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# PARLIAMENTARY DEBATES

(HANSARD)

TWENTY-SECOND PARLIAMENT

FIRST SESSION

1956

(SECOND PERIOD)

## SENATE

Tues., 23rd October, 1956

Wed., 24th October, 1956

Thurs., 25th October, 1956

and

Fri., 26th October, 1956

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CANBERRA

## TWENTY-SECOND PARLIAMENT.

(FIRST SESSION—SECOND PERIOD.)

### Governor-General.

His Excellency Field Marshal Sir William Joseph Slim, Knight Grand Cross of the Most Honorable Order of the Bath, Knight Grand Cross of the Most Distinguished Order of St. Michael and St. George, Knight Grand Cross of the Royal Victorian Order, Knight Grand Cross of the Most Excellent Order of the British Empire, Companion of the Distinguished Service Order, upon whom has been conferred the Decoration of the Military Cross, Knight of the Venerable Order of St. John of Jerusalem, Governor-General and Commander-in-Chief in and over the Commonwealth of Australia, from 8th May, 1953.

### Administrator.

His Excellency General Sir John Northcott, Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, Knight Commander of the Royal Victorian Order, Companion of the Most Honorable Order of the Bath, was appointed on 30th July, 1956, under Dormant Commission dated 13th March, 1950, to Administer the Government of the Commonwealth during the absence from Australia of His Excellency the Governor-General. His Excellency returned to Australia on 22nd October, 1956.

### Sixth Menzies Government.

(ASSUMED OFFICE 12TH JANUARY, 1956.)

(PORTFOLIOS AS FROM 24TH OCTOBER, 1956.)

Prime Minister .. .. .	The Right Honorable Robert Gordon Menzies, C.H., Q.C.
Treasurer .. .. .	The Right Honorable Sir Arthur William Fadden, K.C.M.G.
Minister for Labour and National Service .. .. .	The Right Honorable Harold Edward Holt.
Minister for Trade .. .. .	The Right Honorable John McEwen.
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.
Minister for Defence .. .. .	The Honorable Sir Phillip Albert Martin McBride, K.C.M.G.
Vice-President of the Executive Council; and Attorney-General .. .. .	Senator the Honorable Neil O'Sullivan.
Minister for National Development .. .. .	Senator the Honorable William Henry Spooner, M.M.
Minister for Immigration .. .. .	The Honorable Athol Gordon Townley.
Minister for Territories .. .. .	The Honorable Paul Meernaa Coadwalla Hasleick.
Minister for Supply; and Minister for Defence Production .. .. .	The Honorable Howard Beale, Q.C.
Minister for Primary Industry .. .. .	The Honorable William McMahon.
(The above Ministers constitute the Cabinet.)	
Minister for Repatriation .. .. .	Senator the Honorable Walter Jackson Cooper, M.B.E.
Minister for Shipping and Transport; and Minister for Civil Aviation .. .. .	Senator the Honorable Shane Dunne Paltridge.
Minister for Health .. .. .	The Honorable Donald Alastair Cameron, O.B.E.
Minister for the Army .. .. .	The Honorable John Oscar Cramer.
Postmaster-General; and Minister for the Navy .. .. .	The Honorable Charles William Davidson, O.B.E.
Minister for Air .. .. .	The Honorable Frederick Meares Osborne, D.S.C.
Minister for the Interior; and Minister for Works .. .. .	The Honorable Allen Fairhall.
Minister for Social Services .. .. .	The Honorable Hugh Stevenson Robertson.
Minister for Customs and Excise .. .. .	Senator The Honorable Norman Henry Denham Henty.

(For previous holders of portfolios see weekly number 24.)

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W. J. M. CAMPBELL,  
Principal Parliamentary Reporter.

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Tuesday, 23rd October, 1956.

The **PRESIDENT** (Senator the Hon. A. M. McMullin) took the chair at 3 p.m., and read prayers.

#### -IMPORT LICENSING.

Senator **BENN.**—Has the Minister representing the Minister acting for the Minister for Trade observed that wide and unfavorable publicity has been given to the procedure of granting import licences to persons whose interest in the importation of goods is confined strictly to the making of profits of from 40 to 50 per cent. by trafficking in the rights of their licences? Will the Minister personally investigate the licences in operation for the purpose of ascertaining what Minister, or officers of the Public Service were responsible for the issue of import licences to these persons, or will he recommend that a royal commission be appointed to investigate the whole matter?

Senator **SPOONER.**—A similar question has been raised in another place. Suggestions were made to the Minister for Trade that persons were being issued with licences and were making very large profits by trafficking in those licences. My recollection is that the Minister said that if any such case were referred to him he would investigate it thoroughly. It is my recollection also that very few such cases, if any, have been referred to him. The Minister made it quite plain that he will not issue licences to persons to enable them to make inordinate profits, and I am quite certain that Mr. McMahon, who is at present acting for the Minister for Trade, will follow the same principle. If the honorable senator can cite a specific instance in which a person who has received a licence is obtaining more than a reasonable profit, the Minister will make the appropriate inquiries.

#### CONFERENCE OF COMMONWEALTH AND STATE MINISTERS.

Senator **ARNOLD.**—I preface my question to the Minister for National Development by pointing out that the Premier of Queensland, Mr. Gair, at the next conference of Commonwealth and State Ministers proposes to suggest the establishment

of a national emergency fund to meet those caused by floods, cyclones, bushfires and other disasters. The Leader of the Government in the Senate indicated last week, in reply to a question I asked, that the only reason why the Government would not support such a scheme was because it has not the necessary power. Is the Minister prepared to indicate that the Government will give sympathetic consideration to this proposition when it is brought forward at the conference of Commonwealth and State Ministers?

Senator **SPOONER.**—I think the question is hardly a fair one to ask without notice. Very big issues are involved in such a proposal. I remember quite well that a similar suggestion was made in respect of damage arising from floods but after a good deal of investigation it was found, according to my recollection, that it was impracticable. I presume the honorable senator is suggesting a fund on some contributory basis to cover all sorts of national emergencies. I am not prepared to express an opinion on the matter offhand without having more information than is at present available to me.

