depth of the sole plate for the stumps shall be 2 feet, but when it comes to clearly defining the work, as required in the division's regulations, we find that the stump sump shall be 2 feet under the ground surface and stumps shall be supported on 9-in. by 9-in. by 6-in. concrete bases cast in situ. So we have 2 feet of the stump underground and 6 inches of the sole plate, making a total of 2 ft. 6 in. The elevation plan requires an overall depth of 2 feet; so the elevation plan is in conflict with the written specification. The written specification, therefore, does not clearly describe the plan dimensions.

In these circumstances, what did the contractor do? He took the easy course and

he put his stumps and sole plates down 2 feet overall instead of 2 ft. 6 in., as should have been clearly required by the written specification. This is a faulty specification, and the best proof of this is that it has been withdrawn from use or amended to make it uniform in every respect.

Paragraph (c) of section 24 requires the director to have regard to the locality in which the dwelling house is erected or proposed to be erected and to ensure that the risk is a reasonable risk for him to take. As I said before, any one can make a mistake, but no inquiry was made as to the peculiarities of the district. Only two holes were sunk to ascertain whether the soil was all right. I deny that the soil was at fault, although this is difficult soil. However, if the soil was at fault, why is it that no other house of the same vintage in this tightly packed district has had the same trouble as this house has? My search of the district reveals that this is the only house to have this trouble. If the soil was bad, other houses in the district similarly situated should have developed the faults and failures that this house developed. As they did not, we must look further afield.

On 6th March, 1961, the director telephoned me. I believe he is a very honest man. He suggested I might meet him and talk the matter over, and that I should furnish any other information I might have. He suggested that we appoint an architect arbitrator from a panel of architects. I intimated that I did not favour the idea. He then suggested that a builders' panel be appointed. I said that would not be satisfactory. I asked him whether I could have the plans and specifications and he agreed. After a reminder, I received them eighteen days later. The director offered to permit me to inspect the owner's file on that day. I thanked him and said I did not think I would require it. Subsequently, after I had inspected the plans and specification, the Minister for National Development (Senator Spooner) refused to allow me to inspect the file. I did not want to take it away; I wanted to inspect it in his office under the supervision of an officer of his department.

Let us return to the plans and specification. They provide that the stumps shall be sunk 2 feet under the surface of the ground and be supported on 9-in. by 9-in. by 6-in. concrete bases cast in situ. The

6 inches refers to the depth. Honorable members should note that the important proviso is that stumps shall be supported on 6-in. concrete bases. This would give an overall depth of 2 ft. 6 in. During March, 1961, I extracted a stump with sole plate attached from a position near the centre of the house. I have it here for inspection. It came from the point of greatest house subsidence. The under surface of the sole pad clearly indicates that the concrete from which it is formed had been poured into an unclean excavation and on to unpacked loose earth. It will not stand up straight on its own base; it is a botch. What do we find about it? The uniform building regulations require that 24 hours' notice in writing shall be given to the surveyor when excavations or foundations are ready for inspection and that no footing shall be placed in position until the excavations have been inspected and approved by the surveyor.

When asked in the Minister's presence whether the division had the contractor's written notice in its possession, the director failed to reply. He did not tell a lie; he is an honest man. In the absence of the right to peruse the file, I do not believe that the division has the contractor's written notice of readiness to pour the concrete, and that is why we have a botch like this. I know a little about building and I know a little about post hole borers. The post holes for this job were formed with an ordinary mechanical-driven farm post hole borer. Every one knows that when the auger is pulled out of the earth, loose earth falls back into the hole. Any one who knows anything about fencing knows that the loose soil must either be taken out or rammed. If you put the post on to the loose soil, it is more than likely that the post will eventually subside. It is my belief that the holes were never inspected and that the notice is not on the file. Besides the nature of the soil, the major cause of the trouble is the very inferior work in installing the sole plates. Perhaps this is one of the reasons why I have been refused permission to inspect the file.

In my opinion, lack of specification stump depth is one of the major causes of foundation subsidence. The unevenness of the degree of subsidence—that is, from 1 in. to 3½ in.—is due to more loose earth in some holes than in others. When the weight of

the house was imposed on the stumps, the loose earth was compacted and the subsidence continued until solidity of the soil was established.

I made a rough sketch of the stump and pad and marked dimensions on it. I secured an interview with the Minister and explained my belief that the sole pad holes had been dug with a post hole borer, that the holes were unclean and that this had caused the misshapen sole pad base. The Minister asked me to leave the sketch with him and promised to contact me again. On 4th April, the Minister wrote to me, returning the sketch I had given him. He provided a departmental sketch with dimensions which were in complete agreement with the dimensions on my sketch. This sketch is important, and I will show why in a moment. The Minister stated that the chief architect and another technical officer had again visited the house. He said that the stump and pad I had referred to were closely examined and that the drawing he enclosed showed what was found. The chief architect reported to the Minister that the bottom of the concrete pad was not flat and the stump was 1 inch off centre. It provided more than the bearing surface required by the specification and by the controlling council. But what is the use of a wider sole plate base if it is placed on unpacked and loose earth. Subsidence is just as great as it would be if the base was of a smaller size.

We all make mistakes, but I cannot understand why this mistake was made by the chief architect. The Minister's letter reads—

The Chief Architect and another technical officer visited the owner's property and closely examined the stump and its pad. The Chief Architect states that the unevenness of the base of the concrete pad has been caused by the hammering of the concrete stump into the green concrete to gain its proper level. This is common practice. The extent of the unevenness found is not abnormal nor could it be considered faulty construction. Likewise, the fact the stump is one inch off centre could not be considered faulty construction.

The architect's report to the Minister continues—

It was known ever since the first inspection of the house that there was a space between the top of the stump and the bearer. This indicates that the stump has not settled by reason of any load imposed upon it.

The plain fact is that if there had been a further depth of six inches of concrete

as provided in the written specifications, it might have stood up to the weight of the bearer better. If it had had a firm base plate under it, it might have been able to retain its proper position. The stump which I have brought into the chamber is the offending stump.

I was amazed at the chief architect's explanation of the cause of the unevenness of the base of the concrete pads, as well as other statements he made, so I wrote a submission to the Minister in which I said—

I note the remarks of the chief architect following his examination of the extracted stump and its sole plate. My examination of the stump and sole plate to-day revealed it as a greater botch than I considered it to be when I previously examined it. It appears reasonable to believe that other stumps may be as bad or even worse. The chief architect's statement that the unevenness of the base of the concrete pad has been caused by the hammering of the concrete stump into the green concrete is untenable.

I now say that it is incomprehensible, that it indicates either incompetence, stupidity, or something worse because any honorable member with intelligence who cares to inspect the stump I have produced cannot but be convinced that my contention is right. I went on to say—

It is evident that six inches of concrete were poured into the foundation hole. The 4 inches by 4 inches concrete stump 2 feet 6 inches long was then placed on, or maybe into the concrete to a depth not exceeding 1 inch; little or no hammering being required. After the placing of the stump in position a further 6 inches of concrete was poured on top of the sole plate and surrounding the stump.

I also stated—

If the chief architect disputes this, I suggest the extracted sole plate be broken open. This would reveal the correctness of my diagnosis.

I asserted that, even if it were accepted that the stump was hammered into the green concrete, it would not have produced the unevenness of the concrete base or pad. I said that I would readily arrange a test to prove my assertions. My challenge was not accepted. The chief architect visited the place several times but never broke open the sole plate. I dug into it with a gad to ascertain whether my contention was right, and it was proved to be correct. The division's own sketch that was supplied by the Minister to me shows that six inches of concrete was poured into the hole. The stump was sat on top of

that six inches of concrete then another six inches of concrete was run around it, as was required by the specifications, and there was no hammering of the stump into the green concrete. Following the giving of that incorrect information by that man, I am unable—and so is the owner—to give any credence to all the letters that have been written since, dictated by either the director or the Minister, but certainly signed without question by the Minister, offering excuses for denying this soldier the justice of paying to him the full cost of restoring his home to a durable, sound condition.

It is true that the owner was offered an architect from a panel of architects, but is it fair to expect one architect to sit in judgment of another architect? I made my statement to the Minister on, I think, 10th April, and it took him fifteen weeks to answer it. Then it was revealed that the Public Works Department had been put on to the job to make what was called an independent investigation. When I was told this in a letter by the Minister, I sent a telegram to the Minister asking for access to this soldier's file. I asked the Minister to make available to me the report of the Public Works Department. The Minister refused to make it available. I then interviewed the Minister and asked for the report, but again I was refused. How can an investigation be independent if the complainant is not told what the terms of reference are, and if he is not supplied with the reports of the people who make the investigation? It is nonsense to suggest that it could be independent in those circumstances. What is even worse, the man who acted for the Minister in consulting with the Public Works Department was the man whose judgment was under challenge in connexion with this rotten job. I say that the reputation of this Government is at stake, and I suggest that an investigation be made by a judicial officer, not by an architect. Nor should it be made by an allied department, in which there may or may not be friends of the man whose supervision of the work is under challenge.

I can only say that the unfortunate people concerned are worthy citizens. An offer of a further loan was made to these people to repair the house. But these

repairs will cost a good deal of money, and if a loan is accepted these people will be saddled with a heavy interest burden for many years. The division said, "We are prepared to consider giving the owner another loan of £2,750 if he sells his home on the open market". Fancy asking a man to sell a crook home on the open market! Could he sell it honestly without telling people of its faults? Who wants to buy a home that has to be jacked up, and the studs of which are what is called racked? Every stud at the front of the dwelling is leaning so much that the windows cannot be shut. This condition cannot be rectified without pulling off all the plaster, taking away the cross timbering and pulling the studs back into position.

This man has no motor car although, being a skilled labourer, he has built a nice garage which he is using as a workshop. The way in which the place is kept is a credit to him. The only allegation made against him is that he put some dirt against a skirting board at a place where he wanted to grow some pansies. He is suffering what I consider to be a frightful injustice. He is being treated in a most un-British manner. He is being treated in this way largely because the Minister in control of this department refers matters such as this, which concern little men, to his officer, his adviser, whose advice I have proved to be false.

I have all the evidence here. The letters are available to the press of Australia or to any truly independent tribunal. This is an outrageous state of affairs. Fancy wanting the man to get out of the house which he treasures! His wife was born in the district and loves the area. And the department says, "We will give you a loan to repair something for which you are not responsible". In my opinion, the division is largely responsible for the trouble because it did not take steps to ascertain the peculiarities of the soil in the district. Nor did it insist upon some soil drainage on this low-lying site. Again, the division has yet to prove that it insisted upon giving 24 hours' notice in writing of intention to inspect the excavations before the sole plate was put in. The evidence as to whether the excavations were examined or not is in this Parliament. Why, the stump will not even stand on its own feet! It is supposed to have a flat,

straight base. The reason why it has not a flat, straight base is that the excavations were never cleaned out properly.

Mr. SPEAKER.—Order! The honorable member's time has expired.

Mr. BARNARD (Bass) [9.59].—The bill seeks to make two amendments to the War Service Homes Act. Although they are not opposed by the Opposition, they are not unimportant. The first relates to surplus moneys paid by way of instalments by ex-servicemen who have purchased homes under the War Service Homes Act. Ever since the inception of the act, it has been possible for ex-servicemen to pay in amounts additional to the normal monthly instalments if they wished to do so, and that practice has been accepted by all governments in the past. It appears now that the Attorney-General's Department has decided that this practice is not legal, and the bill before us proposes to legalize it. The Opposition believes that a successful applicant should, if he desires, be able to pay more than the normal instalments for the purpose of meeting rates and taxes or for the purpose of providing additions to his home later. The Opposition subscribes to this principle and therefore offers no objection to the proposal.

The Opposition does not offer any objection to the second proposed amendment. We believe that only persons eligible under the War Service Homes Act should receive the benefits of the act. I understand from the second-reading speech of the Minister for Social Services (Mr. Robertson) that in some States a practice has been adopted by which homes have been made available, by agreement or otherwise, to people other than those who are eligible under the act. The Opposition agrees that that practice should cease. The Minister has taken appropriate action, in which the Opposition concurs.

I agree with the honorable member for Lang (Mr. Stewart) that it is extremely unfortunate that very little opportunity is given to members for a full debate on the act. The honorable member for Lang endeavoured to direct attention to some anomalies which the Opposition believes should be adjusted. I suggest that those anomalies arise not from the act proper but from Government policy. I agree with

the statements of the honorable member for Lalor (Mr. Pollard). The Minister for National Development (Senator Spooner) who is in another place, is completely unsympathetic. Although nothing has been said on this side of the House from which one could infer that the department was unsympathetic, honorable members on both sides can show that the Minister has been completely unsympathetic in his approach to matters in which the circumstances vary slightly from those prescribed under the act. I have submitted such cases to the deputy director in Tasmania, and I know that similar cases have been submitted by other members. In turn, these cases have been submitted to the Minister for final decision and they have always been received unsympathetically if there was not complete conformity with the requirements of the act. The Opposition believes that the Minister and the Director of War Service Homes should have some power to give favorable decisions on matters that possibly do not come completely within the scope of the act.

I believe that the case submitted by the honorable member for Lalor substantiates my statement that the Minister has proved to be completely unsympathetic. The honorable member has shown quite conclusively that the home concerned was subject to certain movements to which other homes in the immediate vicinity were not subject. The department has a responsibility in this respect. Although the honorable member has continually, since representations were first made to him, referred this matter to the Minister and to the department, it has been unsympathetically received. I believe, as the honorable member for Lalor believes, that the owner in question, who has obtained a loan from the division, is entitled to some consideration as the situation is due, in part, to the action of the division.

I mention this merely to establish that such matters are not being received sympathetically. I could refer to other instances but time will not permit me to do so at this stage. The act is one of the most important to come under consideration from time to time by the Parliament, but it is notable that the Parliament has not

had the opportunity to discuss a war service homes measure for more than three years. Returned servicemen's organizations and other interested parties have repeatedly proposed that the maximum advance under the legislation be increased. I understand that the federal conference of the Returned Servicemen's League, to be held at the beginning of next week, will again have on the agenda an item requesting the Government to give immediate consideration to increasing the maximum amount of advance.

Mr. Falkinder.—I think the honorable member is wrong.

Mr. BARNARD.—The honorable member may dispute the point after I have completed my address. The act has been in force for 43 years, since 1918. It has been amended from time to time by various Governments but it has not been amended by this Government for more than three years. If I remember correctly, the maximum amount of advance was last increased in 1955. It is true that total allocations have increased from £30,000,000 to £35,000,000, but not during the life of this Parliament. We believe that there is a need for immediate consideration of these matters. Obviously, the maximum advance is far too low.

I suggest that the amount being provided by the Government this year for the purpose of war service homes construction is insufficient to meet applications submitted each year. Unquestionably, there exist in the minds of ex-servicemen, and particularly amongst returned servicemen's organizations, some misgivings on this Government's war service homes policy. A war service home may purchased in three different ways. For example, it may be a group home. Although no group home has been built in the Launceston area in Tasmania for more than three years, there is a group homes scheme by which an ex-serviceman has an opportunity of purchasing a home. Secondly, he may purchase a home that is already erected, whether it be a new home or one that has stood for a number of years, provided that it meets the requirements of the division. The third point is the right of an ex-serviceman to build according to his own wishes and requirements—subject of course

to the requirements of the War Service Homes Division in regard to plans and specifications—on land which he has purchased as a deposit. So there are three methods of purchasing a home through the War Services Homes Division, but the fact remains that because of the policy of this Government, not dictated by the terms of the act, but expressed through the responsible Minister in another place, applicants are being denied the opportunity to secure the types of homes to which I have just referred.

The Opposition believes that opportunity should have been accorded to us on this occasion to engage in full-scale debate on these matters. We are not alone in suggesting that there are anomalies in the War Service Homes Act which should not be allowed to continue. The Government has given no consideration to these matters at all. It has ignored the appeals made to it by interested ex-servicemen's organizations that the matters to which I have just referred—the maximum advance, for example—should be given immediate consideration. I hope, during the committee stage, to move an amendment to that effect and I will also take the opportunity to show that the maximum advance now available is certainly not sufficient to meet the average cost of a home to-day.

I have no desire to prolong this debate unnecessarily. I have already foreshadowed an amendment which I will move at the committee stage, and the Opposition will have the opportunity to debate that matter then. I will conclude as I commenced in this debate, by pointing out that there are matters concerning this act which are not being dealt with sympathetically by the Government, and certainly not in the generous way that the act originally intended. I have already referred to some of those matters and shall not recapitulate them at this stage. But I hope the Government will give earnest attention to the representations that have been made to it by ex-servicemen's organizations concerning the maximum advance, and that it will give consideration also to the amendment which I shall move in the committee stage.

We believe that not only this Government but also previous governments have promised the ex-servicemen that no lack of

finance would prevent them from receiving their entitlement under the War Service Homes Act. But the fact remains that today there are more than 20,000 applicants awaiting assistance through the War Service Homes Division, and that is due entirely to the fact that insufficient funds are now being made available yearly by the Government. These matters should be given consideration. Every ex-serviceman is entitled to receive a home through the War Service Homes Division, in any of the three ways I have mentioned, without the waiting period that has become customary under this Government. I believe these matters are worthy of consideration and I believe that, in view of the representations which have been made to honorable members on the Government side of the House, they will take the opportunity to support the amendment which will shortly be moved by the Opposition with a view to increasing the maximum advance to the figure which we think should apply to-day.

Mr. ROBERTON (Riverina—Minister for Social Services) [10.13].—in reply—I would like to offer my congratulations to the honorable member for Bass (Mr. Barnard) on the reasonable and reasoned contribution he has made to the debate. In his temporary absence from the chamber there was a point when this debate might have gone astray. Because of that, may I be permitted to remind the House that I introduced this bill some nine weeks ago, on 29th August, and took it to the second-reading stage. The adjournment of the debate was secured by the honorable member for Bass, and during the nine intervening weeks it would have been competent for any honorable member on either side of the House to approach the Government and suggest that the introduction of the bill might provide an opportunity for a full-dress debate on the general question of war service homes. But no such approach was made. This piece of legislation remained on the business-paper for nine weeks until to-night. Since I had gone to some pains to explain that the purpose of the bill was confined to two simple points designed to improve the legislation in the interests of those who qualify for war service homes, I drew the inference that the Opposition was perfectly satisfied

with that explanation and would be willing to confine the debate to those two points.

In the course of my second-reading speech—if I may be permitted to repeat two or three lines in order to pick up the threads of the original discussion—I said that the bill was confined to two matters. I added—

The first of these two matters concerns the principle that an ex-serviceman who makes payments to the War Service Homes Division in excess of his instalment during the term of his loan, may withdraw these excess amounts to meet the normal costs of ownership, to carry out repairs, make additions or alterations and conserve and increase his equity in his own property.

I pointed out that that system had, in fact, been in practical operation since 1933, but that recently it had been determined by the Attorney-General's Department that it would be more appropriate to write this provision into the act, and to that end this legislation was brought down.

The second matter concerned the principle, embodied in the act, which is intended to prevent the transfer of a war service home while the property is still subject to a security under the act, except with the consent of the director. The War Service Homes Act has contained provision to this effect ever since the legislation which originated the scheme was introduced in 1918. Both of these amendments have been accepted by the Opposition, so there is no cause for disputation and no room for conflict about the purposes of the bill.

No one could help being impressed by the sincerity with which the honorable member for Lalor (Mr. Pollard) repeated the representations he had made on behalf of the unfortunate Mr. Lockwood. I have had some discussions with the honorable member for Lalor and I know he has had some discussions with the Minister who is in charge of the War Service Homes Division. Perhaps I might be permitted to remind honorable members that I am not the Minister, that the Minister is in another place, and that in this House I proudly represent the Minister in charge of the War Service Homes Division. No one is in a better position than I to know from day to day how adequately the War Service Homes Division is being administered by both the Minister and the officers of the department.

As I have said, I was impressed by what the honorable member for Lalor had to say. Unfortunately and unhappily, there is always another side to a story, and since the Minister and the division have come under criticism, the other side ought to be made known, because the matter has not been concluded. I remind the House that it started when representations were made by the honorable member for Lalor on behalf of Mr. Lockwood at the beginning of the year. After superficial inspections and much correspondence, it was suggested to the honorable member for Lalor that the matter be referred to an independent arbitrator appointed by a panel of architects nominated by the Victorian Institute of Architects to determine whether the defects could be attributed to negligence on the part of the division in the preparation of the plans and specifications or because of faulty construction which should have been detected in the course of supervision. The division offered to pay the arbitrator's fees if Mr. Lockwood agreed to this course being followed. Unfortunately the honorable member for Lalor did not favor this proposal.

On 4th April, 1961, the Minister in charge of the War Service Homes Division, who is in another place, wrote to the honorable member for Lalor and gave him a summary of the technical aspects based on the advice furnished by the Chief Architect. The Minister suggested that the most appropriate course would be to refer the matter to an independent arbitrator, in all the circumstances. The honorable member for Lalor replied to the Minister's letter on 10th April 1961, listing a series of technical points concerning the construction of the stumps, &c. He claimed that the defects were due to faulty construction of the foundations, or to the fact that the division had failed to design foundations adequate to cope with the soil peculiarities of the districts. The honorable member for Lalor rejected the suggestion that the matter should be referred to an independent arbitrator. The various technical arguments raised by the honorable member for Lalor were examined in a report submitted by the Chief Architect, who stated

that he could not accept the honorable member's conclusions.

As a deadlock had been reached on the technical matters in dispute, and as the honorable member had rejected the proposal to refer the matter to an independent arbitrator, the Department of Works was requested to carry out an independent investigation and to furnish a report on the reasons for the subsistence of Mr. Lockwood's home. Comprehensive investigations were carried out on the site, and a most comprehensive report by a soils engineer was received on 4th July, 1961. The report, reduced as far as possible to non-technical terms, stated that on the evidence obtained in the course of investigations it was considered that the differential movement of the foundations had been caused almost solely by the highly expansive nature of the soil in association with the particular localized and variable moisture conditions occurring on the site. The report also stated that an assessment of the bearing capacity of the foundations provided had established that all footings were within the safe limits in regard to their bearing value imposed on the soil. In substance the report fully supported the views of the division's own Chief Architect.

As the report of the soils engineer clearly showed that the subsistence of Mr. Lockwood's home was not due to faulty construction of the foundations, but rather to the peculiarities of the soil in association with the particular localized moisture conditions occurring on the site, the Minister advised the honorable member for Lalor, in a letter dated 26th July, that responsibility could not be accepted on the ground that the foundations were not properly constructed. In regard to the honorable member's other contention that the division should accept the responsibility on the ground that it had failed to design foundations adequate to cope with the soil peculiarities of the locality, the Minister pointed out in his letter of 26th July that the normal inspection of Mr. Lockwood's home had been carried out by a technical officer before the specifications for the home had been prepared, and that two test holes were sunk. These tests did not disclose any tendency of the soil to erupt, and there was nothing to suggest that the normal kind of

foundations specified by the division would not be satisfactory. It was also pointed out that the footings specified by the division actually exceeded the requirements of the Victorian uniform building regulations which, according to written advice received by a qualified officer of the local council, appeared to be quite satisfactory in the area in which the home was constructed. The reasons why responsibility could not be accepted were fully set out in the letter of 26th July to the honorable member for Lalor. The letter also repeated offers made on previous occasions to assist Mr. Lockwood to carry out repairs by granting him an additional loan, or to grant him a second loan in respect of another home.

There the matter stands, and it is for the honorable member for Lalor, making representations on behalf of Mr. Lockwood, to convince the Minister and the officers of the War Service Homes Division. If he fails to do so, then there is nothing I can do in the matter, nor is there anything any other honorable member can do. So I suggest that the honorable member for Lalor apply himself to the task. Whether he can win the approval of the Minister and the officers of the division of an alternative proposal, I cannot say, but it is his manifest duty to try to do so. It is wrong for him to suppose that the matter has not been considered. There I let the matter rest.

Mr. Cairns.—Mr. Deputy Speaker——

Mr. DEPUTY SPEAKER (Mr. Failes).—Order! The Minister, in making his reply, has closed the debate. The question is, "That the bill be now read a second time".

Mr. Cairns.—Well, I do not think it is proper for the Minister to close the debate in this fashion.

Mr. DEPUTY SPEAKER.—Order! I have explained to the honorable member for Yarra that the Minister has closed the debate. The question is, "That the bill be now read a second time".

Mr. Cairns.—Mr. Deputy Speaker, I raise a point of order. Under what Standing Order is this procedure followed?

Mr. DEPUTY SPEAKER.—It is the usual procedure of the House.

Question resolved in the affirmative.

Bill read a second time.

Mr. Cairns.—Mr. Deputy Speaker——

Mr DEPUTY SPEAKER.—Is the honorable member for Yarra raising a point of order?

Mr. Cairns.—I am indeed.

Mr. DEPUTY SPEAKER.—What is the point of order?

Mr. Cairns.—The point of order is that when I, as a member of this House, ask you a question——

Mr. DEPUTY SPEAKER.—Order! The honorable member may not canvass the ruling of the Chair.

Mr. Cairns.—I am not canvassing the ruling of the Chair.

Mr. DEPUTY SPEAKER.—The honorable member will resume his seat.

Mr. Cairns.—Very well.

In committee:

Clauses 1 to 6—by leave—taken together.

Mr. POLLARD (Lalor) [10.31].—I just want to say to the Minister for Social Services (Mr. Robertson) that the lies that have been told in this instance are typical. At no time was the offer of an independent arbitrator refused. Nor did the Minister allege in any correspondence that it was refused. It was not viewed with favour; that is true. An offer to pay the arbitrator's fee was made. In the presence of the Minister, the Director of War Service Homes was asked what that would cost and he replied that it would cost 30 to 40 guineas. The Minister, to his credit, said, "I would sooner give it to the ex-serviceman". But how does the unfortunate ex-serviceman get on? He would require an advocate to deal with the matter. The War Service Homes Division has its legal advisers at its disposal. Why does not the Minister offer to pay the ex-serviceman's costs? If he did that, he might be able to talk turkey.

Mr. Robertson.—The division offered to pay the arbitrator.

Mr. POLLARD.—But how does the ex-serviceman conduct his case without an advocate? This is a highly technical matter. If he lost he would be up for 100 guineas or more. What does it cost to get a barrister or advocate? The Minister does

not understand the elementary principles of British justice.

Mr. CAIRNS (Yarra) [10.32].—Mr. Chairman, I do not think that, in the circumstances, we can agree to these clauses. The Minister for Social Services (Mr. Robertson) has read in some detail this evening an answer to the case made by the honorable member for Lalor (Mr. Pollard).

The CHAIRMAN (Mr. Lucock).—Is the honorable member referring to a speech made by the Minister at the second-reading stage?

Mr. CAIRNS.—I am speaking to clauses 1 to 6 of the bill. May I say that this matter is completely relevant to these clauses, and the Minister has treated it as being relevant in relation to what the honorable member for Lalor has said. I think that I am quite entitled to answer the Minister.

Mr. Howson.—Which clause is the honorable member dealing with?

Mr. CAIRNS.—The honorable member may be happy to know that I am dealing with clauses 1 to 6.

This matter has reached a stage at which a certain point requires to be resolved. The person who owns the house and who is in this difficulty would be faced with legal expenses if he were represented before an independent arbitrator although the arbitrator's fees would have been paid without expense to the ex-serviceman. He could not easily oppose the War Service Homes Division. The implication of the Minister in answer to what the honorable member for Lalor has just said in committee, obviously, is not correct. The position is not as the Minister put it. He said that Mr. Lockwood would not agree to the matter being resolved on the basis which has been mentioned, but that is not so. Mr. Lockwood was not asked to agree to that.

The CHAIRMAN.—Order! The honorable member is not in order in dealing with this subject-matter in relation to clauses 1 to 6. It was discussed at the second-reading stage and has no relation to the clauses now before the committee.

Mr. POLLARD (Lalor) [10.34].—Mr. Chairman, the Minister's offer to give the ex-serviceman the opportunity to obtain

another loan, if one looks at it sensibly, is seen to be an extremely mean proposition. The ex-serviceman is faced with the difficulty of selling a defective dwelling on the open market, and he could easily lose £1,000. If the War Service Homes Division would offer to let him sell his property on the open market, and to make up the difference if he incurred any loss, and then to finance the construction of a similar dwelling with sewerage and other facilities comparable with those in the existing dwelling, that would be a decent offer. Is it just to suggest that the ex-serviceman ought to sell the house and face a loss of considerable proportions? Is that justice? Would the Director of War Service Homes or the Minister like to be placed in such a position?

Let me now deal with the offer of a loan to repair the damage to the dwelling. I have not stated what the division's estimate was, because the owner is endeavouring to get a contractor to repair the damaged foundations. The estimated cost runs into three figures. Lord only knows what will be the cost of stripping off the weatherboards and the plaster and putting everything back in position. Is there any justice in the proposal made by the division? It states that having regard to the nature of the sub-soil, the house was durable, sound, and so on. What happened? The only allegation against the owner is that he put several inches of soil around the base of the house. Everybody does that in order to grow a few pansies or something of the sort. The division's attitude is ridiculous, contemptible and paltry in the extreme, in the absence of any other allegation against the owner and of any cause other than the peculiarity of the soil which might have resulted in the damage that occurred. What did cause the house to become as it is now? There is not one allegation against the owner. The War Service Homes Division built the dwelling according to its own specifications. Why does it not do the decent thing now?

Clauses agreed to.

Proposed new clause.

Mr. BARNARD (Bass) [10.37].—I move—

That the following new clause be inserted in the bill:—

"2A. Section twenty-one of the Principal Act is amended by omitting from sub-section (1) the

words 'Two thousand seven hundred and fifty pounds' and inserting in their stead the words 'Three thousand five hundred pounds'.".

The effect of this amendment will be to increase the maximum advance from £2,750 to £3,500. The Opposition contends that £2,750 is not enough to meet the average cost of a home and, indeed, falls far short of it. The Government's attention has been directed to this fact by the Director of War Service Homes himself in his annual report for the year 1959-60, in which he stated—

The figures show that the trend away from assistance to build a home towards assistance to purchase an already erected home referred to in earlier reports has continued. Many factors have contributed to this, but undoubtedly increasing building costs and the phenomenal rises in the prices being paid for building blocks are significant factors.

The only interpretation that the Opposition or, indeed, any Government supporter, including the Minister, can put on that statement by the director is that the maximum advance is not sufficient to enable ex-servicemen who are eligible under the terms of the War Service Homes Act to obtain from the division sufficient finance to build a home.

The maximum advance has remained at £2,750 since 1951. In that year the maximum advance for the construction of a new home was increased from £2,000 to £2,750. In 1954, the maximum advance was increased to £2,750 for existing dwellings as well. As I pointed out at the second-reading stage, £2,750, obviously, is far below the amount that any ex-serviceman requires for a home to-day, having regard to the tremendous increase in the average cost of houses. Anybody who wants substantiation of that fact will find it at page twenty of the last available annual report of the Director of War Service Homes—that for 1959-60—which shows that the average cost of a home has substantially increased in recent years in all States. I shall refer to only one or two of the States, but the position is the same in all of them. According to this report, the average cost of a home in New South Wales in 1954-55 was £3,386, and in 1959-60 the average cost of dwelling house and land was £3,949—an increase of almost £600 in five years. But the maximum advance, which was £2,750 in

1954-55, was still £2,750 in 1959-60 and is still £2,750 in 1961. In South Australia the average cost of a home in 1954-55 was £3,276 and to-day it is £4,190—an increase of about £900. In Tasmania, the increase was from £3,159 in 1954-55 to £3,595 in 1959-60—an increase of about £400.

The figures for the Australian Capital Territory show how hopeless it is for an ex-serviceman to try to secure a property in this Territory under the War Service Homes Act unless he can pay a very substantial deposit. The average cost of a home in the Australian Capital Territory has increased from £4,153 to £5,638 between 1954-55 and 1959-60. This is for the dwelling only, and not for the dwelling and the land. This is an increase in those five years of £1,500. Yet the maximum advance under the act has remained stationary since 1951.

This is a matter that has been raised in the Parliament again and again. I have not moved the amendment merely as a way of stating the Opposition's opinion on the matter. My amendment, as I have said, has the full support of all the returned servicemen's organizations in Australia. Year after year at the annual conferences of the Returned Servicemen's League and other ex-servicemen's organizations there are agenda items urging that the maximum advance be substantially increased. The motions passed at these conferences are communicated to the Government in the form of submissions to the responsible Minister, but they have been rejected consistently. The Government is completely unsympathetic to the need to increase the maximum advance in accordance with the increase that has occurred in the average cost of homes.

In those circumstances it is not astonishing to find that the number of people awaiting assistance from the War Service Homes Division remains static from year to year at about 20,000. Applicants are not being assisted at the rate that the Opposition thinks they should be. This is not entirely due to the increase in the amount of deposit that an ex-serviceman would need for a home; it is also due to the fact that the Government has imposed

other restrictions. It has imposed a waiting period. I submit that the reason for the waiting period imposed by the Government is that an insufficient total sum is being made available each year for loans by the War Service Homes Division. The amount is now £35,000,000, according to the last Budget, and it has been stationary at that figure for several years. It increased to its present figure from £16,000,000 in 1949. The amount made available has slightly more than doubled, but the average cost of a home has far more than doubled since 1949. The Opposition contends that the appropriation for this purpose should be increased, and I know there are honorable members on the Government side who agree with that view. They must know that the appropriation is far too low, which is preventing many ex-servicemen from obtaining war service homes. I do not want to reiterate the point already made by the director, who has brought to the attention of the Government the fact that in his opinion—I can place no other interpretation on the statement I have quoted earlier—the money advanced is insufficient.

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

Mr. HOWSON (Fawcett) [10.47].—I should like to direct the attention of the honorable member for Bass (Mr. Barnard), who said that many people would like to see the maximum advance raised from £2,750 to £3,500, to the fact that there are just as many people who would be very happy to accept a loan of £2,750. Is it not right that people who have saved money towards a deposit on a house should be lent £2,750? The honorable member for Bass is interjecting now. There were no interjections from me while he was speaking.

Mr. BARNARD.—You were interjecting on me.

Mr. HOWSON.—I did not interject on the honorable member for Bass, Mr. Chairman. I think he is quite in error in saying so. He is wrong in thinking that I would be game enough to interject on him tonight. I may have done so on other occasions, but when he was speaking with such vehemence and such effect I would

not have dared to interject. Surely nobody would think that I would try to interject on such an erudite person.

There are a large number of people in my electorate, whom I know, who would be very glad of a loan of £2,750. These are people who have already gone out of their way to save money for a home. Is it not right that we should help them before we should think of helping the people for whom a loan of £2,750 would not be sufficient and who would require a loan of £3,500? Surely it is better that we should help people who have saved to give themselves a stake in the country.

Mr. Whitlam.—In other words, you want to help those who need the least help.

Mr. HOWSON.—I think it is better to help people who have shown that they are prepared to help themselves instead of expecting the state to do everything for them. Surely we can help more people if the loan is £2,750 than we will be able to help if the loan is £3,500. Surely it is better for the Government to help as many people as possible. I am sure that honorable members opposite know that there is no waiting period for people who want to build a new home now. Anybody who has gone out of his way to save for a home will get a home. Is it not better to help those people first? Is that not better than having a smaller number of applicants building on a loan of £3,500? The Opposition should look at this matter a little more closely and study the facts as they are now, rather than offer this wonderful theory we get perennially from the honorable member for Bass and the honorable member for Shortland (Mr. Griffiths).

Mr. Barnard.—And you just as consistently oppose them.

Mr. HOWSON.—I do, because I believe in helping those who are prepared to help themselves rather than those who expect the state to help them time and time again.

Mr. Barnard.—You repeat the Government line.

Mr. HOWSON.—It may be the Government line, but I believe it is the line taken by the majority of my constituents and those I represent in this chamber.

Mr. Whitlam.—How many of them want war service homes?

Mr. HOWSON.—I have as many constituents as any honorable member opposite. I simply say that I think members of the Opposition should look at the practical situation rather than at what they would like it to be in theory. In my opinion, a vote should be taken against the amendment at once.

Mr. WHITLAM (Werriwa) [10.52].—I support the amendment. The honorable member for Fawkner (Mr. Howson) is advocating a means test for applicants for war service homes. He is advocating—

Motion (by Mr. Robertson) put—

That the question be now put.

The committee divided.

(The Chairman—Mr. P. E. Lucock.)

Ayes	54
Noes	29
Majority		—
Majority		25

AYES.

Adermann, C. F.	Holt, Harold
Anderson, C. G. W.	Howson, P.
Anthony, J. D.	Hulme, A. S.
Aston, W. J.	Jess, J. D.
Bandit, H. N. C.	Kelly, C. R.
Barnes, C. E.	Kent Hughes, Sir Wilfrid
Barwick, Sir Garfield	Killen, D. J.
Bury, L. H. E.	King, R. S.
Cameron, Dr. Donald	Lindsay, R. W. L.
Cash, E. D.	Mackinnon, E. D.
Chaney, F. C.	McMahon, W.
Chipp, D. L.	Murray, J.
Chresby, A. A.	Opperman, H. F.
Davidson, C. W.	Osborne, F. M.
Davis, F. J.	Robertson, H. S.
Dean, R. L.	Snedden, B. M.
Downer, A. R.	Stokes, P. W. C.
Drummond, D. H.	Swartz, R. W. C.
England, J. A.	Townley, A. G.
Failes, L. J.	Turner, H. B.
Falkinder, C. W. J.	Wentworth, W. C.
Fox, E. M.	Wheeler, R. C.
Fraser, Malcolm	Whittorn, R. H.
Freeth, G.	Wilson, K. C.
Halbert, H. V.	Tellers:
Hamilton, L. W.	Pearce, H. G.
Hasluck, P. M.	Turnbull, W. G.
Haworth, W. C.	

NOES.

Barnard, L. H.	Haylen, L. C.
Beaton, N. L.	Johnson, L. R.
Bryant, G. M.	Jones, C. K.
Cairns, J. F.	Luchetti, A. S.
Clay, L. D.	Makin, N. J. O.
Cone, J. F.	O'Connor, W. P.
Costa, D. E.	Peters, E. W.
Courtney, F.	Pollard, R. T.
Crean, F.	Reynolds, L. J.
Daly, F. M.	Russell, E. H. D.
Davies, R.	Ward, E. J.
Fraser, Allan	Whitlam, E. G.
Fulton, W. J.	Tellers:
Griffiths, C. E.	Duthie, G. W. A.
Harrison, E. James	Stewart, F. E.

PAIRS.

Menzies, R. G.	Calwell, A. A.
Erwin, G. D.	Lawson, George
Bowden, G. J.	Galvin, P.
McEwen, J.	Minogue, D.
Page, Sir Earle	Uren, T.
Holten, R. M.	Curtin, D. J.
Fairbairn, D. E.	Sexton, J. C. L.
Browne, P. G.	Beazley, K. E.
Wight, B. M.	Riordan, W. J. F.
Jack, W. M.	Kearney, V. D.
Cramer, J. O.	Bird, A. C.
Cleaver, R.	Cameron, Clyde
Buchanan, A. A.	Clark, J. J.
Bate, Jeff	Thompson, A. V.
Allan, Ian	McIvor, H. J.
Drury, E. N.	James, A. W.

Question so resolved in the affirmative.

Question put—

That the new clause proposed to be inserted (Mr. Barnard's amendment) be so inserted.

The committee divided.

(The Chairman—Mr. P. E. Lucock.)

Ayes	30
Noes	55
<hr/>			
Majority	25
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AYES.

Barnard, L. H.	James, A. W.
Beaton, N. L.	Johnson, L. R.
Bryant, G. M.	Jones, C. K.
Cairns, J. F.	Luchetti, A. S.
Clay, L. D.	Makin, N. J. O.
Cope, J. F.	O'Connor, W. P.
Costa, D. E.	Peters, E. W.
Courtney, F.	Pollard, R. T.
Crean, F.	Reynolds, L. J.
Daly, F. M.	Russell, E. H. D.
Davies, R.	Ward, E. J.
Fraser, Allan	Whitlam, G. E.
Fulton, W. J.	
Griffiths, C. E.	
Harrison, E. James	Tellers:
Haylen, L. C.	Duthie, G. W. A.
	Stewart, F. E.

NOES.

Adermann, C. F.	Haworth, W. C.
Anderson, C. G. W.	Holt, Harold
Anthony, J. D.	Howson, P.
Bandit, H. N. C.	Killen, D. J.
Barnes, C. E.	King, R. S.
Barwick, Sir Garfield	Hulme, A. S.
Buchanan, A. A.	Jess, J. D.
Cameron, Dr. Donald	Kelly, C. R.
Cash, E. D.	Kent Hughes, Sir Wilfrid
Chaney, F. C.	Lindsay, R. W. L.
Chipp, D. L.	Mackinnon, E. D.
Chrysby, A. A.	McMahon, W.
Cleaver, R.	Murray, J.
Davidson, C. W.	Opperman, H. F.
Davis, F. J.	Osborne, F. M.
Dean, R. L.	Roberton, H. S.
Downer, A. R.	Snedden, B. M.
Drummond, D. H.	Stokes, P. W. C.
England, J. A.	Swartz, R. W. C.
Failes, L. J.	Townley, A. G.
Falkinder, C. W. J.	Turner, H. B.
Forbes, A. J.	Wentworth, W. C.
Fox, E. M.	Wheeler, R. C.
Fraser, Malcolm	Whitorn, R. H.
Freeth, G.	Wilson, K. C.
Halbert, H. V.	Tellers:
Hamilton, L. W.	Pearce, H. G.
Hasluck, P. M.	Turnbull, W. G.

PAIRS.

Calwell, A. A.	Menzies, R. G.
Lawson, George	Erwin, G. D.
Galvin, P.	Bowden, G. J.
Minogue, D.	McEwen, J.
Uren, T.	Page, Sir Earle
Curtin, D. J.	Holten, R. M.
Sexton, J. C. L.	Fairbairn, D. E.
Beazley, K. E.	Browne, P. G.
Riordan, W. J. F.	Wight, B. M.
Kearney, V. D.	Jack, W. M.
Bird, A. C.	Cramer, J. O.
Cameron, Clyde	Bate, Jeff
Clark, J. J.	Allan, Ian
Thompson, A. V.	
McIvor, H. J.	
James, A. W.	

Question so resolved in the negative.

Title agreed to.

Bill reported without amendment; report adopted.

Third Reading.

(Motion (by Mr. Robertson)—by leave—proposed.

That the bill be now read a third time.

Mr. BEATON (Bendigo) [10.6].—I should like to take this opportunity to discuss briefly what I might term the case of the unknown soldier. The case was ably put by the honorable member for Lalor (Mr. Pollard). His presentation of what may be called exhibit A, the stump, may have been a little unorthodox, but it reflects his sincerity and his belief that a grave injustice has been done.

Mr. SPEAKER (Hon. John McLeay).—Order! I direct the honorable member's attention to the fact that the motion before the House is for the third reading of the bill. He should confine his remarks to the bill.

Mr. BEATON.—I want to mention the proposal that the Minister put. He suggested that an independent architect should arbitrate on the matter. The honorable member for Lalor rightly expressed his doubt that an architect would, in effect, pass judgment on another architect, for that is what this would mean. The ex-soldier would be required to pay the fees of the independent architect, if the decision went against him. He is a labourer and such an expense would be far beyond his means. The Minister spoke of the evidence of soils and in particular referred to the "highly expansive nature of the soils". I suggest the compacting of the soil under the stump and not the expansion of the soil was the cause of the subsidence.

I have had the assistance of the War Service Homes Division in building my home and I am indeed very appreciative

of this help. I paid inspection fees, as the ex-soldier did, and I ask: Why are they paid? It is my understanding that the War Service Homes Division has to approve the plans and specifications and the site. If the site on this occasion was approved and if the Minister's contention about the soil is correct, the site was approved in error. No proof was given by the Minister that the stump holes were inspected, as is required. We know that this is so because of the evidence that was in the House a short time ago. We had the stump here. It was dug out with a mattock and shovel by the honorable member for Labor and brought here in his own vehicle. I submit that justice does not appear to have been done.

Question resolved in the affirmative.

Bill read a third time.

PRINTING COMMITTEE.

Mr. KING.—I present the third report of the Printing Committee.

Report read by the Acting Clerk, and—by leave—adopted.

BILLS RETURNED FROM THE SENATE.

The following bills were returned from the Senate:—

Without requests—

Customs Tariff Validation Bill 1961.

Without amendment—

Coal Loading Works Agreement (New South Wales) Bill 1961.

Railway Agreement (Queensland) Bill 1961.

Railway Equipment Agreement (South Australia) Bill 1961.

PETROLEUM SEARCH SUBSIDY BILL 1961.

Second Reading.

Debate resumed from 4th October (vide page 1619), on motion by **Sir Garfield Barwick**—

That the bill be now read a second time.

Mr. ALLAN FRASER (Eden-Monaro) [11.13].—This bill, amending the act of 1959, proposes to extend the scope of the oil search activities to which the subsidy has been applied and also extends the time during which subsidies are to be paid to

1964, including provision that work approved prior to June 1964 can receive subsidy until 1965. The bill introduces a new element in that it is contemplated that the subsidy may be granted on the basis of footage drilled instead of being based on a percentage of cost.

We have been told that departmental expenditure on oil search this year will be increased by about £500,000 to £1,400,000. Similarly the annual subsidy is to be increased by £1,300,000 to £2,700,000 this year.

While the Opposition supported the 1957 and 1958 bills as making some contribution to general knowledge in furthering the search for oil in Australia, we opposed the 1959 bill because we felt that the provision being made by the Government was utterly inadequate to meet the needs of the situation and because we felt that the Government should use its funds for more basic activity leading to the locating of targets for oil drilling. Our views in this matter have not changed. Indeed the passage of time has emphasised the need to intensify greatly the search for oil in Australia.

We believe that in preference to subsidizing private companies the Government should itself take the lead in conducting this search for oil in this country. It should accelerate that search by developing the activities of the Bureau of Mineral Resources in mapping, geological and geophysical surveys and in drilling for oil by staffs directly employed by the Government. In addition to this, the Government should develop research in the production of oil from coal and shale.

On behalf of the Opposition I shall move an amendment to the motion for the second reading to this effect, and if it is defeated we shall vote against the bill.

In short, the Labour Party holds that we should ensure not only that the search for oil should be conducted with the utmost vigour as a public activity rather than as a private activity, but also that when oil is found in Australia it should remain the property of the Australian people and not pass into the control of the great private oil interests which have exploited already so much of the oil resources of so many

countries for their own immense enrichment. We should make sure that that does not happen in this country.

Oil is a most suitable commodity to form the basis of a publicly owned enterprise, from the conduct of the surveys and the drilling for the oil right up to the point of refining and distribution to the retail sales outlets. Every one realizes in a general way the threat to national security in the fact that we are totally dependent on overseas supplies of oil. It is also generally agreed that the cost of importing oil is a heavy burden on our overseas trade balances. The actual figures sharpen this realization to an extraordinary degree. They show that on both grounds the solving of this problem of finding oil in Australia is a matter of vital urgency, and that, by comparison the steps which the Government is taking towards finding oil are farcically short of what is required, and ridiculously short of what is being done in other countries—in countries that already have oil.

The demand for petroleum products in Australia has more than doubled since 1950, when it was 4,900,000 tons, until to-day it is just over 10,000,000 tons a year.

Mr. Halbert.—Who wrote this speech?

Mr. ALLAN FRASER.—I write all of my speeches before I bring them into this House because I like to present a clear statement of facts to the Parliament. I wrote this speech in the early hours of this morning.

At present petroleum products provide about 39 per cent. of Australia's energy requirements compared with only 28 per cent. ten years ago. Indeed, petroleum products are supplying practically all of the annual increase in this nation's energy consumption.