#### UNEMPLOYMENT IN WESTERN AUSTRALIA.

Senator **SCOTT.**—I preface my question to the Deputy Leader of the Government in the Senate by stating that on Friday last the Minister for Labour and National Service made a statement to the effect that the total number of unemployed persons in Western Australia receiving unemployment benefit dropped by 338 during September to 1,871 on 29th September. Does the Deputy Leader of the Government believe that continued over-stressing of the unemployment position in any one State has the ill effect of actually creating a fear of recession and uncertainty in the minds of employers? If this fear is once created, is not the final result further unemployment? Will the Deputy Leader of the Government assure the Senate that it is his view that prosperity is still with us?

Senator **SPOONER.**—I subscribe fully to the third proposition that has been put to me by Senator Scott. As to his other questions, I hold the opinion, also, that continual harping on unemployment,

is no justification for it, has a weakening effect upon the economy generally. If it succeeds like success. We have had full employment in Australia now for sixteen years, and I see no reason why it should not continue.

**Senator Willesee.**—There are 2,000 unemployed in Western Australia.

**Senator SPOONER.**—I do not believe that 2,000 unemployed detract from a condition of full employment.

**Senator Willesee.**—So long as you are not one of the 2,000.

**Senator SPOONER.**—It all depends on what standard one sets. I understand that the executive of the political party to which Senator Willesee belongs regards an unemployment figure of 5 per cent. as not incompatible with a condition of full employment.

#### HOUSING LOANS.

**Senator ANDERSON.**—Has the Minister for National Development read a statement by the New South Wales Minister for Housing, Mr. Landa, that the Commonwealth Government evidently proposed to leave building societies to their own devices? In view of the passage last week of the Loan (Housing) Bill 1956, which provides special funds for the building society movement or similar organizations in each State, does the Minister agree that Mr. Landa's statement is, to say the least, wholly inaccurate?

**Senator SPOONER.**—I do not know exactly what the New South Wales Minister for Housing was aiming at. Under the new housing agreement, 20 per cent. of the total money provided will be appropriated for building societies, so that I cannot imagine that the Commonwealth could be accused, in any set of circumstances, of leaving the building societies to their own devices. At the annual meeting of building societies held at Katoomba, I strongly urged the societies to extend their sphere of activity by seeking funds in as many directions as possible. I asked them not to get into a situation of relying too much on government assistance. There are banks, insurance companies and other sources from which building societies can obtain funds on loan. I believe it would be very good to see building societies extend their activities obtaining money from those sources.

#### FLOOD DAMAGE AND RELIEF.

**Senator BUTTFIELD.**—Can the Minister for National Development say whether the Government has received a submission from the Premier of South Australia regarding Commonwealth assistance amounting to £1,500,000 for the rehabilitation of areas devastated by the recent disastrous river Murray floods? If a submission has been received, has Cabinet had an opportunity to consider the request for assistance beyond that already so promptly made available on a £1-for-£1 subsidy basis? If the Minister is not in a position to make a definite statement to-day, will he, as a matter of urgency, discuss the matter with the Prime Minister with a view to an early announcement of the Government's attitude towards this very serious problem?

**Senator SPOONER.**—We are all aware of the difficulties that are being experienced, particularly in South Australia, as a result of the floods. I should prefer not to express Government policy in advance. As the honorable senator knows, the Government has stated that it will assist the South Australian Government in the relief of personal distress on a £1-for-£1 subsidy basis. It has also invited the South Australian Government to submit evidence of damage to public works in the area. Regarding the final proposal, I can only tell the honorable senator that I shall mention the matter to the Prime Minister and seek his guidance as to what should be the Government's policy in relation to it.

#### COST OF LIVING ADJUSTMENTS.

**Senator ASHLEY.**—My question is directed to the Minister representing the Minister for Labour and National Service. Was the Government aware that the Commonwealth Statistician intended to issue two sets of cost of living figures for September in connexion with the quarterly basic wage adjustment? Did the Government know that in New South Wales the increase would be 11s. under one computation and 6s. under another? Did the Commonwealth Statistician receive any instructions or request from the Menzies Government before he released the cost of living figures in the completely unorthodox manner adopted last week? Why was paragraph

11 specially placed in that statistics bulletin? Its inclusion indicates that some instruction had been given. It reads—

Tribunals and other authorities concerned with wage adjustment and other purposes decide in the light of their own requirements what price index if any is relevant to their purposes and how it should be applied. The Statistician's function is to supply indexes and information thereon as required by the authorities. The Statistician expresses no view as to the merits or demerits of the use of price indexes in this connection.

Will the Government assure the public that it will present a true and accurate picture of the continuing inflation and upward trend in the cost of living without resort to double standards as was conveyed by the September set of C series index figures? When will the Government produce conclusive proof that the freezing of the basic wage by suspending cost of living adjustments will check rises in the cost of living?

**Senator SPOONER.**—The honorable senator lives in the past. He still thinks that his party is in government. He casts his mind back to the instructions that he gave and the influence that he attempted to exert over public servants. I give him the answer that whatever the Commonwealth Statistician did, he did without reference to, or consultation with, the Government, let alone being influenced by it. It is not the policy of this Government to influence the views of persons who are in positions of trust, nor to attempt in any way to cloud any issue where a responsible public servant has the duty of bringing facts before the public.

#### CHINESE CLASSICAL THEATRE COMPANY.

**Senator GRANT.**—I ask the Deputy Leader of the Government in the Senate whether he is aware that the Chinese ballet company, which has been refused permission to perform in Melbourne during the Olympic Games, has already performed brilliantly in many cities in Europe, including London, Paris and Amsterdam; also in Asian cities including Tokio, as well as in our sister Dominion of New Zealand, without a single instance of anything improper being said or done? As this Government is continuously claiming, through its spokesmen in Parliament and also over the radio, that it is doing everything possible to foster goodwill with the Asians, will the Minister

take up this matter with the Prime Minister with a view to having rescinded the decision not to allow the company to perform in Melbourne during the games, so that the cultured section of Europeans and Asians in the community, and particularly the Chinese, will know that the Government realizes that a mistake has been made; and so that instead of further estrangement being fostered between these people and Australia goodwill towards us will be restored?