In money terms the import of petroleum is now costing Australia about £140,000,000 a year. That figure is made up of £105,000,000, representing the total cost of petroleum imports, less about £22,000,000 representing the value of our exports from our local refineries, plus the extraordinary annual cost of £30,000,000 for overseas freight of our oil imports plus £5,000,000 for coastal freight.

These immense freight costs reflect, of course, the tragic fact that there is not even one oil tanker operating under the Australian flag so that all transport becomes a charge against our overseas funds. But apart from the very heavy inroads which these charges make upon our foreign exchange is the even more desperate fact that because we are completely dependent on outside sources for oil our defences of this country are exactly as vulnerable as sea traffic is in war time.

The gravity of the position is underlined by the rapidly increasing consumption of oil in Australia in the post-war years. Australia's oil consumption is now doubling every nine years. The cost of oil already represents almost 10 per cent. of the cost of all our imports. The figures indicate that this percentage will continue rapidly to increase. We simply cannot afford to go on pouring out money to import oil while it is certain that oil exists in Australia, and can be found in commercial quantities if we are prepared to apply ourselves seriously to the search for it. Further, the position is that an enemy who could cut our sea lanes could paralyse Australia industrially within a matter of weeks.

In that situation, the Government should be making the search for oil a matter of utmost priority. It should be devoting a very substantial proportion of the defence expenditure to the search. Instead, the Government is fast asleep on the matter of the search for oil in Australia. The scale of its contribution is infinitesimal in relation to the values which are at stake. Judged by the measure of its oil-search efforts, the Government's attitude apparently is that it does not really matter whether oil is found in Australia, but it must make some sort of a gesture because it has been prodded into doing so. The Government's attitude bears no relation whatever to the reality that lack of local supplies of oil is eating into the heart of our economy and, in an emergency, could bring Australia swiftly to total disaster.

Let us look more closely at this position for a moment. It is generally recognized that the desirable minimum oil reserves

are the equivalent of twenty years' requirements. On the basis of the consumption trends which I have quoted, Australia needs, at present, reserves of 4,800,000,000 barrels. Making the allowances which the experts consider necessary for porosity and so on, this means that we need to discover oil pools with a total reservoir volume of 12,000,000 acre feet before we can be satisfied that we have sufficient oil even for our immediate needs. By 1970, if the consumption of oil in Australia continues to increase at the present rate, the basic reserve requirement will be 11,000,000,000 barrels or 27,000,000 acre feet of reservoir. That, of course, makes no allowance for export or for the greater use of oil which is certain to occur once it is locally produced. Many people were astonished that the tested production rate of about 50 barrels a day at Cabawin was not regarded as commercial production—that is, was not regarded as profitable.

I want to deal for a moment with this aspect of the cost that is involved in the profitable search for oil and to relate that cost to the very small amount the Commonwealth is contributing from Consolidated Revenue—from national funds—towards this very costly business of obtaining oil in commercial quantities. The costs that oil-men consider in deciding profitability include the cost of drilling the producing well, the cost of providing collection and storage facilities, and the cost of transport between the well and the marketing points as well as a proportion of the exploration costs up to the stage of discovery. When they have added all those up, they double the total so as to provide, for future exploration, an amount equal to all the costs that have been involved in bringing that particular oil well into production.

Cabawin was adjudged non-commercial or non-profitable because the cost of drilling the well was more than the value of five years' production, and because the value of total oil recoverable by the well from the surrounding 40 acres was less than the cost of drilling the well. In those circumstances, the oil industry does not regard bringing the oil out of the ground as worth-while. Similarly, apparently, so far as I know, Rough Range was adjudged

non-commercial because the volume of the pool is so small that not enough wells can be drilled to obtain sufficient production to cover all the capital costs involved, reckoned on the very high basis that I mentioned a moment or two ago. On the other hand, the gas wells in Papua could become commercial at any time if the gas could be used for power generation in a large industry such as aluminium production, or if market requirements in Australia were large enough to justify its liquefaction and the use of refrigerated tankers to bring it to this country.

Oil exploration costs are high in Australia compared with those in the United States of America and Europe, where equipment and services are readily available. I am informed that the adequate exploration of a single four-mile sheet area—that is, an area roughly 100 miles by 65 miles—in a sedimentary basin on the Australian mainland would cost about £3,300,000, or £500 a square mile. The detailed figures on that indicate the tremendous number of surveys which, under modern methods, are now undertaken. They include seismic surveys and test drilling in not less than twelve bores to a depth of 10,000 feet. When that exploration has been made, it gives a clear picture of the geology and the oil prospects of the particular area. In very fortunate circumstances, it may actually result in the finding of a pool of oil. At least, the extent of the prospect of an oil pool occurring will be reasonably clear, although much more test drilling may still be required to be done there in the area, in which over £3,000,000 has already been spent in surveys and exploration, before any pools are found, if they are finally found—and, of course, they may not be.

In the more inhospitable areas such as the Central Canning Basin, the New Guinea rain forests and off-shore areas, the cost of such exploration may be of the order, not of £3,000,000, but rather of £10,000,000, or even £15,000,000. That is the cost of exploring a single area. I quote those figures because they put into proper perspective the intention of the Government to spend altogether, in the present financial year, about £4,000,000 on prosecuting the search for oil in Australia.

The point that I am leading to is that the cost, not necessarily of finding oil, but of the essential preliminary exploration of all the basins on the Australian mainland, will be of the order of £500,000,000. The cost of similar exploration in New Guinea would be another £200,000,000 at least. It is in the light of these totals that the Government's current intention to spend £1,400,000 on oil search and £2,700,000 on oil subsidy is to be judged. In the light of the work to be performed, the Government's proposals are insignificant; in the light of the drain of oil imports on our overseas reserves, the proposals of the Government are paltry; and in the light of the threat to our national security, the Government's proposals are truly tragic. It would be much more in accord with reality if the Government were providing, not £4,000,000 a year, but at least twenty times that much for oil search. The Attorney-General smiles. He thinks that is ridiculous. Let me cite figures to show what is being done in other countries. The four-year plan for the search for oil in Australia issued by the Australian Petroleum Exploration Association shows that in 1960 only 22 wells were drilled throughout Australia. By way of comparison, let us see what happened in Canada and the United States of America, both of which already have surplus oil production. In 1960, when we drilled 22 holes, Canada drilled 920 exploratory wells and the United States of America drilled 11,704 exploratory wells.

Mr. Chresby.—You are out of date. I quoted those figures in the House a couple of months ago.

Mr. ALLAN FRASER.—They are very important. They bear being quoted again. The honorable member for Griffith will know the significance of the term "exploratory wells".

Mr. Chresby.—I do.

Mr. ALLAN FRASER.—In Canada and the United States probably four times as many wells as that were drilled. I have simply quoted the number of exploratory wells.

Mr. Chresby.—They are all shallow wells.

Mr. ALLAN FRASER.—I hope the honorable member does not mind my quoting the figures which he says he quoted in this place some time ago. At least he will agree that the provision which is being made by the Australian Government for the search for oil is quite paltry and insignificant in relation to the need to find oil in this country and in relation to what is being done in other countries. I do not know whether the honorable member quoted the figures relating to Communist China. Communist China, with a sedimentary area equal to about 20 per cent. of that in Australia, currently has 900 exploratory teams and 480 rigs in use.

The "Financial Review" of 14th September contains an article by J. G. Fuller, who will be recognized by my friend opposite as being an authority on this matter. Mr. Fuller said—

In 1960 Australia's total exploratory effort was the equivalent of approximately one day's exploration in the United States of America.

That is in spite of the fact that our need for and our dependence upon oil are infinitely greater than is the case in the United States of America, which has within its boundaries about one-third of the total crude oil resources of the world. We in Australia are not even using the full services of the seismic survey crews that are available to us. Those men are standing by; some of them are idle and some are working part-time. It is essential that we should employ them to the full. The urgent, immediate need is to have a supply of targets ahead of drilling activity. It is claimed that if the seismic crews now in Australia were fully employed some 35 or 40 targets a year could be found, giving a real prospect of some success in the search for oil. It seems to be almost criminal, in the light of our desperate need to find oil, that any seismic survey crew should be idle.

A little while ago I referred to the Australian Petroleum Exploration Association's four-year plan for Australia. I now quote this paragraph—

There are in Australia at present fourteen commercial seismic crews which, fully employed, would cost £2,500,000 annually. The number of crews could be readily doubled or trebled as the need arose. Those crews would be expected to uncover 35 drilling targets per year. The higher rate of seismic subsidy suggested above for the

next two years is designed to overcome a currently desperate position. So far from seismic being two years ahead of the drill with a respectable number of drilling targets established as of now, the fact is that at the end of July—

The association is referring to July, 1961—there will not be one drilling target delineated by detailed seismic with established closure ready for the drill.

That is an extraordinary indictment of the Government for its failure to make an energetic effort to find oil in this country.

This is the other side of the picture: What would happen if a subsidized drilling company did produce commercial oil in Australia? The Minister for National Development is empowered to make arrangements with these companies, but the legislation does not provide what shall be set out in those agreements. I understand that the agreements which the Minister has made provide that if a private company finds commercial oil in Australia it must refund to the Australian Government the amount which the Government has paid by way of subsidy. What an extraordinarily generous provision that is for the company at the expense of the Australian taxpayer! It is just like my making an arrangement with the Minister for Labour and National Service (Mr. McMahon), who is now at the table, to share the cost of a ticket in a £100,000 lottery on the condition that if we won I would refund to him half of the cost of the ticket and I would take the £100,000. The Government is putting up approximately half of the cost of drilling operations in Australia. If drilling operations succeed, the Government will get back merely what it put up and the private company will reap the whole of the benefit.

Mr. Chresby.—That is not correct.

Mr. ALLAN FRASER.—Perhaps the honorable member will be able to explain later what is not correct about it. The position is that, if a private company found commercial oil in Australia, it would be required to pay to the Government the amount which the Government has advanced to it by way of subsidy.

Mr. Chresby.—What about the taxation angle?

Mr. ALLAN FRASER.—Don't be silly? I am saying that, although we put up half

the cost of finding the oil, all we would get back would be that half of the cost; but the immense riches that may flow from the finding of the oil would all belong to the private company which had put up the other half of the cost. The company would get the lot; the Australian taxpayer would get nothing.

The position would be bad enough if these companies were controlled by Australian interests. The fact is that 80 per cent. of the oil leases in Australia are now under the domination or control of foreign corporations. I expect that the honorable member for Griffith will not deny that.

Mr. Buchanan.—That is not correct.

Mr. ALLAN FRASER.—It is not 80 per cent.?

Mr. Buchanan.—No.

Mr. ALLAN FRASER.—Perhaps the honorable member knows better than I, but my impression is that the Union company and the Kern County organization have acquired an overwhelming share of the Australian shareholding in Australian Oil and Gas Corporation Limited.

Mr. Buchanan.—You are right there. Eighty per cent. of that lease has been acquired. But the figure for the whole of Australia is not 80 per cent.

Mr. ALLAN FRASER.—The information available to me is that foreign corporations now control or own 80 per cent. of the oil leases in Australia.

Mr. Cairns.—Do you dispute that?

Mr. Buchanan.—Yes.

Mr. ALLAN FRASER.—We are putting up half the cost of the search for oil, but if oil were found in commercial quantities a tremendous national resource would pass into foreign hands and we would find ourselves in the position in which so many other countries have found themselves when their oil resources have been exploited to enrich a few American multi-millionaires. The people of Australia would obtain no benefit from the discovery of oil. When account is taken of the £2,000,000,000 which this Government has

spent on so-called defence, much of it having been wasted and there being nothing whatever left to indicate such expenditure—

Mr. Anderson.—That is absolute rubbish.

Mr. ALLAN FRASER.—The honorable member for Hume says that that is rubbish. I say that of the amount of approximately £200,000,000 a year spent on so-called defence, more than half—that is, more than £100,000,000—is spent on wages, clothing, food and other consumable items of which nothing whatever is left at the end of the year. Does the honorable member accept that as being correct?

Mr. Anderson.—You have to feed them.

Mr. McMahon.—You must have trained man-power.

Mr. ALLAN FRASER.—What is the Minister talking about? There is nothing to show for it.

Mr. Buchanan.—There are the men.

Mr. ALLAN FRASER.—God bless my heart and soul. Of course, we have the men. We shall always have the men of this country. But we also need equipment. We do not just need men. It is perfectly nonsensical to put men up against machines in a modern war. For more than half of the £200,000,000 spent, there is nothing left in the form of capital equipment, machinery, weapons of war, and all the things that would be of some use if an enemy attacked. The Government would have done far better to spend a large proportion of that £200,000,000 on finding oil in Australia, because without local supplies of oil we would not be able to defend this country for twelve weeks if the sea lanes were cut by the enemy.

Mr. Chresby.—I made a speech in May in which I forecast that oil would be found in Queensland in twelve months.

Mr. ALLAN FRASER.—The honorable member for Griffith apparently made a very fine speech. I shall look it up in "Hansard" and read every word of it with the utmost appreciation, just as I am sure he is enjoying what I have to say, as for the first time in our political careers, and I am afraid for the last time, we seem to be in entire agreement.

Even if it were desirable to do so, Australia could not, before at least one major discovery was made, obtain from the international oil industry the sort of capital that we require if we are adequately to explore our country for oil. There is only one source from which the money we need to explore this country for oil can come from. It can come only from the national income of this country, from the Treasury of this country, from the Consolidated Revenue. There is no other place from which we can get the money until a major profitable discovery is made, because the history of the international oil companies is that they are not prepared to spend money on any large scale until a substantial discovery has been made.

Mr. Turnbull.—That is why money is being spent in America, as you said.

Mr. ALLAN FRASER.—The honorable member for Mallee is quite right. That is why the money is spent in America. That is why we must have substantial expenditure from the public purse in Australia in order to make at least the first major oil discovery before we can attract overseas capital in adequate quantity for the search, if we then require overseas capital for that purpose. The international industry provides most of the exploration capital to those areas where discoveries have already been made and where the chance of further discovery is considered good. In Australia, I think, at present the international oil industry is providing, at most, about £10,000,000 a year towards oil search, and I think Australian investors are providing, at most, about £5,000,000 a year.

In North Africa, practically no industry capital was available for exploration until the discoveries were made in the French Sahara. But once those discoveries were made, immense amounts of capital were available for oil search right throughout the whole of North Africa, even in areas remote from the area in which the oil discoveries were made. I suggest that Australian investors cannot be expected to put up more than £5,000,000 a year for oil search. That is on the basis that of approximately £400,000,000 of new capital that becomes available each year for investment of all sorts, not more than £7,000,000

is available for all forms of speculation, including mining, whaling and oil search. So the amount of money available to us, unless the Government itself provides a greatly increased amount, is very limited indeed.

If we depended solely, as this Government appears to be prepared to let us largely depend, upon Australian private investment to discover oil in Australia, it would take from 50 to 100 years just to explore the Australian mainland alone. That is assuming that no further exploration work were done in New Guinea. If we took New Guinea into account and left it to Australian private investment to provide funds for the search, it would take from 70 to 140 years to explore all the available areas. Even assuming that overseas funds of £10,000,000 a year continued to be available—they are available at that rate only because of the encouragement given by the Cabawin discovery—it would take about 40 years to explore the Australian mainland and New Guinea, or about 30 years to explore the mainland of Australia only. Most certainly, we have not that amount of time left to us. We cannot go on spending at least 10 per cent. of our total import bill to bring oil into this country. We cannot afford, from the point of view of the survival of this nation and from the point of view of its successful defence, to continue to be the one continent without an oil discovery.

Therefore, apart altogether from the question of the desirability of allowing private capital to conduct the oil search, it must be clear that if we are to proceed with the search at the speed which is justified by the urgency of the national need, there must be a substantial provision of funds from the public purse for this purpose, at least to the point where one major discovery has been made. At that point, private capital is certain to be available in sufficient quantity to prosecute the search for further wells, but the question would still remain whether such capital should be used and, if it is used, what conditions and restrictions should be imposed to keep the major control of Australian oil resources always in Australian hands.

In the view of the Labour Party, the desirable aim would be to develop all our

oil resources under public ownership, preventing in this country the ruthless, unscrupulous exploitation which other countries have suffered at the greedy hands of the powerful international oil interests. It might be necessary, however, after the first major discovery has been made, to use some overseas capital to provide for further large-scale development, and to provide the equipment and services which, if paid for, by local funds, would adversely affect our trade balances.

Mr. McMahon.—Would Harry Jensen agree with that last part about exploitation of these resources by the Government?

Mr. ALLAN FRASER.—Yes. The capital cost of a drilling rig and equipment is a large part of the cost of drilling, just as the capital costs of collection, transport, storage and refining are a large part of the development cost. We might have to decide whether we would borrow some money from overseas to pay for the overseas equipment or whether we would allow overseas investors to come in. That is a question for the future.

The immediate position is that we must provide the funds from our own resources and must maintain Australian public control of the oil, when it is found. We could, of course, as France, Italy and Argentina have done, make all the effort ourselves to provide the required funds. We could do that without allowing foreign or overseas capital to share in our oil industry, even if it meant, perhaps, some temporary belt-tightening after the promised oil riches had been found until their profitable development for the eventual benefit of the whole of the people of Australia rather than for the benefit of the few multi-millionaires of the kind that the Attorney-General (Sir Garfield Barwick) has represented so ably during most of his professional career and that he is now representing equally ably in this Parliament. However, the prospect of a major discovery of an oil field in Australia is absolutely remote, if we can judge from the scale of the present Government's provision for oil search. The Government's policy appears to be based on two premises, each of which is entirely false. The first is that oil can be found quickly and easily—all experience elsewhere in the world proves

that it cannot—and secondly, that it is not a national task to find oil; that it is not the job of the Government to find oil. Actually, it is an essential and primary task of the Government to find the oil that we need for our own protection and for the maintenance of this country. All the facts are against the propositions on which the Government's policy apparently is based.

The lackadaisical and reluctant attitude of the Government towards its national obligation in the search for oil was underlined last year when the Government employed the Petroleum Institute of France to advise us on how and where to find oil in Australia. Why did it choose the French institute? It did so because of the finds in the Sahara. It was considered that the French were the experts in this field and should be brought in to advise us, but the Government took no account of the fact that oil was found in the Sahara because the French Government had spent £45,000,000 in an area of 220,000 square miles before it made a profitable strike. It has gone on spending at the rate of £25,000,000 a year in every year since then to discover further quantities of oil. It is not of much use to bring in the greatest experts in the world to advise us on how to go about the search for oil unless we are prepared to undertake the search and to undertake it on a sufficient scale. In the meantime, if the Government is not prepared to put up the necessary money to bring about a vigorous search for oil in Australia, it can at least take steps, which are open to it, to speed the rate of exploration by private companies.

A most extraordinary position exists at present in that there is no legislative obligation on the companies which obtain oil tenements. There is no obligation on them whatever to spend any specific amount of money in any given area or to develop the tenements of which they have gained possession. These, I know, are matters that are controlled by the State governments, but it is perfectly possible for this Government to make arrangements with a State. The obvious tendency at present is for companies to take up very large areas, with no relation whatever to the amount of exploration that they intend to make or to their capacity to make it.

The only sedimentary basin areas that are now not held under tenement are in Papua, New Guinea, the Northern Territory and Tasmania, apart from a few off-shore areas. All the rest of the sedimentary basins on the mainland and in Papua are already held by companies which, as I have said, are chiefly controlled by foreign capital. It would seem obvious that if exploration is to be carried out at a satisfactory rate, the area held should be related to the capacity to carry out exploratory work and to the amount of work actually being performed. It appears at present that there are companies which are simply squatting, with no intention of doing any serious work in the areas they hold; they are waiting and hoping that some other company which is spending money will make a discovery, whereupon they will reap a rich profit from their leases.

In the last moments available to me I return to my main theme, which is that if we as a nation want to be sure of finding oil—and of course we do; we must find it, and it is there; every expert agrees on that—we must be prepared to make the search a national task, financed from the national purse, and we must at least undertake intensive exploration of those few areas where indications are generally pretty favorable.

Mr. Forbes.—You are boring everybody in the House.

Mr. ALLAN FRASER.—The honorable member from South Australia declares that he is bored by what I am saying. He thereby declares that he is not interested in the question of the search for oil in Australia.

Mr. Forbes.—No, that is not correct.

Mr. ALLAN FRASER.—He has said that he is bored. His constituents must be easily satisfied if they are satisfied with him. I imagine they will not be satisfied with him for much longer.

With the capital provided from the public purse, the equipment and the technical skills can be imported. They are available, not only in the United States of America but also in Great Britain, France and Germany. Why should not the Government immediately determine to explore, say, four or five of the most favorable areas, which would cost from £20,000,000 to £50,000,000?

That task could be carried out in the course of a very few years and the rewards that might flow from it are incalculable in benefits for the Australian people; nor would it require a large government staff. Actually, it would require only a small group of experienced and vigorous oil searchers, with no restrictions placed upon them in the planning and carrying out of the operation. That is the kind of policy which the Labour Party has in mind, instead of the niggardly and quite unrealistic proposals contained in the Government's legislation.

On behalf of the Opposition, as an amendment to the motion for the second reading, I move—

That all words after "That" be omitted with a view to inserting the following words in place thereof:—"this House is of opinion that the Government should lead and hasten the search for oil by developing the activities of the Bureau of Mineral Resources in mapping, in geological and geophysical surveys and in drilling, and should undertake research into the production of oil from coal and shale."

Mr. DEPUTY SPEAKER (Hon. W. C. Haworth).—Order! Is the amendment seconded?

Mr. Cairns.—Yes. I second the amendment.

Mr. BUCHANAN (McMillan) [11.56].—The honorable member for Eden-Monaro (Mr. Allan Fraser) has given us some very interesting figures, the great majority of which were accurate. I am grateful to him in some respects. He has given us an outline of some of the activities in the search for oil which it is worthwhile to have on record. His comments will probably save me from making similar references as I proceed with my speech. However, I thought that the honorable member was quite irresponsible in advocating an increase in expenditure on the scale envisaged by him.

Mr. Bryant.—Why?

Mr. BUCHANAN.—Because there is a limit to the amount that the taxpayers can provide. The honorable member referred to an amount of £80,000,000 for one item. Not so long ago we heard the Leader of the Opposition (Mr. Calwell) telling us of the hundreds of millions of pounds that the Australian Labour Party proposed to spend on various projects if it were returned to office after the forthcoming general election. He has told us what ought to be done about

many things, but the expenditure would reach such astronomical proportions that the taxpayers would not be able to bear it.

The amendment moved by the honorable member for Eden-Monaro is really only fiddling with the question. This Government has had experience over the years in the search for oil, whereas the Labour Party has not. In 1957, the Government provided a subsidy towards the cost of stratigraphic drilling. It also extended tax concessions on capital investment in companies engaged in that work. It did so, very largely, because it believes in doing things methodically and properly. The honorable member for Eden-Monaro did not mention those matters. The Government took these steps very largely for the purpose of getting information on the geological character of the particular basins in which oil could possibly occur. We should take notice of the fact that people did say at that time that Australia was too old a country to produce oil, and that oil does not occur south of the equator. Certainly there is more oil produced north of the equator, but that is mainly because of the greater land masses there. With something like 87 per cent. of the earth's surface being situated north of the equator one would expect to find more oil there. After all, oil has been found in most of the countries of the world today. Australia, as the honorable member for Eden Monaro said, is one place where oil has not been found in commercial quantities although it is urgently needed. I could not agree more with what he said in that regard, but he wants to do what is necessary too fast. It is known that two-thirds of Australia's geological formations were laid down in the same oil-making conditions and in the same geological ages as many of the oil-producing formations in other parts of the world. But when we went into this in the first place no one had discovered more than traces of oil, in deepwater bores, for example, although there had been good signs of petrolierous gas in Roma as far back as 1900.

Now we are confirmed in the knowledge that there is oil in this continent, because at Cabawin it flowed up from a depth of 10,000 ft. through a pipe only 5/16ths of an inch in diameter, giving 2,000 gallons a day, and was accompanied by thousands of cubic feet of petrolierous gas, but it

is too far from the market to be called a commercial proposition. During the last recess I was fortunate enough to see the actual site of this strike. I and some other members of the Government Members' Mining Committee, which has taken such a keen interest in oil search, visited that part of Queensland to see for ourselves just how the search was carried out. We saw it from the seismic teams working on the job, right through to the drilling of the well. We even watched sadly the dismantling of one giant rig from a dry hole, ready for transport to the next site. The thing that worried us most was that the company was not able to go on immediately and spud in a new well because the delay in producing seismic information is seriously lagging behind the drilling capacity owing to lack of funds. But the Government, in this bill, is taking a lot of steps to overcome this deficiency. It is being done as fast as Australia can afford, although not as fast as the honorable member for Eden-Monaro would like.

The Cabawin strike, plus the natural gas flow found by an Australian company at Roma where the electricity generating station is now being supplied with power piped directly from the hole, gives every indication that we are at last beginning to break into the early stages of having gas and oil discovered in this country in commercial quantities. Since those discoveries the activity has been stepped up. Investment in the oil search is much greater now and we are doing all we can to keep every oil rig actively drilling, by increasing our activities in seismic work.

This bill will assist to some extent in overcoming the difficulty we have had, as it proposes to increase the actual amount of money available for the search, although this will have to be shared by more and more companies coming in because they realize that we will ultimately find oil. One of the most important things in this legislation is the change in the emphasis on the requirements of the Bureau of Mineral Resources. [Quorum formed.] Until now the subsidy has been approved only for projects likely to increase the bureau's knowledge of the stratigraphic formations. I have heard this called never-never geology, because although it is necessary as a starting-off point, you never

never find oil in that way. Now this legislation makes it possible for the subsidy to be granted for detailed exploration of geological structures and for test drilling, without the inhibition of having to bring up new stratigraphical information of a regional character.

As honorable members well know, oil collects in sedimentary basins and the problem is to locate the enclosed formations. The main tool that the operator has in discovering these is the seismic apparatus. It costs £4,000 a week to keep a seismic team in the field, but even with the information that that gives about contours and levels under the surface, it cannot tell the porosity of the sandstones. It can tell only where the right sort of enclosed basin exists, and the extent of it. Once that is established you can find oil only by drilling. The Government realizes the urgency of the need for discovering oil in Australia and has stepped up the subsidy from £1,400,000 last year to £2,700,000 this year, as well as expanding its direct contribution from £900,000 to £1,400,000, so that this year £4,100,000 will be available for sponsoring oil search programmes.

Although the Minister for National Development (Senator Spooner), who is in another place, has said that this amount is what his department thinks is about the limit that the companies searching for oil can use, they do not agree with his estimate. The Minister has indicated that in his opinion a crash programme is not warranted. The programme we propose, based on steady examination and testing, is sufficient. The use of the term "crash programme" was perhaps unfortunate because it implies the idea of a considerable amount of wildcatting. But the plan put forward by the Australian Petroleum Exploration Association is, as the honorable member for Eden-Monaro mentioned, intended to provide a basis for forward planning, so that the twelve drilling rigs now in Australia can be kept working at their capacity of about 50 wells a year, although last year we drilled only 22 wells. An examination of the report by the Minister on the 1959 act for the year 1960-61 shows that 89 applications for subsidy were dealt with and 31 were refused, while 44 applications were approved. There were only 44 applications approved

to seek oil in 24 sedimentary basins of a total of 1,362,000 square miles. But even the basic exploration of these basins has yet to be done.

Mr. DALY.—I rise to a point of order. At 12.10 a.m., is it in order for an honorable member to speak when no one is listening to him?

Mr. DEPUTY SPEAKER.—No point of order is involved.

Mr. BUCHANAN.—I have listened to a lot of rubbish from the honorable member for Grayndler for a good while. It is the Government's intention that the effort in this basic exploration will be a concerted effort.

In the year of which I speak—1960-61—the amount appropriated was £1,400,000, of which £1,399,000 was spent. The companies concerned have indicated their intention to carry out further works to the value of £1,589,000. At the time that the report was published these works had not been started. Against this background the Australian Petroleum Exploration Association has submitted a projected programme which shows that for the year ending December, 1962, the Australian companies expect to raise £3,156,000, and that the overseas companies will probably have more than £4,850,000 available to spend in Australia. Those figures do not bring us to the level that the honorable member for Eden-Monaro wants, but they are practical figures which we should be able to manage.

Based on that level, and so that we can do some forward planning, such as bringing more seismic crews from overseas, the A.P.E.A. submitted a programme to be spread over four years, which the honorable member for Eden-Monaro has covered. The amount the A.P.E.A. suggests, together with the subsidy, is £6,000,000 a year for two years to step up the lag in seismic surveys, followed by £5,000,000 and then by £4,000,000, with a drilling programme to match amounting to £5,000,000 in the first years, £7,000,000 in the next, £8,000,000 in the next and finally rising to £9,000,000. As the information becomes available, the work can be stepped up. The total amount over the four years would be something like the £50,000,000 of which the honorable

member for Eden-Monaro spoke finally, although previously he had been speaking of £80,000,000, which, I submit, was fantastic.

The actual subsidy needed to implement the programme would be £5,500,000 in the first year and £6,500,000 in each of the following three years. This, I agree, would not be a high price to pay for a major breakthrough in the search for oil. I should like to emphasize, Mr. Speaker, that although this plan was proposed by the Australian Petroleum Exploration Association the association does not suggest that we should keep the whole of the effort in the hands of Australian companies. It is well recognized that the expert knowledge and ready finance provided by the large overseas oil companies has been of tremendous value in Australia needed, and still needs.

One of the basic reasons for overseas companies coming here is that the areas of the leases granted by the State Governments are mostly much too large for any one group to explore adequately. It is laid down that certain works must be undertaken in respect of each lease, but there should be no obstacle to a take-over of unprospected areas by the many interests now coming forward and seeking a place in Australian exploration.

programme showing what it considers the

Mr. Speaker, the Australian Petroleum Exploration Association has put up this and the foreseeable contribution of the overseas companies which are vitally interested in discovering oil in Australia. The figures are considerably in excess of those provided for in this bill. The industry no doubt believes that it can fulfil its Australian market is capable of providing in giving the impetus that the search for oil part of the programme. If it can do this, I know that it will find the Government to be entirely sympathetic with its ambitions. I can assure the industry of the fullest co-operation of the Government Members' Mining Committee, which will use its influence to the full to urge the Government to match whatever sums the industry finds it can usefully employ in this direction. We are confident that our representations would be very favourably received. The Minister has stated his faith that oil exists in Australia and that the finding of it is

only a matter of time, depending on the intensity of the search. I am sure that if the industry itself will accept the challenge of intensifying the search, the Government will be prepared to consider sympathetically representations for an increase in its contribution.

There is another point in this legislation on which I would like to touch. I am very pleased to see the inclusion of a footage formula as a basis for subsidy. This proposal was suggested by the Government Members' Mining Committee because it believes that too much frustration and delay have been occasioned by all the paper work that has to be gone through to establish costs. There is also a waste of effort because of the inevitable red tape of departmental checking. It is believed that too many plans have been on a rather extravagant basis, and that in certain cases it has been possible to do a little juggling with subsidiary operating companies tendering for holding companies. With a known amount of subsidy on the basis of footage drilled—in the case of seismic work it would have to be on the basis of a distance covered—a company considering a specific project would know just what it would receive in the way of assistance, and could budget accordingly. The department would know just how many feet of drilling it would get for a specific sum, and both parties would eliminate a lot of guesswork and complicated cross-checking.

I am of the opinion that we would make very considerably savings on the subsidy if there were a known limitation according to footage drilled. The companies concerned would need to trim their plans to make the utmost use of the funds available—they would cut down on some of the frills—and we would get more feet drilled for the same money. We would pay less by way of subsidy for the total footage produced. I know that the department has the final say on all submissions, and that its experience in this work prevents too much padding of the accounts, but it seems that this basis would give us the most for our money. The experience of the department would enable it to formulate an appropriate footage basis. For those reasons, I hope that

eventually this method will be the sole method of subsidy, not just an alternative method as at present.

We do not have unlimited money to spend, and it is essential that we get full value for every £1 spent. It is also essential that everybody taking part in the drive for oil should have equal access to the funds available, and that the big-time operators should not hog the whole of the available funds and squeeze out the smaller operators because the big boys have used up all the funds available. For this reason I would like to suggest that a limit be placed on the total subsidy that may be allotted for any one hole, and I suggest that £150,000 would be a suitable figure.

Here in Australia we have a tendency to start a hole and just keep on drilling until we come to bedrock. There is no question about that. In looking at the statistics of exploration I note that at least 80 per cent. of the free world's oil comes from wells not exceeding 7,000 feet in depth, and 60 per cent. of it comes from wells under 5,000 feet deep. The cost of drilling starts at less than £10 a foot. At a depth of 7,000 feet it increases to about £16 a foot. At 10,000 feet the cost gets up to between £24 and £28 a foot, and below that depth it increases so steeply that drilling could be regarded as impracticable. Limiting the total subsidy to £150,000 for any one hole means that any company wishing to go ahead on an unpromising well will have to make a careful decision on the information available and decide whether it will be worth while to carry on.

In conclusion, Mr. Deputy Speaker, I commend the bill to honorable members. Having in mind the size of Australia, this Government is making a greater contribution to oil search than the government of any other country in the free world. I think we must concentrate on those areas where the indications have been most promising, particularly areas that are close enough to industry and capital cities to be commercially feasible. The only other thing we need, for which we cannot make legislative provision, is the proverbial stroke of luck that is required in all mining ventures.

Friday, 27th October, 1961.

Question put—

That the words proposed to be omitted (Mr. Allan Fraser's amendment) stand part of the question.

The House divided.

(Mr. Deputy Speaker—Hon. W. C. Haworth.)

Ayes	53
Noes	28
Majority	—
Majority	25

AYES.

Adermann, C. F.
Anderson, C. G. W.
Anthony, J. D.
Bandit, H. N. C.
Barnes, C. E.
Barwick, Sir Garfield
Buchanan, A. A.
Cameron, Dr. Donald
Cash, E. D.
Chaney, F. C.
Chipp, D. L.
Chresby, A. A.
Davidson, C. W.
Davis, F. J.
Dean, R. L.
Downer, A. R.
Drummond, D. H.
England, J. A.
Failes, L. J.
Forbes, A. J.
Fox, E. M.
Fraser, Malcolm
Freeth, G.
Halbert, H. V.
Hamilton, L. W.
Hasluck, P. M.
Holt, Harold

Tellers:
Pearce, H. G.
Turnbull, W. G.

NOES.

Beaton, N. L.
Bryant, G. M.
Cairns, J. F.
Clay, L. D.
Cope, J. P.
Costa, D. E.
Courtney, F.
Crean, F.
Daly, F. M.
Davies, R.
Fraser, Allan
Fulton, W. J.
Griffiths, C. E.
Harrison, E. James
Haylen, L. C.

Tellers:
Duthie, G. W. A.
Stewart, F. E.

PAIRS.

Menzies, R. G.
Erwin, G. D.
Bowden, G. J.
McEwen, J.
Page, Sir Earle
Holten, R. M.
Fairbairn, D. E.
Browne, P. G.
Wight, B. M.
Jack, W. M.
Cramer, J. O.
Cleaver, R.
Bate, Jeff
Allan, Ian
McCollom, M. L.
Bury, L. H. E.

Cawell, A. A.
Lawson, George
Galvin, P.
Minogue, D.
Uren, T.
Curtin, D. J.
Sexton, J. C. L.
Beazley, K. E.
Riordan, W. J. F.
Kearney, V. D.
Bird, A. C.
Cameron, Clyde
Thompson, A. V.
McIvor, H. J.
Barnard, L. H.
Russell, E. H. D.

Question put—

That the bill be now read a second time.

The House divided.

(Mr. Deputy Speaker—Hon. W. C. Haworth.)

Ayes	54
Noes	28
Majority	—
Majority	26

AYES.

Adermann, C. F.
Anderson, C. G. W.
Anthony, J. D.
Bandit, H. N. C.
Barnes, C. E.
Barwick, Sir Garfield
Buchanan, A. A.
Cameron, Dr. Donald
Cash, E. D.
Chaney, F. C.
Chipp, D. L.
Chresby, A. A.
Davidson, C. W.
Davis, F. J.
Dean, R. L.
Downer, A. R.
Drummond, D. H.
England, J. A.
Failes, L. J.
Falkinder, C. W. J.
Forbes, A. J.
Fox, E. M.
Fraser, Malcolm
Freeth, G.
Halbert, H. V.
Hamilton, L. W.
Hasluck, P. M.
Holt, Harold

Tellers:
Pearce, H. G.
Turnbull, W. G.

NOES.

Beaton, N. L.
Bryant, G. M.
Cairns, J. F.
Clay, L. D.
Cope, J. F.
Costa, D. E.
Courtney, F.
Crean, F.
Daly, F. M.
Davies, R.
Fraser, Allan
Fulton, W. J.
Griffiths, C. E.
Harrison, E. James
Haylen, L. C.

Tellers:
Duthie, G. W. A.
Stewart, F. E.

PAIRS.

Menzies, R. G.
Erwin, G. D.
Bowden, G. J.
McEwen, J.
Page, Sir Earle
Holten, R. M.
Fairbairn, D. E.
Browne, P. G.
Wight, B. M.
Jack, W. M.
Cramer, J. O.
Cleaver, R.
Bate, Jeff
Allan, Ian
McCollom, M. L.
Bury, L. H. E.

Calwell, A. A.
Lawson, George
Galvin, P.
Minogue, D.
Uren, T.
Curtin, D. J.
Sexton, J. C. L.
Beazley, K. E.
Riordan, W. J. F.
Kearney, V. D.
Bird, A. C.
Cameron, Clyde
Thompson, A. V.
McIvor, H. J.
Barnard, L. H.
Russell, E. H. D.

Question so resolved in the affirmative.

Bill read a second time, and reported from committee without amendment or debate; report adopted.

Bill—by leave—read a third time.

Question so resolved in the affirmative.

Amendment negatived.

AIRLINES AGREEMENTS BILL 1961.

In committee: Consideration resumed (vide page 2586).

Clause 3—

The title of the Principal Act is repealed and the following title inserted in its stead:—

“An Act to approve certain Agreements relating to Air Transport, and for purposes connected therewith.”

Upon which **Mr. Ward** had moved by way of amendment—

Omit all words after “Agreements”, insert “to give an unfair advantage to Ansett Transport Industries Limited”.

Mr. BRYANT (Wills) [12.34 a.m.].—Before consideration of this bill was interrupted by another example of the Government’s policy of paying subsidies to its friends out of the public purse, the Opposition was endeavouring to show how unjustified is the Government’s use of the people’s money to subsidize a private airline. So far no justification for this policy has come from the other side of the chamber. Nor has there been any denial of the Opposition’s statement that this agreement is calculated to give an unfair advantage over the public airline to a private competitor.

Interestingly enough, the main comment that one hears from the other side of the chamber is that the Labour Government favoured one of the two airlines. Whose airline is Trans-Australia Airlines? What kind of responsibility must the Parliament and the Government of Australia accept to a private concern, such as Australian National Airways Proprietary Limited or Ansett-A.N.A., no matter how important it is? There seems to be a suggestion that T.A.A. does not belong to the people of Australia and that it is not a creation of this Parliament. Of course, that is where we on this side of the committee strongly disagree with the Government.

We ask the Treasurer (Mr. Harold Holt), the Prime Minister (Mr. Menzies) himself and all the members of the Cabinet this question: If T.A.A. were your own private concern, would you treat it in this way? Would you do any of these things? Would you tie up your concern for sixteen years so that it could not compete effectively with its logical competitors? If T.A.A.

were your own concern, or if you were handling its affairs in the same way as you would handle your own, would you hand over its aircraft to make up a deficiency that had been incurred by a private enterprise under a bad buying programme? If T.A.A. were your own concern, or if you were handling the affairs of the nation in the same way as one would expect you to handle your own private affairs, would you shackle this airline so that it could not develop its services free from hindrance? Would you demand a set profit? Of all things, would you share your own business? Of course you would not. In what way can you justify that kind of attitude?

We on this side of the chamber say that this is simply a case in which the Government is placing the advantage of the 53,000 shareholders of Ansett-A.N.A. before the advantage of the 10,000,000 citizens of Australia who are the shareholders of T.A.A. How can you possibly justify such an attitude? If you must look at these matters from the point of view of private ownership, is it not a fact that T.A.A. has 10,000,000 Australian shareholders and Ansett-A.N.A. has 53,000 private shareholders? How can you possibly justify sacrificing the interests of those 10,000,000 people for the particular interests of the 53,000 people?

If you want to adopt the mystique of private enterprise, what is wrong with T.A.A. itself applying the same techniques as Mr. Ansett himself has adopted so successfully in relation to smaller airlines? If it was good enough for Mr. Ansett’s concern to swallow Butler Air Transport Limited and to take over Australian National Airways Proprietary Limited, surely the same applies to the public enterprise. But that is not the particular point at issue. The point at issue, and the one to which the people of Australia will take strong exception at the forthcoming elections if it is put clearly before them, is that this Government is using the resources of the nation and its parliamentary powers to foster private enterprise against the nation’s own interests.

Mr. JESS (La Trobe) [12.40 a.m.].—Mr. Chairman, we on this side of the committee realize that a certain facade has been put up by Opposition members,

who are endeavouring to take up the committee's time by talking on every clause. They are thereby making a complete farce of the consideration of this bill. Therefore, we also have decided to discuss every clause. This clause provides for the repeal of the title of the principal act and the insertion of the following title:—

An Act to approve certain Agreements relating to Air Transport, and for purposes connected therewith.

The honorable member for East Sydney (Mr. Ward) has proposed a completely farcical amendment, the terms of which will give the people of Australia some indication of what they could expect if ever a change of government were to occur. If the Opposition wishes to discuss this clause, we are prepared to discuss it fully with them.

The purpose of this bill is to give effect to and obtain parliamentary approval for an agreement between the Commonwealth, the Australian National Airlines Commission, Ansett Transport Industries Limited and Australian National Airways Proprietary Limited. The agreement has been executed by all the parties, including the commission, but does not come into force until it is approved by Parliament. I say frankly that I consider that honorable gentlemen opposite are making a complete farce of to-night's proceedings. In addition to obtaining approval for the airlines agreement, the bill contains three substantive provisions which are necessary in order to give effect to the agreement. First, the Commonwealth is authorized to give the guarantees provided for in the agreement; secondly, the Australian National Airlines Commission is given necessary statutory authority to enable it to carry out the agreement; and finally, the Minister is required to continue to perform his existing functions under the Airlines Equipment Act 1958 relating to the control of aircraft capacity and acquisition of new aircraft for so long as the airlines agreements remain in force.

Mr. Reynolds.—On a point of order! Is this committee to be asked to endure the reading of this sort of speech ad nauseam?

The CHAIRMAN (Mr. Lucock).—There is no substance in the point of order.

Mr. JESS.—Unlike Opposition members, who have put on a completely hypocritical act this evening, I am at least discussing the clause. I am not going through an act purely because this is the final night of the last sittings of the Parliament. As long as I have the right to discuss the clauses of this bill, the gentlemen on the other side of the chamber will stay here and discuss the bill clause by clause. We on this side are prepared to sit them out.

The Civil Aviation Agreement of 1952 as supplemented more recently by the Airlines Equipment Act 1958 has been the corner-stone of the Government's successful two-airline policy. However, the financial provisions of that agreement will become inoperative on 18th November, 1962.

Mr. Reynolds.—Mr. Chairman, I again take a point of order. The honorable member has not lifted his head once. He is reading his speech in its entirety, and I again ask you to rule that he is out of order.

The CHAIRMAN.—I rule again, as I ruled previously, that there is no substance in the point of order raised by the honorable member for Barton.

Mr. JESS.—I do not intend to delay the committee very long, Mr. Chairman. The point that I and various honorable members on this side of the chamber wish to make is that if honorable members opposite—

Mr. Daly.—On a point of order, Mr. Chairman: I direct your attention to Standing Order No. 61 which provides that an honorable member may not read his speech. If the honorable member for La Trobe wishes to read his speech, should he not tell us who wrote it for him?

The CHAIRMAN.—There is no substance in the point of order raised by the honorable member for Grayndler. However, I ask the honorable member for La Trobe to come back to the clause that is before the committee.

Mr. JESS.—I bow to your ruling, Mr. Chairman. I think it is perfectly correct. However, we are discussing a clause which provides for a new title for the principal act. The Opposition seeks to have that proposed new title amended. Surely we are permitted to talk about matters encompassed in the title of the principal act.

Honorable members opposite wish to know what I am reading. It is a speech made by the Minister for Civil Aviation (Senator Paltridge). Surely nothing is more relevant to this discussion than are the remarks made by the Minister on these matters.

Mr. Cairns.—I take a point of order, Mr. Chairman. Obviously, the honorable member for La Trobe misunderstood the point of order that was taken earlier. It was directed, not at his reading from the speech made by the Minister for Civil Aviation, but solely at his delivering a read speech, a procedure which is contrary to the Standing Orders. I submit, therefore, that the honorable member is out of order in delivering a read speech.

The CHAIRMAN.—Again, there is no substance in the point of order raised.

Mr. JESS.—I think that honorable members on the other side of the chamber have at last got the point: If they wish to talk this measure out clause by clause, we shall match them. I suggest that the points made by the Minister are relevant to the discussion of this clause. At this stage, I think it is necessary for me to say only that we on this side of the committee support the clause as it is and regard the amendment as being completely farcical. We are now quite prepared to proceed to consider the next clause and to see what happens when it is before the committee.

Question put—

That the words proposed to be omitted (Mr. Ward's amendment) stand part of the clause.

The committee divided.

(The Chairman—Mr. P. E. Lucock.)

Ayes	52
Noes	29
Majority	23

AYES.

Adermann, C. F.
Anderson, C. G. W.
Anthony, J. D.
Bandidt, H. N. C.
Barnes, C. E.
Barwick, Sir Garfield
Browne, P. G.
Buchanan, A. A.
Cameron, Dr. Donald
Cash, E. D.
Chaney, F. C.
Chipp, D. L.
Chresby, A. A.
Davis, F. J.
Dean, R. L.
Downer, A. R.
Drummond, D. H.
England, J. A.
Failes, L. J.
Falkinder, C. W. J.
Forbes, A. J.
Fox, E. M.
Fraser, Malcolm
Freeth, G.
Halbert, H. V.
Hasluck, P. M.
Haworth, W. C.

Tellers:
Pearce, H. G.
Turnbull, W. G.

NOES.

Barnard, L. H.
Beaton, N. L.
Bryant, G. M.
Cairns, J. F.
Clay, L. D.
Cope, J. F.
Costa, D. E.
Courtney, F.
Crean, F.
Daly, F. M.
Davies, R.
Fraser, Allan
Fulton, W. J.
Griffiths, C. E.
Harrison, E. James

Haylen, L. C.
James, A. W.
Johnson, L. R.
Jones, C. K.
Luchetti, A. S.
Makin, N. J. O.
O'Connor, W. P.
Peters, E. W.
Pollard, R. T.
Reynolds, L. J.
Ward, E. J.
Whitlam, E. G.
Tellers:
Duthie, G. W. A.
Stewart, F. E.

PAIRS.

Menzies, R. G.
Erwin, G. D.
Bowden, G. J.
McEwen, J.
Page, Sir Earle
Holten, R. M.
Fairbairn, D. B.
Wight, B. M.
Jack, W. M.
Cramer, J. O.
Cleaver, R.
Bate, Jeff
Allan, Ian
Burly, L. H. E.