**Senator SPOONER.**—I think there is some misconception on the part of the honorable senator. I do not think that Australians are one whit concerned about where this ballet company comes from, and we shall certainly not be offended or excited because it comes from Communist China. The important matter is that Australia is running the Olympic Games in November in Melbourne, and it is our objective and desire that they should proceed smoothly and quietly. We shall not be worried about the Chinese ballet company, but people from some other countries attending the games may not look with favour on Communist Chinese representatives. They may cause some incident if this company is allowed to perform in Melbourne during the games. The ballet will not be disadvantaged in any way. It can play in Sydney or Adelaide or some other city until the games are over, and then go to Melbourne. By such an arrangement any possibility of incidents will be avoided, and that will be a good thing for the games and for everybody concerned.

#### PENSIONS.

**Senator HENDRICKSON.**—I direct the attention of the Minister representing the Minister for Social Services to a resolution passed by the Women's Christian Temperance Union of Victoria at its last monthly executive meeting, which reads as follows:—

We urge that earnest consideration be given to the introduction of amending legislation whereby the present old age pension might be increased to an amount which would be adequate to meet the present day necessities of the aged.

I ask the Minister: In view of the pleas made by all sections of the community for some improvement in the lot of the aged and invalid, whether he will assure the Senate that an increase of pensions will be announced before the sessional period ends?

**Senator SPOONER.**—The answer to the honorable senator's question is that the Government's proposals on social services are in the budget, which is at present before the Parliament.

#### CHINESE CLASSICAL THEATRE COMPANY.

**Senator GRANT.**—In view of my statement earlier that no unseemly incident has occurred in New Zealand, Great Britain or Asia, where the Chinese Classical Theatre Company ballet has performed, from the Deputy Leader of the Government in the Senate any information that certain incidents might take place here? What is the source of his information, and what incidents are suggested?

**Senator SPOONER.**—I remind the honorable senator that the ballet did not perform in those countries at a time when there was in any of them a great concourse of representatives of the nations of the world.

#### SHIPBUILDING.

**Senator KENNELLY** asked the Minister for Shipping and Transport—upon notice—

1. What ships are at present being constructed in Australian shipyards?
2. By whom have these ships been ordered?
3. By whom are they being built?

**Senator PALTRIDGE.**—I am now able to inform the honorable senator that the vessels at present on order in Australian shipyards are as follows:—

Vessel and Type.	Orderer.	Builder.
Two bulk carriers of 19,000 deadweight tons each	Broken Hill Proprietary Company Limited	Broken Hill Proprietary Company Limited, Whyalla
"Iron Spencer", 10,000 deadweight tons bulk carrier	Broken Hill Proprietary Company Limited	Broken Hill Proprietary Company Limited, Whyalla
"Lake Boga", 10,000 deadweight tons motor bulk carrier	Commonwealth of Australia	Evans Deakin Ltd., Brisbane
"Lake Colac", 10,000 deadweight tons motor bulk carrier	Commonwealth of Australia	Evans Deakin Ltd., Brisbane
"Lake Sorell", 10,000 deadweight tons, motor bulk carrier	Commonwealth of Australia	Evans Deakin Ltd., Brisbane
"Lake Macquarie", 10,000 deadweight tons, motor bulk carrier	Commonwealth of Australia	Broken Hill Proprietary Company Limited, Whyalla
"Lake Torrens", 10,000 deadweight tons steam bulk carrier	Commonwealth of Australia	Broken Hill Proprietary Company Limited, Whyalla
"Lake Illawarra", 10,000 deadweight tons, steam bulk carrier	Commonwealth of Australia	Broken Hill Proprietary Company Limited, Whyalla
"Ilanda", 7,000 deadweight tons, motor collier	Commonwealth of Australia	State Dockyard, Newcastle
"Illowra", 7,000 deadweight tons, motor collier	Commonwealth of Australia	State Dockyard, Newcastle
"North Esk", 2,000 deadweight tons, motor grain carrier	Commonwealth of Australia	Walkers Ltd., Maryborough
"South Esk", 2,000 deadweight tons motor grain carrier	Commonwealth of Australia	Walkers Ltd., Maryborough

In addition to the above vessels the Commonwealth has announced its intention of placing an order on the State Dockyard, Newcastle, for a 6,000 tons gross vehicular/passenger ferry for the Bass Strait trade and has called tenders from Australian shipbuilding yards for the construction of two 12,500 deadweight tonnage bulk carriers.

#### DENTAL DECAY.

**Senator COOPER.**—On 18th October, 1956, Senator Anderson asked the following question:—

Has the attention of the Minister representing the Minister for Health been directed to a statement by Mr. Hollis, a Sydney dental surgeon, that dental decay costs Australia at least £40,000,000 a year in reduced efficiency? Are the

Commonwealth health authorities carrying out any significant research in regard to this matter or doing anything towards solving this very serious problem?

The Minister for Health has now furnished the following reply:—

1. The statement mentioned has not been brought to my notice officially.

2. The National Health and Medical Research Council has, this financial year, provided a grant of £4,271 to the Institute of Dental Research, Sydney, for scientific research into dental decay. The Commonwealth Health Department has a child Dental Health Service in operation in the Australian Capital Territory where clinical research in preventive dentistry is being carried out. Dental health in the States is of course the responsibility of the State authorities.

**HOPS.**

**Senator PALTRIDGE.**—On 16th October, Senator Poke asked a question without notice relating to the difficulty Tasmanian hop-growers are experiencing in disposing of their crop. The Minister for Primary Industry has advised me as follows:—

Although complaints of a general nature have been made, no specific figures of hops remaining unsold have been supplied to him. It seems that the concern of the growers may stem from their impression that stocks held by brewers and others are somewhat high rather than from the existence of any surplus held by growers. Imports of hops are subject to licensing and full account is given to the availability of domestic supplies when imports are programmed by the Department of Trade. The Minister advises that the Department of Trade made no provision of overseas exchange for the importation of hops at the last quarterly review in view of the stock position.

**NATIONAL CAPITAL PLANNING AND DEVELOPMENT COMMITTEE.**

Notice of Motion No. 1, in the name of Senator Henty, for the amendment of the National Capital Development Ordinance 1938-1953, called on and—by leave—withdrawn.