Calwell, A. A.
Lawson, George
Galvin, P.
Minogue, D.
Uren, T.
Curtin, D. J.
Sexton, J. C. L.
Riordan, W. J. F.
Kearney, V. D.
Bird, A. C.
Cameron, Clyde
Thompson, A. V.
McIvor, H. J.
Russell, E. H. D.

Question so resolved in the affirmative.

Amendment negatived.

Clause agreed to.

Clause 4.

Section three of the Principal Act is amended—

• • • • •
(b) by adding at the end thereof the following sub-section:

“(2) The agreement between the Commonwealth, the Australian National Airlines Commission, Ansett Transport Industries Limited and Australian National Airways Proprietary Limited, being the agreement a copy of which is set forth in the Second Schedule to this Act, is approved.”

Mr. ALLAN FRASER (Eden-Monaro) [12.50 a.m.]—I move—

At the end of proposed sub-section (2), add the following words:—"as from a date six months after the first meeting of the Twenty-fourth Parliament."

Shakespeare observed in Act III. of "King Richard II." that thieves and liberal politicians alike fear the light. The object of this amendment—

The CHAIRMAN.—Order! I rule that the amendment moved by the honorable member for Eden-Monaro is not in order, for the reason that an almost identical amendment has already been negatived by the committee.

Mr. Allan Fraser.—May I take a point of order, Mr. Chairman?

The CHAIRMAN.—Yes.

Mr. Allan Fraser. — This present amendment, Mr. Chairman, relates solely to the agreement, and accepts approval of the agreement. It is quite a different matter from the earlier amendment. It merely provides that the agreement is approved and shall come into operation as from a date six months after the first meeting of the Twenty-fourth Parliament. The only similarity between the two amendments is that each contains the words "six months after the first meeting of the Twenty-fourth Parliament". The present amendment refers to an entirely different thing from that referred to by the previous motion of which you speak. It refers to the approval of the agreement. I suggest, therefore, that the amendment is in order.

Mr. Howson.—Stick to your ruling, Mr. Chairman.

The CHAIRMAN.—Order! I remind the honorable member for Fawkner that the Chair will decide matters before it. In answer to the honorable member for Eden-Monaro: My ruling remains that the amendment he has moved is similar to that on which the committee has already voted.

Mr. Allan Fraser.—I move—

That the ruling be dissented from.

The CHAIRMAN.—Order! It is necessary that the dissent be submitted in writing.

(Mr. Allan Fraser having submitted his objection to the ruling in writing)—

Question put—

That the ruling be dissented from.

The committee divided.

(The Chairman—Mr. P. E. Lucock.)

Ayes	29
Noes	52
Majority	23

AYES.

Barnard, L. H.	Haylen, L. C.
Beaton, N. L.	James, A. W.
Bryant, G. M.	Johnson, L. R.
Cairns, J. F.	Jones, C. K.
Clay, L. D.	Luchetti, A. S.
Cope, J. F.	Makin, N. J. O.
Costa, D. E.	O'Connor, W. P.
Courtney, F.	Peters, E. W.
Crean, F.	Pollard, R. T.
Daly, F. M.	Reynolds, L. J.
Davies, R.	Ward, E. J.
Fraser, Allan	Whitlam, E. G.
Fulton, W. J.	Tellers:
Griffiths, C. E.	Duthie, G. W. A.
Harrison, E. James	Stewart, F. E.

NOES.

Adermann, C. F.	Haworth, W. C.
Anderson, C. G. W.	Holt, Harold
Anthony, J. D.	Howson, P.
Bandit, H. N. C.	Hulme, A. S.
Barnes, C. E.	Jess, J. D.
Barwick, Sir Garfield	Kelly, C. R.
Browne, P. G.	Kent Hughes, Sir Wilfrid
Buchanan, A. A.	Kilca, D. J.
Cameron, Dr. Donald	King, R. S.
Cash, E. D.	Lindsay, R. W. L.
Chaney, F. C.	Mackinnon, E. D.
Chipp, D. L.	McMahon, W.
Chrosby, A. A.	Murray, J.
Cleaver, R.	Opperman, H. F.
Davidson, C. W.	Osborne, F. M.
Davis, F. J.	Roberton, H. S.
Dean, R. L.	Snedden, B. M.
Downer, A. R.	Stokes, P. W. C.
Drummond, D. H.	Swartz, R. W. C.
England, J. A.	Townley, A. G.
Failes, L. J.	Turner, H. B.
Forbes, A. J.	Wentworth, W. C.
Fox, E. M.	Wilson, K. C.
Fraser, Malcolm	Tellers:
Freeth, G.	Pearce, H. G.
Halbert, H. V.	Turnbull, W. G.
Hasluck, P. M.	

PAIRS.

Calwell, A. A.	Menzies, R. G.
Lawson, George	Erwin, G. D.
Galvin, P.	Bowden, G. J.
Minogue, D.	McEwen J.
Uren, T.	Page, Sir Earle
Curtin, D. J.	Holten, R. M.
Sexton, J. C. L.	Fairbairn, D. E.
Riordan, W. J. F.	Wight, B. M.
Kearney, V. D.	Jack, W. M.
Bird, A. C.	Cramer, J. O.
Thompson, A. V.	Bate, Jeff
McIvor, H. J.	Allan, Ian
Russell, E. H. D.	Bury, L. H. E.

Question so resolved in the negative.

Clause agreed to.

Clause 5.

Sections four and five of the Principal Act Act are repealed and the following sections inserted in their stead:—

"6. So long as the agreements referred to in section three of this Act remain in force, the Minister shall, for the purposes of those agreements, continue to perform his functions under Part IV. of the Airlines Equipment Act 1958."

Mr. WARD (East Sydney) [1.0 a.m.].—I wish to seek some clarification of one of the proposals in clause 5. Proposed new section 5 states—

The Australian National Airlines Commission—

(a) shall be taken to have had power to enter into the agreement referred to in sub-section (2.) of section three of this Act;

I have never in my experience in this Parliament seen such peculiar wording. I wonder why it has been used in this case. The provision states that the Australian National Airlines Commission "shall be taken to have had power". Is there some serious doubt whether the commission had power to enter into such an agreement? It would appear to me that merely putting the provision in this form will not completely resolve the question whether the power existed. There are certain sections of this agreement which, from my point of view as a layman—I do not claim to have legal experience—would be suspect if challenged as not coming within the constitutional powers of this Parliament. Therefore, I am curious to know why that phraseology was used and whether it means that there is in the minds of the legal advisers of the Government some serious doubt that the Australian National Airlines Commission has the necessary power to enter into the agreement included in the bill.

Mr. CAIRNS (Yarra) [1.3 a.m.].—I move—

At the end of proposed section 6., add the following words:—"provided that the Minister shall not perform his functions until it is ascertained whether—

(a) he has used improper influence upon East-West Airlines to agree to a take-over bid from Ansett-A.N.A.; and

(b) he is administering a policy causing increasing financial difficulty to Trans-Australia Airlines".

In supporting that amendment, I would say in relation to the first part of it that the Minister for Civil Aviation (Senator

Paltridge) should not continue to perform his functions, because he has used improper influence on East-West Airlines.

Mr. McMahon.—I rise to a point of order. Is the amendment relevant to clause 5 of the bill?

The CHAIRMAN.—Order! I will accept the amendment in relation to the Minister for Civil Aviation and his jurisdiction over the policies of the department he administers as it affects the two airlines mentioned in the Airlines Agreements. I rule that a reference to a company other than one of the two companies mentioned in the agreements is not relevant to the issue before the committee. I suggest that the honorable member recast the amendment to conform with my ruling.

Sir Wilfrid Kent Hughes.—I rise to a point of order. Is the honorable member for Yarra in order in moving an amendment which imputes improper action by any future Minister?

The CHAIRMAN.—Order! I shall give a ruling on that when the honorable member for Yarra has resubmitted his amendment.

Mr. CAIRNS.—I move the following amendment:

At the end of proposed section 6., add the following words:—

"provided that the Minister shall not perform his functions until it is determined whether he has used improper influence upon East-West Airlines to agree to a take-over bid from Ansett-A.N.A.".

The CHAIRMAN.—Order! I rule the amendment out of order because it goes beyond the matter before the committee. I uphold the point of order raised by the honorable member for Chisholm (Sir Wilfrid Kent Hughes).

Mr. CAIRNS.—Very well, Sir. I shall proceed to speak on the clause without moving the amendment. I wish to speak particularly in relation to that part which refers to the functions of the Minister for Civil Aviation. I submit that in the circumstances the Minister should not be permitted to continue to perform his functions—

Mr. McMahon.—I rise to order. Clause 5 refers, among other things, to the Minister's functions under Part IV. of the Airlines Equipment Act 1958. I submit that the honorable member must relate his remarks to those of the Minister's functions.

The CHAIRMAN.—The Minister for Labour and National Service is correct. Possibly we have not heard sufficient from the honorable member for Yarra to be able to determine whether he is keeping to the matters dealt with in the clause before the committee.

Mr. McMahon.—May I ask, Sir, that you listen to the honorable gentleman and if he intends to enter into the general debate on the question that he raised previously relating to a senator in another place, that you rule him out of order if he becomes irrelevant? I think that at this late hour of the night he should keep strictly to the subject-matter of clause 5 of the bill.

The CHAIRMAN.—Order! I remind the Minister that I have listened to the speeches that have been made by honorable members and when they have transgressed, the Chair has so ruled.

Mr. CAIRNS.—Mr. Chairman, I thank you for your ruling. I suggest to the Minister that the hour of the night has nothing to do with the way the Standing Orders should be interpreted.

I submit for the consideration of the committee that the Minister for Civil Aviation cannot in any way be held to be carrying out his functions properly. I make no reference to anything that has been alleged against the Minister up to the present. However, the Government from time to time has said that it supports a two-airline policy. I have had the privilege of having handed to me this evening at a very late hour—I think that is significant—the report of the Australian National Airlines Commission. I want to refer to this report to show the committee that the Minister is not properly carrying out his functions, even in accordance with the policy pronounced by the Government. To support this submission, I want to read an extract from the report. At page six, the following statement appears:—

For the operation of passenger aircraft, the Co-ordinator—

He has the power to determine matters at issue between Trans-Australia Airlines and Ansett-A.N.A.—

set a load factor of 68 per cent. As Trans-Australia Airline's load factor was already of

that order while its competitor's was well below that figure, the reduction in seat capacity which followed this decision—

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

Mr. WARD (East Sydney) [1.12 a.m.]—I desire to take up the debate at the point reached by the honorable member for Yarra (Mr. Cairns) and to quote from this T.A.A. report that we have now received at a very late hour. Before I proceed, I shall comment on one very significant event in this debate. The people will be interested to know that the debate on this bill was suddenly interrupted and deferred until a very late hour when the proceedings were no longer being broadcast. There was no reason advanced for the interruption of the debate at that time, and what might be regarded as somewhat less contentious legislation was debated to take up time.

Mr. Townley.—I rise to order. I think this is completely irrelevant to clause 5.

The CHAIRMAN.—Order! At the moment we are considering clause 5 which refers to sections 4 and 5 of the principal act and which raises certain matters.

Mr. Townley.—The power to enter into an agreement is the matter raised.

The CHAIRMAN.—Order! The matter referred to by the honorable member for East Sydney has some relation to the clause now being considered by the committee, and I call the honorable member for East Sydney.

Mr. WARD.—Thank you, Mr. Chairman. I do not intend to proceed any further with this argument; I have made my protest about the tactics adopted by the Government in interrupting the debate on this bill. I support the view expressed by the honorable member for Yarra. There is some significance in the fact that, after this debate had proceeded for some time we were suddenly presented with the 16th annual report of the Australian National Airlines Commission. This information should have been in the hands of honorable members before the debate commenced so that they could have considered it. I think this is some sort of an act intended to handicap the Opposition. I am reminded by the Deputy Leader of the Opposition (Mr. Whitlam) that the letter conveying the report to Senator Paltridge, the Minister

for Civil Aviation, and signed by Sir Giles Chippindall, the chairman of the commission, is dated 12th October, 1961.

Mr. Townley.—You know the report is not received on the same day as the letter is dated.

Mr. WARD.—It would appear that this report has already been in the hands of the Government for a fortnight; yet it was circulated to honorable members only to-night. I shall proceed with the quotation from the report because as the honorable member for Yarra said, there is undoubtedly evidence that the Minister is not performing his proper functions in the operation of what he calls the two-airline system. The passage on page 6 of the report reads—

For the operation of passenger aircraft, the Co-ordinator set a load factor of 68%. As T.A.A.'s load factor was already of that order while its competitor's was well below that figure, the reduction in seat capacity which followed this decision caused a "spillover" of traffic from T.A.A. to its competitor.

The operation of freighter aircraft is also covered under the Agreement, and initially each operator was permitted to provide not more than half the capacity required to uplift the total freight available at a load factor on freighter aircraft of 68 per cent. At a subsequent re-hearing of this matter, a new decision was given by the Co-ordinator setting a load factor of 70 per cent., but which allowed Ansett-A.N.A. to provide 60 per cent. of the capacity and T.A.A. the remaining 40 per cent. of the capacity.

I suggest that that shows deliberate Government patronage of the private airline. T.A.A. has the greater attraction for the public and if allowed to operate in active competition would undoubtedly attract a much greater proportion of the travelling public than the private airline would. On the question of freight, the rationalization committee, which is supposed to equalize the opportunities of the two airlines, decided that 60 per cent. should go to the private airline and 40 per cent. to the Government airline. How can it be said that either the Government or the Minister is carrying out the policy that has been declared? When the Government declares that it supports a two-airline policy, naturally it is assumed that both airlines will be given equal opportunities not only in the carriage of passengers but also in the carriage of freight.

It is admitted in the report that T.A.A. has a greater attraction for the public than Ansett-A.N.A. has. The report admits

quite frankly that there is a spillover of business from T.A.A. to the private airline. I am given to understand that there is a direct telephone line between the air terminals operated by T.A.A. and Ansett-A.N.A. When people cannot be accommodated by T.A.A. or no suitable flight is available for them, the booking office transfers the business to Ansett-A.N.A. We consider that that is no competition at all. If the Government airline were given proper opportunity, as it should be, to carry on a competitive service, there would be no doubt as to the outcome and there would be no doubt as to which airline would prove to be more successful in securing the support of the public.

For the Government to say continually that this agreement was entered into by both airlines freely is quite wrong. As I said earlier, it was a shotgun marriage. What chance has the Australian National Airlines Commission, which is a Government body, to disobey or disregard a direction from the Government. It had to do as it was told. But if T.A.A. was allowed to make its own decisions—if it was an independent authority—I am certain that this agreement would never have been regarded as satisfactory.

Mr. CHANEY (Perth) [1.21 a.m.]—Mr. Chairman, I do not claim to be an expert on civil aviation matters as apparently the honorable member for East Sydney (Mr. Ward) and the honorable member for Yarra (Mr. Cairns) are. All I claim to be is a fellow who reads something and who tries to understand what is meant by the words that he reads. Opposition members have claimed that certain pressure has been applied to an airline company to do certain things. That is not right, and I cannot allow that allegation to go unchallenged.

Mr. Cairns.—We have quoted from the report. You have not quoted from anything.

Mr. CHANEY.—If the report is to be quoted, let us quote all that is relevant in it. Rationalization of airline operations is discussed at page 6. I invite honorable members to work out why there has been rationalization and then to draw their own conclusions. The honorable member for Yarra and the honorable member for East Sydney referred to the third last paragraph

on page 6 of the report. That paragraph reads—

For the operation of passenger aircraft the Co-ordinator set a load factor of 68%.

What the honorable members say in effect is that to-morrow morning when a Viscount is about to leave Canberra for Melbourne T.A.A. will say that it has 100 passengers wishing to travel on that aircraft. Because there are only 68 seats on the aircraft, 32 of those 100 passengers will have to travel on another aircraft. The honorable members know that their argument is ridiculous. Yet they rise in their places in this chamber at 1.20 a.m. on the last day of Parliament and take matters out of their context. They expect us on this side of the chamber to sit back and say nothing while they are so dreadfully wrong.

Mr. CAIRNS (Yarra) [1.24 a.m.].—I do not want to take anything out of context in this debate. Far be it from me to confine discussion to any particular section of the report of the Australian National Airlines Commission. I would like to refer the honorable member for Perth (Mr. Chaney); who admits that he is not an expert but only a reader, to page 7 of the report. Reference has been made to the competing section of airline operations in this country. We learn from the report that as a result of certain changes recently agreed to—in terms of revenue ton miles, on competitive routes, T.A.A. uplifted some 49 per cent. and the competing group some 51 per cent. of the available traffic.

The competing group has been put in a position of predominance as a result of recent decisions.

Dealing with non-competitive operations the report states—

In the non-competitive area of operation, the Commission operates a network in Queensland and the Northern Territory as well as through services to Darwin. The Commission is unable to expand its non-competitive operations to any degree because of its lack of intra-State rights, which inhibits its operation in all States except Queensland and Tasmania. Its competitor, on the other hand, suffers from no such disability, and through a group of subsidiary airline companies has developed a non-competitive network which is already twice the size of that operated by T.A.A. T.A.A.'s main offset against the great advantage held by its competitor on non-competitive routes has been its operations on the routes which link Darwin with Alice Springs and Mount Isa. The entrance of Ansett-A.N.A. to those routes by the division of the current fre-

quencies equally between both operators has, of course, made the disparity even more pronounced. T.A.A.'s traffic over non-competitive routes will now total only about one-sixth of that carried by its competitor.

That is the two-airlines policy with equal opportunities for both airlines! On non-competitive routes T.A.A. will have one-sixth of the traffic and its competitor will have five-sixths. Is that the equality for which honorable members opposite stand? I have suspected this to be the case for the six years that I have been here. The people with all the money are to get five-sixths of the business and the people without the money will get the remaining one-sixth. There it is in black and white in the report which continues—

This operational imbalance must have a marked effect on T.A.A.'s financial situation.

Of course it will! Although I was prevented, a few moments ago, by quite proper technicalities, from moving an amendment to the clause now under discussion, I do not intend to deprive the committee of the opportunity to learn the facts.

Mr. Cope:—Who appointed this Australian National Airlines Commission?

Mr. CAIRNS.—T.A.A. was brought into existence by the party now on this side of the chamber. Although the parties that now form the Government are not game to destroy T.A.A. by any sudden stroke, they are squeezing T.A.A. out of existence by rationalization of the kind to which I have referred. The facts as stated in the report are clear. I submit that no one can have confidence in this Government's administration of our internal airlines. Obviously the Government is on the side of private enterprise. Obviously it is on the side of Ansett-A.N.A., which no doubt pays substantial amounts to the election funds of the Government parties.

The CHAIRMAN.—Order! The honorable member is now getting rather wide of the clause.

Mr. CAIRNS.—Perhaps so, Mr. Chairman, but one finds difficulty in relating the performances of the Government to the legislation that it brings into this place. If the honorable member for Perth is able to read and draw the ordinary conclusions that a man with common sense

would draw, he will draw the conclusion that this Government is endeavouring to strangle T.A.A. in the interests of a private monopoly.

Mr. CHANEY (Perth) [1.27 a.m.].—I have no desire to convince the honorable member for Yarra that I am a man of common sense or that I can read. I am pleased that he read from page 7 of the report. I think that even he will realize that in civil aviation in Australia to-day the question of profit-making does not arise in relation to non-competitive routes such as Channel country routes, country routes in Western Australia or South Australia, or even the routes covered by East-West Airlines. The profitable air routes are on the east coast. I am very conscious of this because I live in Western Australia where we suffer certain disabilities because of the utilization of aircraft of the major paying routes. If you study this report on page 7 you will see the same message there. What has been the result? The result has been, year after year, increased profits, increased mileage, increased passenger loadings and so on. The truth is that the matter raised by the honorable member for Yarra is not worth raising. All I have is the capacity to read and to absorb. I do not want to argue any further. My sole object is to stop honorable members opposite from continually making statements that are not founded on fact.

Clause agreed to.

Clause 6 agreed to.

Clause 7 (Second Schedule).

Mr. WARD (East Sydney [1.30 a.m.].—This schedule contains the whole of the agreement. I do not propose to traverse all the arguments that have been adduced in criticism of the agreement, but I do refer the committee to that part of the schedule which reads—

And whereas one of the objects of the parties to this agreement is to secure and maintain a position in which there are two, and not more than two, operators of trunk route airline services, one being the Commission each capable of effective competition with the other, and the parties intend that this agreement shall be construed having regard to that object.

I have heard it argued that there is some doubt whether this provision would stand if the constitutional power of the Government, or the Australian National Airlines

Commission to implement it were challenged. Although the agreement provides for two airlines, it does in a sense create a monopoly of the business for two particular airlines. What will be the position under section 92 of the Constitution if some other interest in the country is able to provide aircraft and decides to run an inter-state service? Would it be run off the course, as the saying goes, by the other airlines acting in active competition against it? Would the third competitor in the interstate services get the same measure of assistance from the Government as the other two operators enjoy at the present time? Would the airmails be divided three ways? Would Government business be divided equally between the three competing airlines? If it were not, what would be the position under section 92 of the Constitution? If another airline did commence, how would the Government justify discrimination against it? I should like some of the legal luminaries on the Government side to tell us whether this agreement is still within the powers conferred on the Parliament by the Constitution.

Question put—

That the clause be agreed to.

The committee divided.

(The Chairman—Mr. P. E. Lucock.)

Ayes	51
Noes	29
			—
Majority	22
			—

AYES.

Anderson, C. G. W.	Holt, Harold
Anthony, J. D.	Howson, P.
Bandidi, H. N. C.	Hulme, A. S.
Barnes, C. E.	Jess, J. D.
Barwick, Sir Garfield	Kelly, C. R.
Browne, P. G.	Kent Hughes, Sir Wilfrid
Buchanan, A. A.	King, R. S.
Cameron, Dr. Donald	Lindsay, R. W. L.
Cash, E. D.	Mackinnon, E. D.
Chaney, F. C.	McMahon, W.
Chipp, D. L.	Menzies, R. G.
Chresby, A. A.	Murray, J.
Cleaver, R.	Opperman, H. F.
Davis, F. J.	Osborne, F. M.
Dean, R. L.	Roberton, H. S.
Downer, A. R.	Snedden, B. M.
Drummond, D. H.	Stokes, P. W. C.
England, J. A.	Swartz, R. W. C.
Failes, L. J.	Townley, A. G.
Forbes, A. J.	Turner, H. B.
Fox, E. M.	Wentworth, W. C.
Fraser, Malcolm	Wheeler, R. C.
Freeth, G.	Wilson, K. C.
Halbert, H. V.	Tellers:
Hasluck, P. M.	Pearce, H. G.
Haworth, W. C.	Turnbull, W. G.

NOES.

Barnard, L. H.	Halyen, L. C.
Beaton, N. L.	James, A. W.
Bryant, G. M.	Johnson, L. R.
Cairns, J. F.	Jones, C. K.
Calwell, A. A.	Luchetti, A. S.
Clay, L. D.	Makin, N. J. O.
Cope, J. F.	O'Connor, W. P.
Costa, D. E.	Peters, E. W.
Courtney, F.	Pollard, R. T.
Crean, F.	Reynolds, L. J.
Daly, F. M.	Ward, E. J.
Davies, R.	Whitlam, E. G.
Fraser, Allan	Tellers:
Fulton, W. J.	Duthie, G. W. A.
Griffiths, C. E.	Stewart, F. E.

PAIRS.

Erwin, G. D.	Lawson, George
Bowden, G. J.	Galvin, P.
McEwen, J.	Minogue, D.
Page, Sir Earle	Uren, T.
Holten, R. M.	Curtin, D. J.
Fairbairn, D. E.	Sexton, J. C. L.
Wight, B. M.	Riordan, W. J. F.
Jack, W. M.	Kearney, V. D.
Cramer, J. O.	Bird, A. C.
Bate, Jeff	Thompson, A. V.
Allan, Ian	McIvor, H. J.
Bury, L. H. E.	Russell, E. H. D.

Question so resolved in the affirmative.

Title agreed to.