**HOME NURSING SUBSIDY BILL 1956.****Second Reading.**

**Senator COOPER** (Queensland—Minister for Repatriation) [3.27].—I move—

That the bill be now read a second time.

The object of this bill is to authorize financial assistance by the Commonwealth to approved organizations engaged in the conduct of home nursing services. The national health service is based on certain principles. One of the most important is the idea of a partnership—of co-operation between patient and doctor. Implicit in this is the realization that a powerful factor in recovery from illness and restoration to health is the sense of personal responsibility of the patient for what happens to him. This means that the foundation of a national health scheme should be an efficient and competent general practitioner service. The importance of domiciliary medicine can hardly be overestimated. A hospital service can never be a true substitute for the family doctor, whose role is becoming more instead of less important with the recent developments in medical knowledge. The modern general practitioner has powerful weapons in his hands—such things, for example, as

the sulphonamides and the antibiotics—and if his own standard of work and knowledge is high, can undertake in the home, and in full and proper collaboration with the specialist, a great deal of treatment to the great benefit of his patients in particular, and the country in general.

Much is said nowadays about medical and hospital benefits, and all sorts of claims are made that these should be higher or more extensive. Whether this is so or not, the thing of fundamental importance is the quality of medical care, and it is essential that there must be not only no deterioration of the standard of family and general practice from the high level at which it has existed in the past, but also that this standard should be maintained and, if possible, raised. If this is so, then several things are necessary. Not only is there need for good training of general practitioners, but the conditions of general practice must be such as to give scope to men who possess good training and ability, and be designed to allow their patients to benefit from it to the full. This means in modern medical practice that trained assistance by a complementary service, namely the nursing profession, should be available.

For more than 50 years, home nursing care has been provided for the poor and needy throughout Australia by district and bush nursing associations and religious organizations. Honorable senators will be familiar with the charitable and public-spirited work of these bodies, whose efforts have brought relief to the sick and aged—particularly in the poorer areas of the cities. The nurses employed by these home nursing organizations are generally known in Australia as “district” nurses. The special feature of their work is that it is carried out by visits to the homes of the patients as distinct from hospital, clinic, or institutional care, or the services rendered by a nurse engaged privately by the patient.

The district nurses are generally referred to the patients, in the first instance, by a hospital or by a local doctor. The majority of patients nursed are those with long-term illnesses such as patients suffering from cardiac disease, arthritis, incurable carcinoma, &c. Many of these patients are very ill, and would be transferred to hospitals or other institutions but for the serious shortage of hospital beds. The nursing

these patients require is mainly general care, sporting, supervision, and general nursing treatment, which is always arduous and time consuming; though there are many cases which do not require more than a daily visit, or perhaps a visit several times a week. Although chronic illnesses are prevalent among all age groups, they mainly affect people over 60 years of age. It is these people that make up the majority of the district nurses' patients.

It is estimated that approximately three-quarters of the patients of each district nursing association are chronically ill; and over the age of 60 years. A considerable amount of home nursing work is also done for patients who cannot be classified as chronically ill, but who require prolonged care, such as those requiring aftercare for unhealed wounds following operations. At the same time, under modern conditions an increasing number of acute cases is becoming suitable for treatment at home.

Since the war, it has been impossible for hospital construction to be maintained at a rate in any way commensurate with the growth in population. Consequently, it has become necessary for surgical and acutely-ill cases to be discharged from hospital at the earliest possible time, whilst the chronically and less acutely ill have found it progressively more difficult to obtain hospital accommodation at all. Many of these chronically ill people, who in other days would have been hospital cases, cannot now receive the nursing attention they require unless they are visited by the district nurses. Because of this oppressive shortage of hospital beds, the need for adequate, properly equipped home nursing services has greatly intensified in recent years.

At the present time, some 150 district nurses are employed by home nursing associations. A work analysis recently made indicates that each of these 150 nurses is at present saving the provision of six hospital beds; that is, the home nursing services are saving 900 hospital beds throughout Australia.

The capital cost of providing new hospital accommodation has risen to extraordinary heights. In the case of hospitals recently completed, the cost is reckoned

to be at least £7,000 per bed. The cost of maintaining a hospital bed has also reached a new and very high level; it is now rarely, if ever, less than £3 per day, and in the case of many individual hospitals it is considerably more than that. By way of contrast, the cost of a visit to a home by a district nurse averages something like 7s. These figures give some indication of the savings of very great significance to the community that are to be made by encouraging home nursing for the sick, instead of hospitalization, whenever it is possible. It has been reliably estimated that the maintenance of 150 nurses in district nursing work keeps hospital running costs down by at least £1,000,000 per year. The total cost of keeping these 150 nurses in the field is less than one-fifth of that sum.

I shall cite a further example. If, in a few years' time, home nursing were to expand to four times its present level, there would be, on these considerations, a saving of 3,600 beds, resulting in the following financial savings:—

	£
Annual maintenance expenditure relating to these beds ..	4,000,000
A capital expenditure, assuming they were all provided, of well over ..	20,000,000

The cost of home-nursing services to produce such a result would be very small indeed. These are, of course, theoretical figures, but they indicate the magnitude of the financial relief which could be afforded to the general problem of hospital costs, in an expanding population.

These, in brief, are the financial and practical considerations in favour of the development of home-nursing services. At the same time it is realized that many patients, particularly old people, will be much happier, and perhaps will be better, if they can be nursed at home; and modern medical thought favours this practice. Furthermore, it is now realized that the visiting nurse can do much effective work in the field of preventive medicine, giving instruction in general health, nutrition, food habits, &c. It is advantages of this kind which Australian and overseas authorities are now coming to recognize in the practice of sending the nurse into the home, instead of sending the patient into hospital. In

view of these developments, the Government recently decided that the building up of numerically stronger and better equipped organizations of district nurses should be encouraged, so far as it is practicable for the Commonwealth to do so. The voluntary organizations already in the field have done splendid work. They have kept their services going when times were difficult and have accepted heavy financial burdens in an effort to expand their services in recent times to keep pace with growing public demands. We, therefore, believe that the most promising approach to the expansion of home-nursing services is to provide financial assistance for public and religious organizations qualified to perform this work. As the Commonwealth is entering this field for the first time we felt it inadvisable to specify in this bill precise terms and conditions on which Commonwealth financial assistance will be made available. These matters will be determined according to circumstances affecting particular organizations and, perhaps, varied from time to time in the light of experience.

In general terms, the Commonwealth's policy will be to grant to non-profit making home-nursing organizations now in the field subsidies approximating the salaries paid to nursing sisters employed by them over and above the number ordinarily employed during the year prior to the commencement of the act. Thus, if an organization has ordinarily employed, say, ten nurses during the past year and increases its staff to twelve nurses when this scheme commences, it will receive a subsidy approximating the salary of the two additional nurses; if it increases its staff to fifteen nurses it will receive a subsidy approximating the salary of the five additional nurses. This basis for calculating the subsidy will be applied in relation to the organizations which are conducting home-nursing services at the present time. It is possible, of course, that new organizations will enter the field. It will be evident to honorable senators that it will not be practicable to subsidize these "new" organizations on exactly the same basis as that proposed for the existing organizations, because that would involve the payment of a Commonwealth subsidy equal to the full salary of every nurse employed by each "new" organization. This would put

"new" organizations on a much more favorable basis than those that have pioneered this field. It is proposed, therefore, that the organizations which commence home-nursing services after this act comes into operation will be entitled to apply for a subsidy equal to approximately half the salary paid to each nurse employed on home-nursing duty. This, I think, is a fair and equitable basis for handling this problem.

Up to the present, finance for the district nursing associations' work has come mainly from State government subsidies, collections from patients, and donations by the public. We think it right that money should continue to be supplied to the associations from these sources. The work of the district nurses results in a significant saving in State hospital expenditure and the States, as I have pointed out, already support organizations engaged in this work. This bill provides that the subsidy to be paid by the Commonwealth is not in any case to exceed the State government subsidy. Naturally, State governments are being consulted about the effective carrying out of the provisions of the bill. The Minister's approval will be required before an organization is granted a subsidy under this scheme. The organizations which are granted subsidies will, of course, have to supply the Director-General of Health with adequate information and properly audited accounts and reports. For example, the Director-General of Health will in all cases have to be satisfied that the nurses on account of whom the subsidy is claimed are properly qualified. At the same time, I assure honorable senators that the department will not be seeking to impose conditions or restrictions which will hamper the organizations in their conduct of their work. There will be no attempt by the Government to interfere with the organizations' management and control of their affairs, except insofar as is consistent with the proper expenditure of public funds. I believe that this measure will prove to be of very great importance and value in the field of public health. I, therefore, hope that all senators will be sympathetic to its objectives and will accord it their full support.

Debate (on motion by Senator Kennelly) adjourned.

### APPROPRIATION BILL 1956-57.

In committee: Consideration resumed from 19th October (vide page 777):

Department of the Treasury.

Proposed Vote, £9,158,000.

Senator KENNELLY [3.43]:—Under this heading one has the opportunity to speak on Commonwealth-State finances. The Victorian Government is at present testing in the courts the validity of the uniform taxation law. We on this side of the chamber support that action and trust that at least the courts will give the same decision as they have given in the past. That, however, will not get the States out of the difficulties in which they find themselves at the moment. In the limited time at my disposal I cannot go into this matter very deeply, but there are three angles from which the matter can be approached so far as the States are concerned.

The natural suggestion would be that the Commonwealth should give the States more money. That would be a simple, but not an easy approach to the matter. The second would be that the Commonwealth return certain taxing rights to the States. I hope it will not do that; but that could be another method of giving the States more money, which they claim they need, than they are at present receiving. The third suggestion, and to my mind the most practical of the three, is that the States hand over to the Commonwealth certain of their functions. The principal functions that come under the control of the States are health, education, and transport—both road and rail. The last figures available for all States are those for 1952-53. They show that the States expended £61,700,000 on education and £54,600,000 on health, and that they had a deficit in connexion with the operation of the railways of £19,200,000. If we are to face properly the position of Commonwealth and State finances, and if uniform taxation is here to stay, as I hope it is; we shall have to give the States more money or take some of their functions from them, so that they can at least attain the objectives they set themselves.

The present position of Commonwealth and States finances is unsatisfactory. I refer to expenditure as well as to grants. Although the Commonwealth collects the money and disburses it, we have little say

in how it is expended by the States. Reports of recent meetings of the Australian Loan Council in Canberra reveal that, although the representatives of the States came to Canberra with plans for which they required certain sums of money, the Treasurer of the day told them that they would get £190,000,000, or whatever the amount might be, and no more. We can imagine the position of the States. They have started certain works, such as the construction of a new road, and they need money to finish the work. If there is to be an effective works programme, there should be a committee representative of the Commonwealth and the States, and it should be given certain powers.

The TEMPORARY CHAIRMAN (Senator Anderson).—Order! I do not wish to interrupt the honorable senator unduly, but will he state to what division of the proposed votes he is relating his remarks?

Senator KENNELLY.—I was applying my comments to Division 46—Administrative. An amount of £585,800 is to be provided, and I assumed that portion of that amount would be devoted to the administration of financial matters as between the Commonwealth and the States.

The TEMPORARY CHAIRMAN.—The honorable senator may continue, but I ask him to apply himself specifically to the measure that is before the committee.

Senator KENNELLY.—As time goes by, the appointment of a committee, such as the one I have suggested, will become more necessary. I would prefer to see transport, both road and rail, come under the direction of a Commonwealth Department. First, I believe that the railways should be considered primarily from a Commonwealth point of view for their value in defence. I am sure that the States would be only too delighted to place the railways in the hands of the Commonwealth Government. If that were done, the Commonwealth could plan for the future of the railways, and would need to give less money to the States. Unless something is done to put Commonwealth and State financial relations on a better basis, the States will have to curtail some developmental works. Some action should be taken to improve the transport position.

I regret that time does not permit me to go into this matter more deeply, but I hope to do so later because we must put Commonwealth and State financial relationships on a much better basis. It is not right that representatives of the States should come to Canberra with a programme of works, some of which might be half completed, only to find that the work must wait until something else is done. The fault does not lie entirely with the Treasurer of the day. I should like to see a responsible body set up to decide priority for works on a nationwide basis, having regard to the money that is available. I know there are difficulties in the way of such a proposal. The States will say that they are not prepared to accept dictation from Canberra. We should be willing to adopt a formula so that both the Commonwealth and the States may know where they are going.