Bill reported without amendment; report adopted.

Bill—by leave—read a third time.

AUSTRALIAN NATIONAL AIRLINES BILL 1961.

Second Reading.

Debate resumed from 17th October (vide page 2107), on motion by Mr. Townley—

That the bill be now read a second time.

Mr. ALLAN FRASER (Eden-Monaro) [1.30 a.m.]—This bill seeks to confer upon the Minister power to dictate to the Australian National Airlines Commission the percentage of profit which it must make and to make a whole series of stipulations. It seeks to provide general conditions which the public of Australia associate with a deliberate attempt to cripple the operations of the publicly-owned airline in favour of the privately-owned airlines of this country. Whether or not the public is correct in holding that opinion, the fact remains that it is a very widespread public opinion. The Attorney-General (Sir Garfield Barwick) in particular will be aware of the importance of maintaining respect for the parliamentary institution.

Mr. Harold Holt.—I rise to a point of order. It is my understanding, Mr. Speaker, that by agreement between the representative of the Opposition and—

Mr. ALLAN FRASER.—I do not know of any agreement.

Mr. Harold Holt.—As I understand the situation, the House agreed that the three aviation bills should be considered together but voted on separately. We have now reached the stage where the vote on the motion for the second reading of this bill should be taken.

Mr. SPEAKER (Hon. John McLeay).—Order! The Treasurer is correct. The House authorized the Airlines Agreements Bill and the Australian National Airlines Bill to be debated together and voted on separately.

Question resolved in the affirmative.

Bill read a second time.

In committee:

Clauses 1 to 3 agreed to.

Clause 4 (Financial policy of commission).

Mr. ALLAN FRASER (Eden-Monaro) [1.42 a.m.].—This is the clause which gives the Minister—

Mr. Chaney.—I rise to a point of order, Mr. Chairman. Surely the ruling which was given at the second-reading stage applies to the committee stage.

Mr. Bryant.—Nonsense!

Mr. Chaney.—I did not ask you for a decision. I asked the Chairman.

The CHAIRMAN (Mr. Lucock).—Order! The honorable member for Wills will remain silent.

Mr. Chaney.—I ask for your ruling, Mr. Chairman. Surely if it has been decided that the clause shall be put to a vote an amendment cannot be moved at the committee stage.

The CHAIRMAN.—Order! What happens in the House does not necessarily have any relationship to what happens at the committee stage. The decision of the House that two bills be considered together cannot bind the committee in its consideration of this measure.

Mr. ALLAN FRASER.—As I was saying when I was interrupted, this is the clause which empowers the Minister for Civil

Aviation to fix the amount of profit that must be made by the publicly-owned airline. The various details and circumstances which are to be taken into account clearly give the impression that the publicly-owned airline is to be crippled in order to confer an advantage upon the privately-owned airline. This is causing very widespread discontent amongst the Australian people. This bill smells very high indeed. In fact, it ranks to high heaven. The cynical view of the man in the street—this impression has been created by the attitude of the Government in this matter—is that this is a case of plain graft. The Government, in failing to answer the charges that have been made by the Opposition, has given weight to that cynical attitude which has been adopted by the man in the street.

The proper recourse for this committee is to reject the clause. There is every evidence that Mr. Ansett, who is the controlling force in the privately-owned airline, is prepared to spend money and to use cash as a means of obtaining support for the achievement of his objectives. This has been shown in the last two days by his action in withdrawing advertising, and thereby withdrawing revenue, from newspapers which dared to oppose the achievement of his objectives. This, of course, gives rise to the public opinion that this Government is accepting instructions from Mr. Ansett because he is making very heavy contributions to Liberal Party funds for the approaching election.

Mr. Harold Holt.—Do you think anybody believes this rubbish?

Mr. ALLAN FRASER.—The Treasurer says it is doubtful whether any one would believe this statement.

Mr. Harold Holt.—This rubbish, I said.

Mr. ALLAN FRASER.—The Government is the champion of free enterprise in this country and it relies on support from free enterprise. It relies not only on electoral support but also on financial support. The Government draws its party funds——

Mr. Harold Holt.—Your leader said that he would take £100,000 from the Chamber of Manufactures.

Mr. ALLAN FRASER.—You do not like this. The Government draws its party funds from the great private enterprise companies and institutions throughout Australia.

Mr. Browne.—I bet you would not like to swap the Communist contribution for the Ansett contribution.

Mr. ALLAN FRASER.—The honorable member mentions the Ansett contribution. This is the first acknowledgment from the Government that there is an Ansett contribution. There certainly is no Communist contribution.

The CHAIRMAN.—Order! I suggest that the honorable member for Eden-Monaro should come back to the clause under discussion and not answer interjections which have no relation to the clause.

Mr. ALLAN FRASER.—I obey your ruling, Mr. Chairman. I relate my remarks to the clause by stating that it appears to give such unfair advantages to the private airline as to lend support to the impression that the private airline controlled by Mr. Ansett is making a very large contribution to Liberal Party election funds. This is borne out by the fact that this Government relies for its party funds upon the contributions of private enterprise companies. I read in an issue of the "Nation" published a week or so ago a statement to the effect that in the course of every year the Liberal Party collected at least £200,000 for the maintenance of its organization and that it spends at least £250,000 upon the conduct of every election.

The CHAIRMAN.—Order!

Mr. ALLAN FRASER.—I am stating the reason why the clause should be rejected.

The CHAIRMAN.—Order! I again ask the honorable member for Eden-Monaro to relate his remarks to the clause now before the committee. The subject of party funds has nothing to do with the matter referred to in the clause.

Mr. ALLAN FRASER.—Am I entitled to say that the conditions imposed upon the publicly-owned airline by this clause are apparently related to improper methods——

The CHAIRMAN.—Order! The honorable member has already mentioned the matter in relation to which he is now asking for a ruling. I have already given a ruling. I suggest that the honorable member abide by it.

Mr. ALLAN FRASER.—This clause requires Trans-Australia Airlines to provide such percentage of profit on its capital as is ordered by the Minister for Civil Aviation. What reason on earth can there be for the Government wishing to impose this crippling obligation upon the publicly-owned airline? I am not allowed to mention the motive which would spring at once to the mind of any member of the public who was wondering why this extraordinary legislation should be placed before this Parliament in the very last hour of its existence. It is legislation which will bind future parliaments, and this Parliament has no right whatever to impose obligations on future parliaments. The provisions of this clause are obviously designed to confer an advantage upon Ansett-A.N.A., the private company controlled by a gentleman who, in the last two days, has withdrawn advertising from, and therefore used financial pressure upon, those newspapers which have dared to oppose the achievement of his objectives.

The Government has claimed that it has acted fairly as between the independent airline—the private airline—and the publicly-owned airline. How can this be so, when everything which Mr. Ansett has asked for is, by this legislation, to be granted to him? What motive actuated this Government in giving to Mr. Ansett, who is in competition with Trans-Australia Airlines, every single advantage for which Mr. Ansett asked? Everything set out in the letter that he circulated to members of this Parliament is now written into the legislation. I am not allowed to state the reason.

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

Mr. JESS (La Trobe) [1.52 a.m.].—The debate on this bill, which is going on into the early hours of the morning, is being conducted in a farcical way by the Opposition. I am not sure whether it is parliamentary to say that the honorable member for Eden-Monaro (Mr. Allan Fraser) by his speech, reminds me of either Uriah Heep or Scrooge. If he wants to get the truth of the matter in relation to the clause that is before the committee, he should refer to the 1957 debate on this subject, during which Dr. Evatt agreed that the

two-airline policy was economic. That appears on page 2477 of "Hansard" of that year. This legislation does no more than reaffirm this policy and put the industry on a sounder footing. Hypocrisy has been displayed by the honorable member for Eden-Monaro. He complained about party funds. I should think that he would be the last person who would ever dare to raise the subject in this House. The clause merely spells out in detail a provision already contained in section 32 of the Australian National Airlines Commission Act 1945-1959, which reads—

The Commission shall prepare estimates, in such form as the Minister directs, of its receipts and expenditure for each financial year and shall submit those estimates to the Minister.

Trans-Australia Airlines already submits estimates. When this measure is passed, the people will know what the Minister takes into account in setting a target. A similar provision appears in the original Labour legislation.

Mr. WARD (East Sydney) [1.54 a.m.].—This is probably the most extraordinary and interesting clause of the bill. I direct the committee's attention to the fact that this is not, as the honorable member for La Trobe (Mr. Jess) suggested, the same provision as appears in earlier legislation, because the Minister and the Treasurer will now be required to confer and the Minister will have to declare for Trans-Australia Airlines a profit target. He will have to do that at the commencement of each year's operations.

The Treasurer (Mr. Harold Holt) has said by way of interjection that the airline has always been required to make profit. For a number of years now, the airline has been paying to the Treasury an average return of 5 per cent. Evidently, this Government is not satisfied with having 5 per cent paid to the Treasury. It realizes that Ansett-A.N.A. has a much higher cost structure, so it has increased the cost structure of T.A.A. to put Ansett-A.N.A. in a better position in relation to T.A.A. Let the committee note the relevant matters that have to be taken into account by the Minister and the Treasurer in determining the profit target. Among these are the profits, in relation to capital employed, that have been

and are expected to be made by privately-owned air transport undertakings in Australia. Why should the profit target of T.A.A. have any relationship whatever to the operations and financial position of private airline companies? It is made quite evident that the Government is going to tie T.A.A. so closely in regard to this provision as to make it impossible for that airline to do other than what has been suggested by the Leader of the Opposition (Mr. Calwell). In order to reach the profit target, it will have to increase fares and freights and reduce services. As a result, the travelling public will suffer.

The Government is taking no risks. When I say that, I mean that Mr. Ansett is taking no risks, because one can guarantee that Mr. Ansett assisted in the framing of this provision, as it is exactly what he asked for in the letter that he circulated to all honorable members. But to make certain and to avoid any mistake, the Minister will have the right, after having fixed a profit target for T.A.A. at the commencement of the year, to review it at any time. If he discovers that, despite all the obstacles, T.A.A. is still succeeding in getting more of the business than the Government or Ansett wishes, he can revise the target. It is a most outrageous proposal. Members of the Opposition should use this in their election propaganda so that the people will know what this Government is doing to the people's assets.

I noticed in the debate that honorable members opposite frankly admitted—some were much franker than others—that they were worried about the people who had invested their money in this activity. I do not know the exact number of people who benefit as a result of the private airline services in this country, but I do know that the whole of the Australian community is directly interested in the success or otherwise of the airline services operated by the Commonwealth itself. Therefore, when there is talk of watching the interests of contributors to the private undertaking, we must remember that every taxpayer in Australia is a shareholder in the Government airline service. If this service fails, the whole of the Australian community will suffer. But this Government is worried only about the investors in the private airline service. I say

quite definitely that this provision is completely obnoxious to any reasonable Australian citizen and to any reasonable member of this Parliament I think that the Opposition is taking the right attitude in deciding to reject it, if possible, in its entirety.

Mr. CAIRNS (Yarra) [1.59 a.m.]—Mr. Chairman—

Motion (by Mr. Harold Holt) put—

That the question be now put.

The committee divided.

(The Chairman—Mr. P. E. Lucock.)

Ayes	52
Noes	28
<hr/>	
Majority	24

AYES.

Anderson, C. G. W.	Hayworth, W. C.
Anthony, J. D.	Holt, Harold
Bandit, H. N. C.	Howson, P.
Barnes, C. E.	Hulme, A. S.
Barwick, Sir Garfield	Jess, J. D.
Browne, P. G.	Kelly, C. R.
Buchanan, A. A.	Kent Hughes, Sir Wilfrid
Cameron, Dr. Donald	Killen, D. J.
Cash, E. D.	King, R. S.
Chaney, F. C.	Lindsay, R. W. L.
Chipp, D. L.	Mackinnon, E. D.
Chresby, A. A.	McMahon, W.
Cleaver, R.	Opperman, H. F.
Davis, F. J.	Osborne, F. M.
Dean, R. L.	Robertson, H. S.
Downer, A. R.	Snedden, B. M.
Drummond, D. H.	Stokes, P. W. C.
England, J. A.	Swartz, R. W. C.
Falies, L. J.	Townley, A. G.
Falkinder, C. W. J.	Turner, H. B.
Forbes, A. J.	Wentworth, W. C.
Fox, E. M.	Wheeler, R. C.
Fraser, Malcolm	Wilson, K. C.
Freeth, G.	
Halbert, H. V.	
Hamilton, L. W.	
Hasluck, P. M.	

Tellers:
Pearce, H. G.
Turnbull, W. G.

NOES.

Barnard, L. H.	James, A. W.
Beaton, N. L.	Johnson, L. R.
Bryant, G. M.	Jones, C. K.
Cairns, J. F.	Luchetti, A. S.
Clay, L. D.	Makin, N. J. O.
Cope, J. F.	O'Connor, W. P.
Costa, D. E.	Peters, E. W.
Courtney, F.	Pollard, R. T.
Crean, F.	Reynolds, L. J.
Daly, F. M.	Ward, E. J.
Davies, R.	Whitlam, E. G.
Fraser, Allan	
Fulton, W. J.	
Griffiths, C. E.	
Haylen, L. C.	

Tellers:
Duthie, G. W. A.
Stewart, F. E.

PAIRS.

Erwin, G. D.	Lawson, George
Bowden, G. J.	Galvin, P.
McEwen, J.	Minogue, D.
Page, Sir Earle	Uren, T.
Holten, R. M.	Curtin, D. J.
Fairbairn, D. E.	Sexton, J. C. L.
Wight, B. M.	Riordan, W. J. F.
Jack, W. M.	Kearney, V. D.
Cramer, J. O.	Bird, A. C.
Bate, Jeff	Thompson, A. V.
Allan, Ian	McIvor, H. J.
Bury, L. H. E.	Russell, E. H. D.

Question so resolved in the affirmative.

Question put—

That the clause be agreed to.

The committee divided.

(The Chairman—Mr. P. E. Lucock.)

Ayes	52
Noes	28
		—	
Majority	24
		—	

AYES.

Anderson, C. G. W.	Hasluck, P. M.
Anthony, J. D.	Haworth, W. C.
Bandit, H. N. C.	Howson, P.
Barnes, C. E.	Hulme, A. S.
Barwick, Sir Garfield	Jess, J. D.
Browne, P. G.	Kelly, C. R.
Buchanan, A. A.	Kent Hughes, Sir Wilfrid
Cameron, Dr. Donald	Killen, D. J.
Cash, E. D.	King, R. S.
Chaney, F. C.	Lindsay, R. W. L.
Chipp, D. L.	Mackinnon, E. D.
Cheshire, A. A.	McMahon, W.
Cleaver, R.	Opperman, H. F.
Davidson, C. W.	Osborne, F. M.
Davis, F. J.	Robertson, H. S.
Dean, R. L.	Snedden, B. M.
Downer, A. R.	Stokes, P. W. C.
Drummond, D. H.	Swartz, R. W. C.
England, J. A.	Townley, A. G.
Failes, L. J.	Turner, H. B.
Falkinder, C. W. J.	Wentworth, W. C.
Forbes, A. J.	Wheeler, R. C.
Fox, E. M.	Wilson, K. C.
Fraser, Malcolm	
Freeth, G.	
Halbert, H. V.	
Hamilton, L. W.	

Tellers:

Pearce, H. G.
Turnbull, W. G.

NOES.

Barnard, L. H.	James, A. W.
Beaton, N. L.	Johnson, L. R.
Bryant, G. M.	Jones, C. K.
Cairns, J. F.	Luchetti, A. S.
Clay, L. D.	Makin, N. J. O.
Cope, J. F.	O'Connor, W. P.
Costa, D. E.	Peters, E. W.
Courtney, F.	Pollard, R. T.
Crean, F.	Reynolds, L. J.
Daly, F. M.	Ward, E. J.
Davies, R.	Whitlam, E. G.
Fraser, Allan	
Fulton, W. J.	
Griffiths, C. E.	
Haylen, L. C.	

Tellers:
Duthie, G. W. A.
Stewart, F. E.

PAIRS.

Erwin, G. D.	Lawson, George
Bowden, G. J.	Galvin, P.
McEwen, J.	Minogue, D.
Page, Sir Earle	Uren, T.
Holton, R. M.	Curtin, D. J.
Fairbairn, D. E.	Sexton, J. C. L.
Wight, B. M.	Riordan, W. J. F.
Jack, W. M.	Kearney, V. D.
Cramer, J. O.	Blid, A. C.
Bate, Jeff	Thompson, A. V.
Allan, Ian	McIvor, H. J.
Bury, L. H. E.	Russell, E. H. D.

Question so resolved in the affirmative.

Clause 5 (Insurance).

Mr. ALLAN FRASER (Eden-Monaro) [2.9 a.m.].—We come now, Mr. Chairman, to the most iniquitous clause in the whole

of this iniquitous legislation. This is a clause by means of which the Government is deliberately and flagrantly legislating in the private interest and against the public interest it is sworn to support, nor is any attempt made in this clause to disguise what the Government is doing. Until now, Trans-Australia Airlines has carried its own insurance, as does every Commonwealth instrumentality. Now, the Government proposes to impose on T.A.A. obligations in respect of insurance, without regard to what is an adequate measure of insurance to provide against risks. In fact, it deliberately defines risks as being the extent to which, in the case of privately-owned air transport undertakings, they are customarily covered by insurance. This means that whatever advantage T.A.A. has had in the past, because it has been able to carry out its insurance at a cheaper rate than the privately owned company could, is now to be taken away from it. Not one reason is given by the Government for this.

Mr. Townley.—It was done at the airline's request.

Mr. ALLAN FRASER.—I have now heard from the Minister the extraordinary statement that this was done at the request of Trans-Australia Airlines.

Mr. Townley.—That is right, I mentioned it in my second-reading speech.

Mr. ALLAN FRASER.—Read it out.

Mr. Townley.—I said—

From time to time the Government has authorised the commission to act as a self-insurer in respect of a wide range of risks. With the introduction of Electra aircraft costing more than £1,000,000 the commission concluded that it would not be prudent to act as a self-insurer in respect of such risks unless the Commonwealth, in effect, guaranteed the liquidity of its insurance provisions.

Mr. ALLAN FRASER.—I am not quarrelling with that and the Minister cannot gain anything by that quotation. Let him explain this: Did T.A.A. ask that the risk should be defined as the risk in the case of a privately owned airline that is customarily covered by insurance? That is the charge against the Government. There is nothing reasonable in it. A privately-owned undertaking insures with a

company that makes a profit out of the insurance, because that is the reason for its existence. There is no obligation on T.A.A. or on the Government to do more than make the provision that is necessary for the effective insurance of T.A.A.'s property and equipment. Yet the Government, for a purpose that can only be to ensure that in no circumstances whatever shall T.A.A. have any advantage over the privately-owned airline, has deliberately written in the provision that T.A.A. must insure to the extent that a private company must insure with an insurance company which makes a profit out of the transaction. That is completely iniquitous, and shows no regard for the publicly-owned undertaking. It is designed to ensure an advantage to the privately-owned operator. This I think, does not come strangely from a Government which is the political representative of a party which is financed by big business interests in this country, and which, on a previous occasion, as is now admitted, took £1,000,000 from the private banks in Australia to fight the banking legislation of the Labour Government, and is now getting £250,000 or more to spend on the coming election. The answer is obvious to the public.

Mr. JESS (La Trobe) [2.14 a.m.].—I feel that the clause merely places on a statutory basis the existing practices of T.A.A. At page 31 of the report of which so much mention has been made, the following passage appears under the heading "Investments":—

Amounts are specifically invested in Commonwealth Government Securities for Insurance and Ground Staff Superannuation liabilities, and Trustee Investments are made in respect of Flying Staff Superannuation Contributions and interest. This latter investment is administered by Trustees appointed under the rules of the Flying Staff Superannuation Scheme. Total investments are £1,160,144, an increase of £412,560 over the previous year.

I can only say that if the gentlemen on the other side of the chamber would consult their candidate, Sir George Jones, they might bring themselves up to date on what is happening.

Motion (by Mr. Chaney) put—

That the question be now put.

The committee divided.

(The Chairman—Mr. P. E. Lucock.)

Ayes	50
Noes	28
Majority	23
		AYES.	—

Anderson, C. G. W.	Haworth, W. C.
Anthony, J. D.	Holt, Harold
Bandit, H. N. C.	Howson, P.
Barnes, C. E.	Hulme, A. S.
Barwick, Sir Garfield	Jess, J. D.
Browne, P. G.	Kelly, C. R.
Buchanan, A. A.	Kent Hughes, Sir Wilfrid
Cameron, Dr. Donald	King, R. S.
Cash, E. D.	Lindsay, R. W. L.
Chaney, F. C.	Mackinnon, E. D.
Chipp, D. L.	McMahon, W.
Chresby, A. A.	Opperman, H. F.
Cleaver, R.	Osborne, F. M.
Davidson, C. W.	Robertson, H. S.
Davis, F. J.	Snedden, B. M.
Dean, R. L.	Stokes, P. W. C.
Downer, A. R.	Swartz, R. W. C.
Drummond, D. H.	Townley, A. G.
England, J. A.	Turner, H. B.
Failes, L. J.	Wentworth, W. C.
Forbes, A. J.	Wheeler, R. C.
Fox, E. M.	Wilson, K. C.
Fraser, Malcolm	
Freeth, G.	Tellers:
Halbert, H. V.	Pearce, H. G.
Hasluck, P. M.	Turnbull, W. G.

NOES.

Beaton, N. L.	James, A. W.
Bryant, G. M.	Johnson, L. R.
Cairns, J. F.	Jones, C. K.
Clay, L. D.	Luchetti, A. S.
Cope, J. F.	Makin, N. J. O.
Costa, D. E.	O'Connor, W. P.
Courtney, F.	Peters, E. W.
Crean, F.	Pollard, R. T.
Daly, F. M.	Reynolds, L. J.
Davies, R.	Ward, E. J.
Fraser, Allan	Whitlam, E. G.
Fulton, W. J.	Tellers:
Griffiths, C. E.	Duthie, G. W. A.
Haylen, L. C.	Stewart, F. E.

PAIRS.

Menzies, R. G.	Calwell, A. A.
Erwin, G. D.	Lawson, George
Bowden, G. J.	Galvin, P.
McEwen, J.	Minogue, D.
Page, Sir Earle	Uren, T.
Holten, R. M.	Curtin, D. J.
Fairbairn, D. E.	Sexton, J. C. L.
Wight, B. M.	Riordan, W. J. F.
Jack, W. M.	Kearney, V. D.
Cramer, J. O.	Bird, A. C.
Bate, Jeff	Thompson, A. V.
Allan, Ian	McIvor, H. J.
McColl, M. L.	Barnard, L. H.
Bury, L. H. E.	Russell, E. H. D.

Question so resolved in the affirmative.

Question put—

That the clause be agreed to.

The committee divided.

(The Chairman—Mr. P. E. Lucock.)

Ayes	50
Noes	28
Majority	22
		—	—

AYES.

Anderson, C. G. W.	Holt, Harold
Anthony, J. D.	Howson, P.
Bandidi, H. N. C.	Hulme, A. S.
Barnes, C. E.	Jess, J. D.
Barwick, Sir Garfield	Kelly, C. K.
Browne, P. G.	Kent Hughes, Sir Wilfrid
Buchanan, A. A.	King, R. S.
Cameron, Dr. Donald	Lindsay, R. W. L.
Cash, E. D.	Mackinnon, E. D.
Chaney, F. C.	McMahon, W.
Chipp, D. L.	Murray, J.
Chresby, A. A.	Opperman, H. F.
Cleaver, R.	Osborne, F. M.
Davidson, C. W.	Roberton, H. S.
Davis, F. J.	Snedden, B. M.
Dean, R. L.	Stokes, P. W. C.
Downer, A. R.	Swart, R. W. C.
Failes, L. J.	Townley, A. G.
Forbes, A. J.	Turner, H. B.
Fox, E. M.	Wentworth, W. C.
Fraser, Malcolm	Wheeler, R. C.
Freeth, G.	Wilson, K. C.
Halbert, H. V.	
Hamilton, L. W.	Tellers:
Hasluck, P. M.	Pearce, H. G.
Haworth, W. C.	Turnbull, W. G.