I have taken advantage of this opportunity to raise this matter, because the Minister might have a chance to say something about it in his reply. It is one that we must face up to. I saw the Minister for Shipping and Transport (Senator Paltridge) smile when I suggested that transport should come under Commonwealth direction; but I point out that the Commonwealth has entered into other fields, including that of home nursing. Unless something is done, the States will not be able to carry on.

Senator BYRNE (Queensland) [3.56].— I wish to relate my remarks to Division 47, Commonwealth Stores Supply and Tender Board. I know that that division is related to the administration involved in purchasing stores for Commonwealth departments, but I feel that the question of the control of stores when they come under Commonwealth jurisdiction after purchase is sufficiently relevant to enable me to comment upon it. One of the most significant features of the reports of the Auditor-General over the years has been the references to losses and thefts, the inadequacy of accounting, and the shortage of stores in virtually all departments that have to control stores. I shall not go through the report for the year ended 30th June, 1956, in great detail, but upon glancing through it I noticed at least seven references to this matter. For example, on page 28 he said—

Unsatisfactory control of stocks and sales of the publication—

He was referring to the Commonwealth consolidated statutes—

has been brought to the attention of the Department.

On page 38 appears the following reference to the Department of Works—

Reference was made in the Annual Report for 1954-55 to unsatisfactory features regarding departmental control of projects constructed under contract in the Papua and New Guinea region. Further investigations confirmed that substantial overpayments on three wharf projects should be recovered from contractors.

I admit that that paragraph is not completely in consonance with the reference to stores control. There are other references, in terms of greatest stricture, to the Department of Air and some of the service departments:

I merely raise the matter now in order to advance this suggestion: I feel that stores control is not considered by the Public Service Board to be sufficiently important to justify the specialized training of officials who will be concerned with that part of government administration. I do not know exactly where stores control officers are obtained. I know that for some major projects of a Commonwealth character stores officers are obtained from private industry. In some cases that procedure has been successful and in others it has not. Before a person enters the ordinary clerical division of the Public Service, he receives training by way of examination. After he joins the Public Service, organization and management schools and other means are used to help him to maintain his efficiency and bring him up to date with modern administrative methods. I feel, however, that, in this important field of the control of public stores, the Public Service Board is not correspondingly alert to the importance of the occupation and the necessity for specialized training; and perhaps specialized qualifications both before and after entry to the Public Service.

Repeated references by the Auditor-General to the shortcomings and inefficiency in this aspect of administration emphasize the need for a positive approach to it. I think the first positive lead should be a recognition by the board of the specialized nature of the occupation and of the fact that it is not a job that can be done by any person who might not be sufficiently competent to pass a clerical examination and

become a third division clerk. In commercial organizations, stores control is an important part of administration, and I see no reason why it should not be regarded as being correspondingly and increasingly significant in Public Service administration. I commend to the Public Service Board the need to recognize its importance. I suggest that methods be devised to ensure that those persons who wish to specialize in this particular type of work may sit for an appropriate examination and qualify for entry to the Public Service as stores control officers with opportunities for reasonable promotion and advancement, and that there should be available to them training in specialized schools just as organization and management schools are available to members of the clerical division. If that were done, training in the most modern methods of stores accounting and control would be within their reach. To the satisfaction of the Treasurer (Sir Arthur Fadden) and to the gratification of honorable senators, there would ultimately be a tremendous saving as a result of the strict and efficient control of stores.

Senator BENN (Queensland) [4.2].—I had intended to speak along lines similar to those followed by Senator Byrne. Some time ago, I inquired about the functions of the Commonwealth Stores Supply and Tender Board, but I discovered that it had nothing whatever to do with the matters raised by Senator Byrne.

Senator Byrne.—That is right.

Senator BENN.—Those matters are outside the control of the Stores Supply and Tender Board. As a matter of fact, its activities are not related directly in any way to the Department of the Treasury.

Senator Byrne.—I acknowledge that.

Senator BENN.—I discovered that the board did not do any buying. It approves of tenders and prices. I discovered also that it did not do any merchandising, that it had no warehouses of its own. No stores are controlled by the board. I discovered that the Postmaster-General's Department controls the stores of all other departments and that items such as stationery and typewriters which come under the heading of recurring expenditure are issued by the Postmaster-General's Department to the other departments. The point I wanted

to emphasize was that the Department of the Treasury and the Stores Supply and Tender Board are not responsible for the matters raised by Senator Byrne.

Senator Byrne.—That is right.

Senator BENN.—The particular matter I wish to raise with the Minister is this: Is there any connexion between the activities of the Stores Supply and Tender Board and the sale of surplus military goods? From time to time, one sees in the press throughout Australia advertisements relating to surplus military stocks.

Senator McKENNA (Tasmania—Leader of the Opposition) [4.5].—I support in its entirety the plea that Senator Byrne has made for greater care in the control of stores. It is a highly complex business, and varies greatly in detail from one department to the other. For example, as between the Postmaster-General's Department and the Defence Department there are two completely separate categories of goods, involving on the part of everybody concerned with stores administration a nice appreciation of nomenclature and an intimate understanding of the goods and the varying qualities.

Honorable senators may be interested to know that, at one stage, I drafted for the Commonwealth Auditor-General the very sections in the act dealing with surpluses and deficiencies in stores accounting. That was prior to the year 1924, and I used to be very proud, in those days, to see my modest writings appearing in the report that the Commonwealth Auditor-General presented to Parliament. I find, now, however, that the pattern of stores accounting is identical with what it was prior to 1924. Not only are there deficiencies in stores, but there is also, sometimes, the mystery of surpluses. In addition, there are thefts. Stores accounting is a highly specialized business, and requires great training in each department. I support the plea made by Senator Byrne that, throughout the whole range of government activities, those controlling stores should be treated as specialists.

One has only to have regard to what happened at the Australian Aluminium Production Commission works in Tasmania and, in fact, upon every major construction job in Australia, to realize the chaos and confusion that arise when proper accounts

of the receipt and disposal of stores are not kept. Unless this is done, there can be overpayment for goods, payment for goods not received—of which many instances have occurred—and illimitable opportunities for fraud.

I now take the opportunity, under the heading of taxation, to refer to two matters, the first of which concerns representations that were made by the National Union of Australian University Students to the Treasurer (Sir Arthur Fadden). This affects students who pay their university fees, and I read an extract from the case submitted to the Treasurer, in the course of which it was stated—

Our claim is that, at the moment, there are 40 per cent. of students who receive no financial assistance at all. If parents pay the fees of these students whilst they are under 21 years of age, they are entitled to deduct this amount from their total income for taxation purposes. However, a student who pays his own fees cannot make such a deduction.

We believe that this is a grave anomaly and would like to see the law amended to allow that a student paying his own fees can make this deduction.

The students most gravely affected in this regard are those doing a part-time course at the University, working during the day in order to earn sufficient money to pay for their course of evening lectures. These people are already under considerable strain and we feel that they are entitled to the greatest possible consideration. In fact, students who pay their own fees are in greater need of the above mentioned concession than the majority of parents.

I commend that thought to the Government. Nothing appears in the part of the Treasurer's speech dealing with taxation proposals to indicate that he has given favorable consideration to this request made on behalf of university students. I need not argue to the Government the desirability of encouraging the youth of Australia to seek higher education. The Government itself acknowledges that need in many ways. It continued the provision of scholarships to the tune of £1,000,000 a year, which was initiated by its predecessor, the Chifley Labour Government, in 1949. It makes very substantial grants to universities and, generally, it shows a very proper and nice appreciation of the importance of higher education in the community. I suggest that university fees should be an allowable deduction for income tax purposes. I think I am safe in saying that the money is expended for the purpose of increasing income potential in later years. It might

fairly be regarded as an expense incurred for the sake of seeking higher qualifications and wider opportunities to earn greater income. It might well be considered, therefore, as an expense incurred in earning income. If, after a student has obtained a degree, he travels abroad for the purpose of post-graduate studies, the expenses involved in that trip would, I have no doubt, be allowable deductions once he is engaged in earning actual income. It is unfortunate for a young man if, while paying fees to qualify for a degree or a diploma, he cannot deduct the amount of those fees from his income, until he earns income with his qualifications.

Senator MATTNER.—The amount paid for text-books and instruments should also be an allowable deduction.

Senator MCKENNA.—That is part of the same request, in principle, and I should have no objection to supporting the honorable senator in that proposition. At the moment, I am asked to concern myself solely with the question of fees that the students pay in the circumstances I have outlined.

The other matter I wish to discuss concerns taxation also—the matter of zone allowances. In 1945, the Government introduced special concessions for persons living in remote areas. There were three factors to be taken into consideration—uncongenial climatic conditions, the isolation of particular localities, and the higher cost of living associated with residence in those areas. An amount of £40 per annum was fixed for zone A, covering mainly the northern and sub-tropical parts of the continent. The amount for zone B, which included the west coast of Tasmania, among other areas—unrelated in the case of zone B—was £20. In 1947, the allowance for zone A was lifted to £120; and it remained at that figure for nine years. The Minister announced in his second-reading speech recently that it is to be lifted to £180; and will be regarded as a concessional deduction. The area of zone A has also been widened to include portions of Western Australia and northern Queensland. That is a 50 per cent. increase after a period of nine years. But it is eleven years since anything was done to relieve the position in zone B, where the figure has stood at £20 a year from 1945 until now, and the Government proposes

to increase the sum by 50 per cent. to £30, and make it an allowable deduction.

I am addressing to the Minister the argument that this sum is inadequate for zone B. If one regards the increase in the cost of living in the interim it will be seen that overall costs have at least doubled, and the basic wage has more than doubled. These are two pointers to the fact that something more substantial should be done than to make only a 50 per cent. increase in the zone allowance for zone B, raising it from £20 to £30. I refer, particularly, to climatic conditions on the west coast of Tasmania where it rains every day, and many times each day. The place is continuously wet, and the towns most particularly involved are 165 miles from Hobart by road.

**Senator Benn.**—Some atomic bombs must have been dropped there.

**Senator McKENNA.**—I cannot say whether atomic bombs were responsible for the wet conditions I have experienced many times on the west coast of Tasmania.

**Senator Kendall.**—Is the honorable senator referring to the town of Strahan?

**Senator McKENNA.**—I am referring to the towns of Strahan and Queenstown. They are set in a mountainous region, and in the vicinity of Queenstown the hills and mountains are completely denuded of vegetation. The mountains are almost continuously clouded, rain is frequently falling and often the weather is squally. The climatic conditions are decidedly ungenial. It is isolated. I could supply figures showing the cost of transporting ordinary essential commodities and housing materials either by road for 165 miles from Hobart, or by rail round through Burnie and then subsequently by road to places like Queenstown and Strahan. It would have been utterly inadequate and insignificant over the last eleven years to have said to them, "Because of your disabilities, which we acknowledge, we give you a deduction allowance of £20 a year". That would have meant very little when it came to considering the actual remissions in taxation, and when the amount is lifted to £30 a year it is equally insignificant. The Government might address itself to this question with a little more generosity. In my opinion, it was fixed very meanly by the Labour Government in 1945. That Government

realized its error in relation to zone 1 very quickly and trebled that allowance to £120 in 1947; but both governments have left the allowance for zone B at £20 from 1945 right up till now. What I have said of the west coast justifies a higher amount than that. The changes in the value of money and costs alone justify a far more substantial increase than is now contemplated.

No bill is before the Parliament at the moment dealing with the Income Tax Assessment Act under which these concessions might be made, but if the Minister feels that he is not in a position now to accept the proposals I make, I urge upon him the desirability of taking the matter up with the Treasurer before any bill relating to the Income Tax Assessment Act is introduced.

**Senator LAUGHT** (South Australia) [4.17] I should like to pay tribute to the work of the Commonwealth taxation branch. It is most encouraging to read in the Auditor-General's report that the amount of outstanding tax has been reduced once again. I understand that about three years ago the amount of income tax outstanding was about £150,000,000. By 30th June, 1955, it had been reduced to £68,000,000, and by the end of last June it was reduced still further to £57,000,000. It is a good thing that it should have a minimum carry-over of overdue income tax.