NOES.

Barnard, L. H.	James, A. W.
Beaton, N. T.	Johnson, T. R.
Bryant, G. M.	Jones, C. K.
Cairns, J. F.	Luchetti, A. S.
Clay, L. D.	Makin, N. J. O.
Cope, J. F.	O'Connor, W. P.
Costa, D. E.	Peters, E. W.
Courtney, F.	Pollard, R. T.
Crean, F.	Reynolds, L. J.
Daly, F. M.	Ward, E. J.
Davies, R.	Whitlam, E. G.
Fraser, Allan	
Fulton, W. J.	Tellers:
Griffiths, C. E.	Duthie, G. W. A.
Haylen, L. C.	Stewart, F. E.

PAIRS.

Menzies, R. G.	Calwell, A. A.
Erwin, G. D.	Lawson, George
Bowden, G. J.	Galvin, P.
McEwen, J.	Minogue, D.
Page, Sir Earle	Uren, T.
Holten, R. M.	Curtin, D. J.
Fairbairn, D. E.	Sexton, J. C. L.
Wight, B. M.	Fordan, W. J. F.
Jack, W. M.	Kearney, V. D.
Crameri, J. O.	Bird, A. C.
Rate, Jeff	Thomson, A. V.
Allan, In	McIvor, H. J.
Bury, L. H. E.	Russell, E. H. D.

Question so resolved in the affirmative.

Title agreed to.

Bill reported without amendment; report adopted.

Bill—by leave—read a third time.

AIR NAVIGATION BILL 1961.

Second Reading.

Consideration resumed from 17th October (vide page 2108), on motion by Mr. Townley—

That the bill be now read a second time.

Question resolved in the affirmative.

Bill read a second time; and reported from committee without amendment or debate; report adopted.

Bill—by leave—read a third time.

SPECIAL ADJOURNMENT.

Motion (by Mr. Harold Holt) agreed to—

That the House, at its rising, adjourn until a date and hour to be fixed by Mr. Speaker, which time of meeting shall be notified by Mr. Speaker to each member by telegram or letter.

LEAVE OF ABSENCE TO ALL MEMBERS.

Motion (by Mr. Harold Holt) agreed to—

That leave of absence be given to every member of the House of Representatives from the determination of this sitting of the House to the date of its next sitting.

ADJOURNMENT.

Valedictory.

Mr. MENZIES (Kooyong—Prime Minister and Minister for External Affairs) [2.28 a.m.]—I move—

That the House do now adjourn.

Mr. Speaker, I have gathered from one or two interjections since I walked into the chamber that this is regarded as my swan song. Anyhow, let me make it a pleasant song. If I may coin a phrase which will appeal to the honorable member for Parkes (Mr. Haylen) I do not want to take too long in the dying hours of the session, or even at this late hour, but, Sir, the fact is—an inspiring fact or a depressing fact, according to the point of view—that the House will now adjourn and will be dissolved on 2nd November. We will then begin to engage in that extraordinary performance which one calls a general election. My distinguished opponent and I will go all around Australia. We will expose to our listeners the wickedness of our opponents. We will have, according to our taste and fancy a good time or a bad time. But, Sir, there is something to be said at the end of a session, and there is much more to be said at the end of a parliament.

It is very interesting to recall that as a parliament ends we remind ourselves of some great things that we have in common. I know that my friends on the Opposition are hoping to be over on this side of the chamber and that they hope that we will be over on the other side in due course. The electors will make the decision on that matter. It is a wonderful thing, in any country, that the electors should be able to do so. When one looks around the

world, one sees how many countries there are in which the people do not have a real voice in the management of their affairs. It is a marvellous thing indeed to know that the people of this country have the sole right to decide who shall govern them. My memory goes back a long way in politics, and I have always thought it a wonderful thing that when we leave the House at the end of a parliament to go to our masters, we know that our masters will speak their minds in their own fashion, and that we will accept their decision, whatever it is, and the government of the country will go on.

It is a marvellous system that we have inherited, and I mention it only to give some background to what otherwise would be the formal speeches made on these occasions. I want to say that whatever the people may decide will be accepted by me, and, I am sure, by all other members of this Parliament, because we are democrats. Some of us have been here for three years, and some of us have been here for many more years than that. We have engaged in our debates, and we have occasionally given a very good imitation of quarrelling with each other. I received a little message the other day from a good friend of mine, who is no political supporter, to say that he had enjoyed, oddly enough, a speech that I had made. I add at once that it was not made in this House. He said he had then found it necessary to go away and tell his constituents what an unreliable character I was. This is good. It is, I think, splendid. I do not mind people saying this. What I do want to have preserved in Australia is the capacity of the people to form their own judgments and to speak their own minds. It is in that spirit that I express the hope that all the honorable members I see about me to-night will be back here after the election. I think this exhibits a warmth of feeling that I hope will be understood.

Mr. Cope.—Why don't you go for the Senate?

Mr. MENZIES.—Oddly enough it is the only House in which I have never sat. I will turn the suggestion over in my mind. I will treat the honorable member's question as being on notice and I will give him an answer after 9th December.

Contrary to the public impression, we who are members of this Parliament really enjoy a great deal of personal friendship, whatever side we may sit on, and I am able, with the greatest good faith, to invite all honorable members to have a very happy Christmas and a very good New Year. In a personal sense I think we can wish each other well.

As for you, Mr. Speaker, I shall not move that your ruling be disagreed with. I think that would be a most unhappy note on which to end. You are, if you will allow me to say so, a very remarkable man. You have to give rulings this way or that, but I must say that you have, throughout the life of this Parliament, maintained a personal relationship with the members of the House which must give you as much satisfaction as it gives us. You go away from this Parliament leaving the "Hansard" reporters, who treat us so generously, to attend to the volumes and put the reports in order; and leaving the Clerks of the House, without whom we could not live in an orderly fashion. You go away leaving all of them to do what must be done. But you may be perfectly certain that you go away from this Parliament with the personal goodwill of the members of the House.

Similar remarks, Sir, apply to the Chairman of Committees and the temporary chairmen. Even in these circumstances, at 2.35 on Friday morning, I say how much my colleagues and I are indebted to the Leader of the Opposition (Mr. Calwell) and Deputy Leader of the Opposition (Mr. Whitlam) for their co-operation in organizing the business of the House. Perhaps the onlooker does not quite understand how important it is that the business of the House should proceed in an orderly and intelligible fashion. The Leader of the House, my distinguished colleague the Treasurer (Mr. Harold Holt)—to whom I am immensely indebted for his assistance in these matters and in others—is able to discuss with the Deputy Leader of the Opposition, just as others before him have discussed with the present Leader of the Opposition, how things should be done in the House. It is very seldom that any genuine quarrel arises about how the business should be organized, and I think we

may all say that it has been organized with the one object of allowing a reasonable time for discussion and the reasonable expression of all points of view, keeping in mind that there is a mass of legislation before the Parliament and that it has to be dealt with in proper fashion within a certain time.

Through you, Mr. Speaker, I want to say to my opposite number, the Leader of the Opposition, in the time-honoured phrase, that I think he is a magnificent Leader of the Opposition. I think it is a role in which nature cast him. I say that just as he, in his own day, said similar things to me when I was Leader of the Opposition. At any rate, the Leader of the Opposition and I will always be able to look back on this Parliament and remember that we were civilized persons dealing with the business of the country in a civilized House in, fortunately, a civilized and democratic country.

I must say something about the Whips. I have always admired the way in which the Speaker or the Chairman, as the case may be, has said, as if the thought had suddenly come to him, "I appoint the honorable member for so-and-so and the honorable member for so-and-so." What we would do without competent Whips I do not know.

Mr. Haylen.—Look what happened to Schumacher!

Mr. MENZIES.—Quite right. The task of the Whip is not an easy one; it is no sinecure. When the Whips stand back and start counting, I am perfectly sure that they forget for the time being that they are politically opposed. They do their work, and they do it to the great advantage of all of us.

Sir, I have made a slight reference to the officers of the House. I have been sitting in Parliament, in one House or another—but not in the Senate, as I have been reminded—boy and man, as one might say, for 33 years.

Mr. Peters.—Too long!

Mr. MENZIES.—That is right. I was waiting for that. I am not sure that you are not right; but anyhow, it is 33 years. In the whole of that time I have come to understand more and more perfectly how

vital it is to the business of the Parliament, to the orderly conduct of affairs that we should have at the table, and not only at the table but around the House, in the staff of this Parliament people who know their business, who are familiar with the forms of the House and who become, in a sense, the guardians of the proper procedures which make a parliament effective. Therefore, I say to them how indebted I am to them and how indebted we all are to them.

I do not want to dwell uneasily on the "Hansard" staff. When I first came into this House I was young and ardent and had a deep suspicion of the "Hansard" staff, I suppose; I used to correct the proof sheets. Oh dear! I gave it up. I have not corrected one for twenty years and I still have to be told that I have been misreported in this House. This is something to be said about the "Hansard" staff. They have a dull, heavy, routine job at all hours of the day and night. They do not grumble about it and they manage to come up, day by day, with reports of speeches which, if one read them, would astonish one by their intelligence and intelligibility. This is a wonderful achievement and I want to say how much indebted we are to the "Hansard" staff for it.

We are, of course, indebted to many people who make our life, our useful life, our thoughtful life possible. There are those in charge of the Library from the Librarian to his assistants. I suppose we ought to say that we are indebted to the broadcasters although, of course, whether that is true or not depends entirely on results of which we are at present happily unaware. Every time we sit we have sitting above us, like Timotheus placed on high amid the tuneful choir, the press reporters, the press correspondents. I suppose that every member in the course of a session goes through a period when his attitude of mind could be described as one of utter anguish at what they have made of us. I sometimes have thought that they have not understood what I said and I have been very angry; I have sometimes realized that they have not understood what some opponent said and I have been very pleased. So, it all averages out, and we are indebted to them.

Now, Sir, there are many other people I should mention. It is the habit to talk about civil servants as if they did not matter, as if they were a strange race isolated from mankind. Every man who has been in office, whether subsequently he has been in Opposition or not, knows how much we owe to the people in the Civil Service to whom we refer for information and upon whose information we can rely. When I look at the annual volumes of the statutes, so many of which have been contributed by my own Government, I recall the incredible work done by the parliamentary draftsmen week after week, month after month and year after year, reducing into statutory form the observations of Ministers which, if I may betray one of the secrets with which my friend opposite is familiar, are not always as clear as all that. We are greatly indebted to them.

There is the general staff of the Houses of the Parliament, moving from the refreshment-rooms towards the front of the building and around the corridors; the people who make the setting of this Parliament House so lovely. They are not known, very frequently, by name, but they make their contribution to the existence of a parliament in a national capital in a beautiful setting. That there should be a great national capital in a beautiful and civilized setting in Australia I have no doubt whatever. I think that it means something far more than the rather casual critic may suppose.

No doubt I have omitted a variety of people; but I do want to take the opportunity, even—if I may repeat myself—at this late hour of the day, or this early hour of the day, to say that this session ends and this Parliament ends with a great fund of goodwill, with, I suppose, in most of us a feeling of excitement about what is going to happen in the next six weeks; but, however hard the blows that are struck in the next six weeks may be, all of us can think of people opposed to us politically in this place for whom we have a warm, human and generous feeling.

Mr. CALWELL (Melbourne—Leader of the Opposition) [2.47 a.m.].—Mr. Speaker, I support everything that the Prime Minister (Mr. Menzies) has said. It is not always that I agree with everything that he

says, but on occasions I have agreed with his remarks in their entirety. I wrote myself an aide mémoire in order that I would not forget anybody if the Prime Minister had forgotten somebody. The only people whom he included but perhaps did not particularize and whom I might mention are the telephonists who help us out so very much; and the members of the Police Force who do help us on occasions when we need their services; though it is the sight of them more than their activity which helps to preserve law and order in this very peaceful, law-abiding National Capital.

Now, Sir, I would be hypocritical if I were to wish all our political opponents success on 9th December. I will not do that, but I will wish them good health. I wish every member of the Parliament good health because there is no substitute for good health. I wish them all happiness in their family lives. I wish them all success in their homes with their children and their grandchildren, and all the happiness that comes with the joys—the little joys and the great joys—that come to the family circle.

We do live in a democracy, Sir. It is a very great privilege to live in a democracy. The more we think of it, the more we realize just how few real examples of democracy there are in the world and how few countries really practise democracy. Even some of the great European nations, which are so powerful, so rich with memories and in history and so great in culture, have yet never practised democracy in the way we practise it. To me “democracy” means government by the majority of the people. Democracy rests upon the will of the majority. Somebody has said that there is nothing sacred in the rule of 99 over 1 or of 51 over 49, but that is the only principle upon which a civilized society can be carried on. Anything other than that is a tyranny of one sort or another. So long as we are prepared to accept majority decisions, particularly when we do not like them, we can be sure that our form of society and our way of life will endure. If the people make a mistake on the occasion of one election they pay for it, and at a subsequent election they have their opportunity to reverse their votes.

The Prime Minister expressed the opinion that I was well fitted for the post of Leader of the Opposition. His remark reminded me of other occasions of twelve and more years ago when I and others said the same sort of thing about him. I assure the right honorable gentleman and other honorable members opposite that I have no intention of making the position of Leader of the Opposition a permanent occupation for myself if I can avoid doing so. However, that all depends on the will of the majority. Whatever the will of the majority may be, I accept it gladly—the will of the people in the first instance and the will of my colleagues in the second instance. Nobody should occupy any position in a democracy unless he occupies it with the goodwill and the freely given consent of all the people with whom he is associated.

We have had our differences and our difficulties in the Twenty-third Parliament of the Commonwealth. We have seen difficult times. We have conjured up the possibilities of great danger confronting us and the world. Thanks to a beneficent providence, we have lived through all those difficulties unscathed so far. Let us hope that in the lifetime of the Twenty-fourth Parliament Australia and the world will escape the terrors and the horrors of a third world war or even a limited war in any part of the world. Man yearns for peace. Men and women everywhere want peace. Surely, in the twentieth century of the Christian era of our civilization, we ought to be able to find some ways and means by which we can avoid war and enable mankind to live in peace.

Mr. Speaker, the members of the Opposition wish you well. You have been stern on occasions. Perhaps we have provoked you a little and you have taken action because you felt that the Standing Orders obliged you to do so. We bear you no ill will. We wish you and your wife a very happy Christmas and a prosperous New Year. We extend similar good wishes to all honorable members who sit on your right. For myself, I wish every member of the Parliament, whatever the result of the election may be, a very happy and peaceful Christmas and a prosperous and joyful New Year.

Mr. McEWEN (Murray—Minister for Trade) [2.53 a.m.].—Mr. Speaker, I should like to associate myself, as I am sure all the members of the Australian Country Party would like to associate themselves, with the sentiments that have been expressed by the Prime Minister (Mr. Menzies) and the Leader of the Opposition (Mr. Calwell). Immediately before the dissolution of this Parliament and so near to Christmas time, we extend personal good wishes to all the members of the Parliament and to their families. To them all, we extend best wishes for Christmas.

During the life of this Parliament, we have lived through dramatic days in world affairs. All of us who have participated in the activities of this Parliament can look back and feel that we have had an opportunity to play our part on our stage in days of dramatic consequence to this country and to all societies.

This occasion has particular significance for me and my colleagues, because two of our number do not propose to come back to the Parliament. My very old and distinguished friend the honorable member for Gippsland (Mr. Bowden), who has served his country very well in war and in peace, and who has served this Parliament and my party very well, is not standing again for election. I express to him in his absence the very best of good wishes. That is a sentiment with which I am sure all honorable members wish to associate themselves. My colleague, the honorable member for Canning (Mr. Hamilton), also, has served his country in war, on two occasions, and has served in peace in this Parliament with distinction for a very long period. The honorable member has had the unique experience of being for a time the only representative from a State on the non-Labour side of politics in this House. The honorable member does not propose to contest an election again after his long service. I am sure that every member of the Parliament wishes to extend good wishes to him on his retirement, Mr. Speaker. We have the same thoughts in our minds for the honorable member for Warringah (Mr. Bland) and the honorable member for Brisbane (Mr. George Lawson), each of whom has given distinguished service here.

The rest of us will attempt to come back and to uphold the principles that we stand for, and especially the traditions of this Parliament. I believe that we who are and have been members of the Australian National Parliament have had the great distinction of legislating for and governing what I have come to believe is the most completely classless society among all the nations. That is a very good thing indeed, if it be true, as I think it is. The character of our society is reflected in the character and the conduct of this Parliament.

We are indebted to you, Mr. Speaker, for the dignity and capacity with which you perform the functions of your high office. Thank you, Sir. I address similar remarks to my colleague, the Chairman of Committees (Mr. Lucock), who himself plays a distinguished part in the service of the Parliament, and also to the Temporary Chairmen whom you, Sir, have appointed. I express to the Leader of the Opposition my thanks for his courtesies. On occasions, we engage in verbal rough and tumble. However, I wish to say publicly that, in personal relationships, I have nothing but profound respect for the honorable gentleman. I also express my personal good wishes to his deputy and to all who sit behind him. The Whips play their part, and we thank them. There are many who comprise the staff which serves the Parliament, and they have been mentioned by the Prime Minister and the Leader of the Opposition. I associate myself personally and the members of my party with all the expressions of goodwill appropriate to the staff of the Parliament.

Mr. WARD (East Sydney) [2.58 a.m.].—Mr. Speaker, this is the last occasion on which the Parliament will meet prior to the election, and, as one of the members who have prospects of returning to this place, I want to raise with you a matter concerning the facilities in this building. I am not sure for how long your authority will extend, Sir, and I trust that it will not last for too long. However, I hope that it will survive sufficiently long to enable you to rectify the matter to which I wish to direct attention. At about this time of the year, at the conclusion of the last sittings of the Parliament before Christmas, it is the practice for members to have little cele-

brations. In my opinion, the facilities for these functions appear to be inadequate. Early this morning, when I was preparing to depart for Hotel Kurrajong—

Mr. Jess.—Was the honorable member snooping?

Mr. WARD.—I was not. As a matter of fact, I was in company with a couple of my colleagues. We were proceeding to my office to get some papers before we left for the hotel. I am a music lover, and I heard music coming from one of the offices. Which one was not clear to me. Being of a very inquiring nature, and being attracted by the music, I decided to do a little investigating, and I discovered from which office the music was emanating. I did not knock on the door or open it. It was opened for me. Immediately it was opened I said "Goodnight", and the door was slammed rather rudely in my face. I am not showing any resentment and I do not propose to mention the names of the only two people that I identified—members of the Government parties—but I was rather upset to think that they were having their amusement under such great difficulties, because the room was crowded. I would not say that it was large enough to accommodate all the members of the Liberal and Country Parties, but it was somewhat crowded and it appeared to me that it was not rock 'n' roll that was going on in there. It was that cheek-to-cheek kind of dancing, more of a shuffle without any actual movement.

The reason I raise this matter with you now, Mr. Speaker, is that evidently in some of the offices round this building the lighting is faulty because there was no light on in that room. It was in complete darkness. I think that you, as the custodian of the House, ought to see that the lighting in the building is such that members who want to have a little quiet enjoyment are not handicapped by the lack of lighting in their offices when these festivities are being held.

The only other matter which I want to raise concerns my colleague, the honorable member for Brisbane (Mr. George Lawson), who is not here to listen to what I have to say about him. I want to say au revoir to him. George Lawson has been in this Parliament a long time. It has been rather

a matter of dispute between George and me as to which of us has the longer period of continuous membership of the Parliament. We have not put it on the basis of non-continuous membership because I came here early in 1931. I was temporarily defeated at the end of that year, when George was elected, and he claims that he has longer membership of the Parliament than I have. I am prepared to concede that distinction to him if it will give him any pleasure or satisfaction. He has been a great old stalwart of the Labour Party. He served in a Labour government with great distinction and I think that he can go out of this Parliament realizing that he has friends and deserves the respect of all the members of the Labour Party with whom he was associated during those years.

Mr. HAMILTON (Canning) [3.2 a.m.]—It is not usual for me to join in the speeches at a time such as this, but on this occasion I should like to support the remarks made by the Prime Minister (Mr. Menzies), the Leader of the Opposition (Mr. Calwell) and the Deputy Prime Minister and Minister for Trade (Mr. McEwen). If I wished to crow over other members of this House I could say, "I know where I'm going" but I do not want to speak in that strain. This will be my last appearance here. At the outset I want to pay my respects to you, Mr. Speaker, and to thank you for the treatment I have had at your hands. I also express my appreciation of the treatment I have had at the hands of Speakers who have preceded you during the time I have served in this Parliament.

I want also to take this opportunity to express my appreciation to the electors of, first, the division of Swan, in Western Australia and, secondly, the division of Canning, for having placed their confidence in me and allowed me to be a member of this Commonwealth Parliament. I say that, because I consider it to be an honour to be one of 124 people who here represent 10,500,000 people. In that regard I support every word that the Prime Minister said a few moments ago and which were so ably supported also by the Leader of the Opposition, about the democratic system under which we live. I think that I would be ignoring my personal desires if I did not say at this stage to the Ministers in this Parliament and previous

Parliaments in which I have served, "Thank you very much for your assistance and advice". I include the Leader of the Opposition in that expression of appreciation because when I first came here he was a Minister of the Crown and although I was on the opposite side of the political fence he proved to be a very good friend to me and gave me some excellent advice in those first few years. I thank him for that.

I should also like to express my thanks and appreciation to the officers of this Parliament. The present Clerk of the House, who is at the moment on leave, was Sergeant-at-Arms when I first arrived here. I had not been here more than an hour when he conducted me and my friend, now the Postmaster-General (Mr. Davidson), round this place so that we would understand where we were. To the officers of the House generally I say, "Thank you very much for all the help you have given me in the fifteen years I have been here".

I should also like to include in my expression of appreciation the members of the "Hansard" staff for the way in which they garnish our speeches. My friend George Bowden, who I regret is not here, once said that our speeches read like political orations.

Before I leave this chamber I should like to say thanks to the uniformed attendants who do a marvellous job for members. They are always very courteous, understanding and helpful and each of us owes them a debt of gratitude for the work they do so silently as they move on these carpeted floors and in other places. I should also like to mention the officers of the Library. Since I have been here I have never been afraid to approach them for assistance in reference books or information. To them I express my thanks.

There is another body of people in this Parliament to whom honorable members owe something. At least, that is my experience. I refer to the private secretaries of the Ministers who certainly do a really good job to help us in the task we have undertaken here. Then, too, are the members of the Joint House Department, particularly those in the refreshment rooms, where we can get good solid and liquid refreshment at any hour of the day or night. I thank the transport officers and drivers. In the fifteen years I have been here it has never

been my experience to find a driver or anybody else connected with our transport arrangements who has not shown the utmost courtesy in helping us.

Some references were made to the press. When I came here members of the Parliament frequently played cricket against the press and the private secretaries. Unfortunately, nowadays those social gatherings seem to have gone by the board. I recommend to some of you the adoption of some of the ideas of the Crazy Gang and learn to live and enjoy yourselves, because do not forget that—

A little nonsense now and then
Is relished by the wisest men.

We used to sing a rollicking song when we came onto the field, the burden of which was "Curse the press!" I should like to-night to reverse that and say "Praise the press" because as Sir George Reid once said "You can write me up or you can write me down, but for heaven's sake don't ignore me." What the press does to a member of Parliament one way of the other can be turned to a valuable result. That is my experience in public life.

I have heard a lot of people both in this Parliament, unfortunately, and outside speak in very derogatory terms of the Public Service. My experience of the Public Service is that it is formed of a band of people imbued with the spirit of doing a job for this country. We cannot expect each and every one of them to be perfect, but by and large the members of the Public Service do well the jobs that they are there to do. This Parliament, and parliaments which have preceeded it owe a debt of gratitude to the Public Service for the work that it does and I am happy to thank the Public Service for that. Parliaments in the future will owe a similar debt of gratitude to the service.

I should like to say that this institution—of Parliament—is one of the finest things it has been my pleasure to know. Those of us who have sat here and those who will sit here must realize that, to protect the democratic idea as expressed by the Prime Minister and the Leader of the Opposition, a certain amount of dignity is required. We swap punches politically, but I think we can do it in a way that will uphold the prestige

of the parliamentary institution. Although I have engaged in verbal battles not only with my friends on the Opposition but also with my friends on the Government side of the House, I have enjoyed every minute of it. I think I can say truthfully that although we have hopped into one another with words, I have never engaged in personalities and nobody has engaged in personalities against me. I have never had a quorum called on me by the honorable member for East Sydney. I go out of the Parliament thanking him for that. He has never smiled at me as he has done at the honorable member for Wimmera, but I do not think he ever had the pleasure of calling a quorum on me. Finally, I say, "Merry Christmas and Happy New Year." I cannot say "Good luck," but I say "Good health" to everybody.

MR. SPEAKER (Hon. John McLeay). — I thank the Prime Minister (Mr. Menzies), the Leader of the Opposition (Mr. Calwell), the Minister for Trade (Mr. McEwen) and the honorable member for Canning (Mr. Hamilton). I am not quite sure where I stand with the honorable member for East Sydney (Mr. Ward), but I shall take it for granted. I appreciate the kindly references you have made to myself and I express my thanks, not only to you folk, but also to all honorable members on both sides of the House for their tolerance, their understanding, their sympathy and, above all, their loyalty in supporting the institution of the Parliament during my term of office.

I thank everybody under the control of the Clerk, every member of the "Hansard" staff associated with the House, and the Joint House Committee and its staff. I thank also the staff of the Parliamentary Library, the members of the Library Committee and the members of all the other committees associated with the management and control of the Parliament. I want to say a special word of praise of my own personal staff and those associated with me. I want to thank those who have handled the very delicate problem of the galleries and the other problems that have arisen. I hope the same loyalty will always be extended to whoever occupies the honoured position of Speaker.

So far as the members of press are concerned, particularly those who have been

associated with the directions issued by those in control during my term as presiding officer in this House, I have found that they have always respected the requests we have made. I express to them my appreciation of their co-operation and assistance in anything that came under my control.

On behalf of all those who will not be able to speak for themselves, I want to express to you their appreciation of the very kind things you have said. On behalf of those who are here for the purpose of serving the House, I would say that they are very grateful and very pleased to have the opportunity of rendering to you the services it is their obligation to render.

We say "au revoir" to those who are going out of the Parliament by their own desire. To any of those who I am not able to isolate but who will not be returning, I say that I wish them good health in the event of the reaper being a little rough. I take this opportunity of extending to you all greetings for the coming year.

Question resolved in the affirmative.

House adjourned at 3.15 a.m. (Friday) to a date and hour to be fixed by Mr. Speaker.

ANSWERS TO QUESTIONS.

The following answers to questions were circulated:—

Immigration.

Mr. Beazley asked the Minister for Immigration, upon notice—

1. Has his attention been drawn to a statement appearing in "British Voice in Australia", No. 1, Spring, 1961, at page 2, that (a) Australia is losing more than half of her British new arrivals, (b) their departure rate is much higher than for any other nationality, (c) the figures issued by the Commonwealth Statistician, Mr. S. R. Carver, show that in 1960, 53,494 people arrived from the United Kingdom and Ireland and 30,804 left permanently thus representing a loss of 58 per cent., (d) the figures are contained in the "Demographic Review" No. 126; if so, is the position as stated?

2. In reading the "Demographic Review" is it correct to assume, in the case of departures, where the country of intended future residence is shown in the United Kingdom or Ireland, that the numbers of persons returning to those countries are "British new arrivals"?

3. If the Government's estimate of the return rate of British new arrivals differs from that shown in "British Voice in Australia", what is the Government's estimate?

4. How is the estimate made?

Mr. Downer.—The answers to the honorable member's questions are as follows:—

1. This article seriously misinterprets the information published in the Australian Demographic Review by the Commonwealth Statistician. As is plainly stated on the front page of the "Review", the figures do not purport to indicate permanent migration as such. Moreover, the actual figures quoted in the article do not refer to recent United Kingdom citizens returning to the United Kingdom. They do not even refer to British nationals—a term which does not only apply to citizens of the United Kingdom. In fact, the figures quoted are concerned with movements to and from the United Kingdom, irrespective of nationality. Moreover, it is not even correct to say that 30,804 people—irrespective of nationality—left permanently for the United Kingdom. For example, this figure includes all Australians who intend to stay in the United Kingdom for a year or more, regardless of the fact that they intend to return here.

2. For the reasons indicated above, it is not correct to assume that the departure figures represent "British new arrivals" returning to the United Kingdom.

3. The best available evidence indicates that the effective returnee rate is approximately 6 per cent.

4. This estimate is based on information obtained by my department concerning assisted migrants from the United Kingdom who return home, and does not relate to the traditional free-flow of British people to and from Australia outside the assisted passage scheme.

Travelling Allowances Paid to Parliamentary Secretaries.

Mr. Cope asked the Prime Minister, upon notice—

In what circumstances and at what rate is a travelling allowance paid to Parliamentary Secretaries (a) within Australia and (b) outside Australia?

Mr. Menzies.—The answer to the honorable member's question is as follows:—

Parliamentary Secretaries receive a travelling allowance, apart from their entitlement as members, only when travelling on ministerial business within Australia other than in Canberra. The travelling allowance is at the rate of £10 per day as recommended by the Committee of Enquiry into the Salaries and Allowances of Members of the Commonwealth Parliament, 1959. Outside Australia they do not receive a daily rate of travelling allowance. Expenses of an official overseas visit on ministerial business would be an official charge.

Excise Duties on Petroleum Products.

Mr. Costa asked the Minister for Shipping and Transport, upon notice—

1. What revenue has been received by the Commonwealth from excise duties on petroleum products since the inception of the duties?

2. What amount has been returned to the States for road construction?

3. Has the Commonwealth financed the construction of any strategic roads out of the revenue received from these duties; if so, which roads were so constructed?

Mr. Opperman. — The answers to the honorable member's questions are as follows:—

1. Commencing in 1902 and up to 30th June, 1961, an amount of £658 million has been collected in customs and excise duty on petrol and diesel fuel. This figure includes duties on aviation fuels up to 30th June, 1946, which cannot be segregated from the total amount as separate records were not then maintained. However, it does not include duties on aviation fuels after 1st July, 1947.

2. Commonwealth grants to the States for road construction between 1923, when the first roads grant was made, and 30th June, 1961, amount to £379 million.

3. Since 1946-47 when the Commonwealth Aid Roads legislation empowered the Minister for Shipping and Transport to declare a road a strategic road an amount of £4,580,507 has been authorized for expenditure on the maintenance and repair of the following roads:—

Queensland—Barkly, Inland Defence and Central Highways.

South Australia—Eyre Highway.

Western Australia—Eyre Highway, Great Northern Highway, Geraldton/Learmonth Road.

Northern Territory — Stuart and Barkly Highways.

Strategic roads are no longer provided for in the current Commonwealth Aid Roads Act 1959.

Unemployment Statistics.

Mr. Reynolds asked the Minister for Labour and National Service, upon notice—

What is the estimated value of the loss in (a) production, (b) wages and salaries and (c) business profits, which occurred in each of the months from January to August, 1961, due to unemployment and the curtailment of employment and earning capacity?

Mr. McMahon. — The answer to the honorable member's question is as follows:—

Insufficient statistical data is available to enable an estimate to be made.

Mr. Whitlam asked the Minister for Labour and National Service, upon notice—

1. Why does he not publish in his monthly review of the employment situation the number of migrants for whom the Commonwealth Employment Service (a) has not found their first employment in Australia, and (b) has recommended special benefits?

2. Why does he exclude such migrants from the general statistics of persons for whom the Commonwealth Employment Service (a) has not found employment and (b) has recommended unemployment benefits?

Mr. McMahon. — The answer to the honorable member's questions is as follows:—

It is a cardinal rule of the Commonwealth Employment Service that it makes no discrimination among those registering for employment whether on grounds of nationality or otherwise. It follows that it does not prepare separate statistics relating to migrants registered with it. Such migrants whether seeking their first or subsequent employment are subject to what follows included in the statistics published monthly.

Assisted passage migrants who are accommodated in the Department of Immigration migrant reception and accommodation centres pending movement to hostels or private accommodation and entry into initial employment have not since the inception of the post-war immigration programme been included in the published statistics of persons registered for employment and for the following reasons. These migrants do not become immediately available for employment on their arrival in the centres. Moreover, the unevenness of shipping arrivals has a more pronounced effect on the fluctuating numbers of workers accommodated than the availability of employment. Statistics of assisted passage migrants who receive special benefit payments while awaiting entry into initial employment are published regularly by the Commonwealth Statistician.

Education.

Mr. Reynolds asked the Prime Minister, upon notice—

1. Has he replied to the request of the State Premiers, made at the 1961 Premiers' Conference, for (a) an immediate special financial grant to the States for the purposes of primary, secondary and technical education, and (b) a national inquiry into the long-term needs of these levels of education?

2. If so, what decision did he communicate to the Premiers?

3. If he has not yet replied, when does he intend to do so?

Mr. Menzies. — The answers to the honorable member's questions are as follows:—

1, 2 and 3. On 26th September I spoke about these matters in the House. I drew attention to the fact that financial arrangements made by this Government have enabled State governments to

lift their educational expenditure from £34,000,000 per annum to £140,000,000 per annum over the past ten years. I pointed out that the Government had established the Universities Commission and appointed a committee to report on the costs of teaching hospitals. More recently we established a committee to study and report on the future pattern of tertiary education in this country. Future action should obviously await receipt and consideration of the findings of this committee.

Employment of School Leavers.

Mr. Bird asked the Minister for Labour and National Service, upon notice—

1. Has his department made a survey of the number of primary, secondary and tertiary school pupils who will leave school at the end of the present year and become job-seekers at the beginning of next year?

2. Has an estimate yet been made of the number of jobs expected to be vacant in 1962 to absorb these students in full-time employment?

3. How many of these former school pupils are likely to be unable to secure employment and for what periods are they expected to remain unemployed?

Mr. McMahon.—The answers to the honorable member's questions are as follows:—

1 and 2. As is usual at this time of the year officers of the Commonwealth Employment Service are extending their regular contacts with the schools with the object of obtaining as complete details as possible of students who may require assistance in securing employment. Likewise the Commonwealth Employment Service is stepping up its canvass of employers for vacancies for school leavers.

3. It is not possible at this stage to provide an answer. All efforts of the C.E.S. are being bent to the objectives of placing school leavers with the minimum of delay.

Post Office, Pittsworth.

Mr. Swartz asked the Postmaster-General, upon notice—

Will he consider including a new post office building for Pittsworth in the works programme for the next financial year?

Mr. Davidson.—The answer to the honorable member's question is as follows:—

The provision of a new post office at Pittsworth will receive consideration in future building programmes. The actual year in which the project will be undertaken depends on the relative priority of other urgent projects and on the total resources available.

Commonwealth Offices, Toowoomba.

Mr. Swartz asked the Minister for Works, upon notice—

1. When will tenders be called for the new Commonwealth administrative building in

Toowoomba which was approved in this year's works programme?

2. What is the total estimated cost of this project?

Mr. Freeth.—The answers to the honorable member's questions are as follows:—

1. It is anticipated that tenders will be invited in March, 1962.

2. The estimated cost of the project is £98,000.

Homes for the Aged.

Mr. Swartz asked the Minister for Social Services, upon notice—

What amount of the Commonwealth grant for aged persons has so far been allocated or approved for projects in Toowoomba, Queensland?

Mr. Robertson.—The answer to the honorable member's question is as follows:—

Commonwealth grants approved to 13th October, 1961, total £11,248,144 for the whole of Australia. Of this £193,535 has been approved for projects in Toowoomba.

Radium Hill Uranium Mine.

Mr. Menzies.—Yesterday, the honorable member for Wakefield (Mr. Kelly) asked me if I had received a communication from the Premier of South Australia about the future of the mine at Radium Hill and, if I had, if the Government has been able to see its way clear to assist in keeping this mine in operation. I indicated that I have exchanged some communications with the Premier.

I have informed the Premier that I regret that there is no way in which the Commonwealth Government can help to prolong the existence of the Radium Hill operation, which in any case seems very near the end of its effective economic life; the amount of recoverable oxide content would enable the mine and associated plants to continue in production for only a fairly limited period. The costs of production of uranium oxide at Radium Hill are such that the price at which this oxide could be offered for sale is unlikely to be competitive with other world producers. In these circumstances, stockpiling of uranium oxide would appear to be out of the question.

Reserve Bank of Australia.

Mr. Menzies.—On 4th October, and also on 11th October, the Leader of the Opposition (Mr. Calwell) asked if I would supply

reasons for the rejection of the two lowest tenders for the construction of the new Reserve Bank head-quarters in Sydney, or, alternatively, whether I would give reasons for the need for secrecy.

I begin by reminding the honorable member that both before and since 4th October this subject has been debated in the House, and further, that in the course of debate my colleagues the Treasurer and the Minister for Works have each made statements bearing on the questions he has asked.

But there are some observations which it may be appropriate and useful for me to make.

The first is that the decision on the tendering was one for the Reserve Bank to make, and one which it did, in fact, make. But having said that, I am satisfied that it was made only after careful examination of all the relevant circumstances and the advice of its architects. Its architects, as my colleague the Minister for Works has already said, were the Department of Works and a private consultant acting in co-operation. My colleague the Minister for Works has said that after his careful examination of the whole question he had no reason whatever to doubt the regularity and judgment of the bank. The Treasurer has said that, in his view, again based on an examination of the matter, the bank acted with judgment and in good faith in arriving at the decision that was made. I completely accept each of those expressions of view.

It is well known that in these matters no single factor, including the factor of the tender price itself, is necessarily decisive. There are various other factors which bear upon decisions on tenders, of the kind which were referred to by the Minister for Works in his remarks in the House on 31st October.

As to a statement of reasons, the Reserve Bank has taken the view that it would not be proper to publish the details of the material used in arriving at the decision that was made. This is all properly within the bank's own sphere of responsibility, and I do not propose to take issue with or to enter into this aspect except to say that I am satisfied that the bank's decision not to publish reasons has been responsibly and not lightly taken.

Bank Advances.

Mr. Harold Holt.—On 10th October, the honorable member for Yarra (Mr. Cairns) asked me a question without notice relating to the movements in bank advances for certain purposes, and I undertook to ascertain what additional information I could provide. I now provide further information on the subject.

Between June, 1960, and June, 1961, the outstanding advances of the major trading banks to individuals for the building and purchase of their own homes decreased by £12,874,000, and outstanding business advances for agriculture, grazing and dairy-farming fell by £11,499,000. Over the same period, however, there were increases of £964,000 in the outstanding advances of major trading banks to building and housing societies, while outstanding advances by savings banks for housing increased by £34,805,000. There was also an increase of £3,900,000 in the outstanding rural advances of the Commonwealth Development Bank, and an increase of £4,500,000 in the outstanding rural advances of pastoral finance companies, which are partly financed by banks loans.

The level of bank advances outstanding to any particular group within the community changes from time to time in response to variations in a number of complex and inter-related factors. These factors include not only the need and desire to borrow of potential borrowers and the availability of bank credit, but also the rates at which customers draw against loans already approved and repay existing loans.

So far as official policy is concerned, even during the period of general credit restraint, particularly after November, 1960, the banks were asked to ensure that appropriate finance was provided for export production, especially in the rural and mining industries. Housing has also occupied a preferred position in official credit policy, and over the past few months special action has been taken to encourage an increase in the rate of new lending for housing by both trading and savings banks.

Commonwealth Development Bank.

Mr. Harold Holt.—On 17th August, the honorable member for Mallee (Mr.

Turnbull) asked a question without notice relating to the average amount of security taken by the Commonwealth Development Bank of Australia in respect of its loans to primary producers.

I now furnish the following reply:—

It is not practicable to supply meaningful statistics on this matter particularly as the types of security taken by the Development Bank vary so much in their character and in many cases any attempt at precise valuation would be quite arbitrary. I am satisfied, however, after referring the matter to the Managing Director of the Commonwealth Banking Corporation that the Development Bank is fully observing the statutory requirement placed upon it by section 73(1.) of the Commonwealth Banks Act 1959 to have regard primarily to the prospects of the venture and not necessarily to the value of the available security. In conformity with this requirement the Development Bank does not restrict any individual loan to a predetermined percentage of the security value but bases its approach to each loan proposal on all the circumstances of the case, with special emphasis on the prospects for successful development.

Commonwealth Insurance Fund.

Mr. Harold Holt.—On 26th September, the honorable member for Swan (Mr. Cleaver) asked me—

Is it a fact that whilst the Commonwealth claims that it carries its own insurance no special reserve or insurance fund has been established in the accounts of the Commonwealth? Will he ask the Treasury officials to conduct up-to-date research into this problem so that prompt replacement of costly losses may be effected without severe impact upon revenue in any one year?

The answer to the first part of the honorable member's question is, "Yes". In answer to the second part, I would point out that the Commonwealth's accounting is on a cash basis, no provision being made for accumulation of funds to provide for replacement of assets. A great deal of work would be involved in administering any scheme which would, in effect, enable replacement costs of assets lost or destroyed to be spread over a number of financial years. I can assure the honorable member that where any essential asset has to be replaced, funds will be made available for the purpose. Experience has shown that this can be done without substantially greater effect upon the Budget in any one year than would arise by allocating funds each year to an insurance fund.

International Monetary Fund.

Mr. Ward asked the Treasurer, upon notice—

Was the Commonwealth involved in any expenditure in connexion with its standby credit arrangement with the International Monetary Fund which has since been terminated; if so, what are the details?

Mr. Harold Holt.—The answer to the honorable member's question is as follows:—

The stand-by credit for U.S. \$100,000,000 was arranged for one year from 1st May, 1961. Full details of this arrangement were given in my statement to the House on 4th May, 1961. As mentioned in that statement the stand-by credit was subject to a service charge of one quarter of 1 per cent. per annum. This charge amounting to U.S. \$250,000 was paid on 1st May, 1961. When the stand-by credit was cancelled on 5th September, 1961, a refund of U.S. \$162,329 was made by the Fund in respect of the remaining 237 days. The net cost to Australia was U.S. \$87,671 or approximately £A.40,000.

Antibiotics.

Mr. Whitlam asked the Prime Minister, upon notice—

1. Has Professor F. P. Dwyer of the Australian National University discovered an antibiotic which is unusually effective in the treatment of staphylococcal and other highly resistant infections?
2. Has the Australian National University arranged with a drug company to develop and test the discovery?
3. What is the name of the company?
4. What are the terms of the arrangement?
5. Did the university give the Commonwealth Serum Laboratories the opportunity to develop and test the antibiotic?

Mr. Menzies.—The answers to the honorable member's questions are as follows:—

- 1 to 5. I understand that following several years of research work conducted by Professor Dwyer in collaboration with associates in the University of Melbourne, a potentially useful series of biologically active compounds have been discovered. These have shown promise in the treatment mentioned in the question. However, this is a highly technical subject, and the manner in which these compounds may best be developed and tested, is clearly a matter for decision by the governing bodies of the universities concerned. I suggest the most satisfactory course is for the Deputy Leader of the Opposition to direct his inquiry to the Australian National University itself.

Australian Airlines.

Mr. Whitlam asked the Minister representing the Minister for Civil Aviation, upon notice—

What subsidy (a) was paid last year and (b) will be paid this year to (i) East-West Airlines Limited and (ii) Airlines of New South Wales Proprietary Limited?

Mr. Townley.—The answer to the honorable member's question is as follows:—

In 1960-61 East-West Airlines, which had a capital of £165,000 and operated 2,830,000 ton miles, was paid £25,700 and Airlines of New South Wales, which employed capital of £1,500,000 and operated 7,120,000 ton miles, was paid £44,000. For comparative purposes the 1960-61 subsidy payment to East-West Airlines represented 16 per centum on capital and that to Airlines of New South Wales 3 per centum on capital employed. It is too early to say what amounts will be paid to these companies in this financial year. Any changes made in the New South Wales network as a result of the decisions announced by the New South Wales Government will also have to be taken into account in assessing this year's subsidy payments.

Unemployment Statistics.

Mr. Whitlam asked the Treasurer, upon notice—

1. Did the Monthly Review of Business Statistics, prepared under his instructions, include until last April (a) the number of persons admitted to unemployment benefit in each month and (b) the amount paid in benefits in each month?

2. Why have subsequent issues of the review omitted these statistics?

Mr. Harold Holt.—The answers to the honorable member's questions are as follows:—

1. Yes.

2. I am advised by the Commonwealth Statistician that a large number of alterations are being made, as opportunity permits, in the Monthly Review of Business Statistics. As many of these alterations comprise the addition of statistics not previously included in the Monthly Review, and as the size of this publication already tends to delay its release, some deletions have had to be made. In respect of any of these figures not readily available in other publications, the Statistician will supply them, as they become available, to persons requesting this service.

Immigration.

Mr. Ward asked the Minister for Immigration, upon notice—

1. Are Greek, Italian and Maltese nationals, who paid their own fares to Australia and then settled here, deemed, by his department, to be ineligible to nominate their fiancées for assisted passages to this country?

2. Is it a fact that this prohibition does not apply to people of other nationalities?

3. If so, why does the Government discriminate in this way?

Mr. Downer.—The answers to the honorable member's questions are as follows:—

1. Greek and Italian nationals who have come to Australia as unassisted migrants are not eligible to nominate their fiancées to travel to Australia as assisted migrants. They are, of course, able to nominate them to travel as unassisted migrants and when such nominations are made they are dealt with expeditiously (fiancées come into the priority group with wives and children, parents and unmarried sisters). Maltese migrants, whether assisted or unassisted, may nominate their fiancées for assisted passage movement. This is provided for under the arrangements which were agreed some years ago by the Australian and Maltese Governments.

2. In relation to certain countries from which Australia recruits assisted passage migrants, fiancées can be nominated for assisted passage movement. Greece and Italy are not the only countries from which unassisted migrants are unable to nominate their fiancées for assisted passage movement.

3. Whilst a different approach is applied in certain countries, as indicated above, I cannot agree with the term "discriminate" in this context. Australia has always aimed, in framing the immigration programme for each year, to achieve a balanced intake both in terms of nationalities and in terms of worker content—i.e. appropriate proportions of skilled and qualified workers and semi-skilled and unskilled workers. These balances are regarded as essential to be continued success of our immigration programme. In achieving the desired balance in terms of nationalities it has been found necessary to provide assisted passage facilities in some countries which it is not necessary to provide in others. By this approach the long term aim is to establish, as speedily as possible, in Australia a large group from each nationality.

Public Service.

Mr. Menzies.—On 11th October, the Deputy Leader of the Opposition (Mr. Whitlam) asked, in a question without notice, if the Government would amend the Public Service Regulations to provide for public service salaries to be varied in accordance with variations in the consumer price index.

It has been the policy and practice of successive Governments to endorse the Public Service Board's actions in keeping the Commonwealth Public Service basic wage consistent with the fixation of that wage by the

appropriate industrial tribunal. This consistency has extended to the quantum of the basic wage and to its method of adjustment from time to time.

In the course of its most recent judgment, the Conciliation and Arbitration Commission rejected the unions' claim for restoration of automatic quarterly adjustments. It did, however, adjourn until February, 1962, the application of the unions for increase in the basic wages under the Metal Trades

Award saying that, in its view, the only issue to be resolved at that stage should be why the basic wage it was then fixing should not be adjusted in accordance with any change in the Consumer Price Index.

The Commonwealth Government has no intention of departing from long-established practice on this issue. Any changes in the basic wage, as and when determined by the Commission, will be reflected in Public Service salaries.