Three or four years ago, some consideration was given to the question of provisional tax. From my experience, the whole system of provisional tax, especially so far as it applies to primary producers, is now working very smoothly. Very few requests have been made to me in connexion with provisional tax during the last twelve months, whereas three or four years ago I received many. Another aspect of the work of the income tax branch that is worthy of note is the service it provides each year to country taxpayers in the lower income groups. In the months of July and August, officers visit the towns and cities of South Australia to assist smaller taxpayers with the preparation of their returns so that they may obtain early recovery of amounts overpaid under the pay-as-you-earn plan. This service is greatly appreciated by those taxpayers. Another gratifying feature is the fact that the cost of collecting taxation revenue in Australia is approximately 1 per cent. In

the United Kingdom it is 1.23 per cent., and in Canada .88 per cent. Obviously, there are different methods of collection in those two other countries, but it is pleasing to know that in Australia the rate is between that of the United Kingdom and that of Canada.

In the head office at Canberra, there are approximately 167 officers. That number includes research officers; and here I pay tribute to the skill of those research officers whom I have met and with whom I have discussed taxation problems. When the budget papers come before us each year, I feel that we are not given enough details showing the effect of employing a fairly large team of research officers. Two years ago, there was really no alteration in the general framework of our taxation law. Last year, again, there was practically no alteration, but this year there have been some important, although rather minor, alterations of that law. The whole pattern of Australia's commercial life seems to have changed since the war when tremendous development has taken place. Before the war, Australia was essentially a primary-producing nation, whereas now the emphasis seems to be moving towards secondary industry, but there has been no great change in the structure of our taxation law to meet that move.

Just as the Prime Minister (Mr. Menzies), when opening yesterday a large research organization for Imperial Chemical Industries of Australia and New Zealand Limited, stressed the importance of research in industry, I feel it is important that this Parliament give a direction to the taxation branch that it review the whole question of taxation research. In my opinion, that important question has not been given the attention that it deserves. It is just as important that we modernize our taxation law as it is that we modernize our agricultural and industrial practices. To support my contention, I point out that in January last six professors stated that in their opinion taxation should be increased in order to draw off the excessive spending power of the people. To my way of thinking, they missed the mark completely. They simply made a bald statement suggesting an increase in taxation. The great need of this country is not the drawing off of spending power by way of taxation and then making that money available for expenditure by the

Federal and State governments; the real need is to do everything possible to promote the saving habit among the people. In my view, increasing taxation is not as effective in the curbing of inflation as is the promotion of private saving.

**Senator Byrne.**—The Government adopts the contrary theory.

**Senator LAUGHT.**—I shall not debate that matter at this stage. I suggest that research should be carried out in order to promote private savings by using the taxation incentive method. Such research would be very valuable at the present time. One particular instance of taxation incentives which I would like to mention is provided in the report of the Millard-Tucker Committee of the United Kingdom, which was recently adopted in the budget of the United Kingdom. The report recommends that savings be promoted by means of superannuation encouraged by taxation remissions. I give that as an illustration. The Taxation Branch should be encouraged and fortified by the Government to bring down regular research reports on matters bearing on taxation and to make recommendations that would eventually promote savings which are of paramount importance to our country at the present time. I believe that the Taxation Branch which collects such an enormous amount of money in this country is doing an excellent job. I pay tribute to the way that job is being done, but I believe that the Branch could make a really great contribution to the solution of our problems if it were enabled to do some of the things that have been done in other countries to promote savings, particularly with regard to making taxation concessions to companies, so that such savings would be put back into industry in order to increase production and generally to decrease the unit cost of goods available to the community.

**Senator COOKE** (Western Australia) [4.28].—Almost a month ago I asked a question in this chamber about the division of Commonwealth funds between the States. At that time there was a considerable degree of unemployment in Western Australia, and my question was a matter of urgent public interest. Some honorable senators who represent Western Australia in this chamber have taken advantage of their positions here to charge the Western

Australian Government with causing that unemployment. There was an adjournment debate on that matter, and ultimately £2,000,000 was provided by the Commonwealth for the relief of Western Australia. The question I asked has been on the notice-paper for about a month, but it still remains unanswered, even though it was placed on the notice-paper at the request of the Minister representing the Treasurer. That question was—

1. What was the amount of Commonwealth expenditure (excluding tax reimbursements, road aid grants and other statutory payments made to the States for the purposes of carrying out State responsibilities) in each of the States of the Commonwealth, classified under the following headings, for the year ended 30th June, 1956, viz., Postmaster-General's Department, Health, National Development, Transport and Shipping, Defence, Commonwealth Public Works, Department of Air, Civil Aviation, other expenditure, and total expenditure?

2. What is the anticipated expenditure under the same headings for the year ending 30th June, 1957?

If that question had been answered, honorable senators would have been in a much better position to discuss this section of the Estimates. As we have not received the information asked for, I hope that the Government will give due consideration to this question and furnish an answer within a reasonable time. I also ask the Government to consider making a more appropriate division of Commonwealth funds among the so-called smaller States. In 1949, just before the general elections, cartoons and statements were issued by the leaders of the present Government designed to influence people against the policies of the Labour party. I can well remember the non-Labour parties saying at that time, "Cast off Canberra control". We also heard them saying that there was "remote control from Canberra", and exhorting the people to "cast off the dead hand of Canberra". However, time has gone on and ever-growing inroads have been made by the Commonwealth into the revenues that should properly be used by the States.

This year the Commonwealth expects to expend £1,235,113,000 from Consolidated Revenue, but the States are to receive only £243,770,000 of that vast sum. In 1955-56 the States received £220,541,872. From time to time honorable senators on the Government side have attacked the Administrations of the Labour-controlled States of

New South Wales and Western Australia, but this Government has done nothing to help the States themselves fully to finance their capital works and so benefit the Commonwealth economy. Huge amounts will be expended from Consolidated Revenue on other functions of the Commonwealth, but not enough will go to the States. This year £56,040,000 will be expended on Commonwealth departments; defence services will take £190,000,000, miscellaneous services £23,381,000, bounties and subsidies £14,850,000, war and repatriation services £123,109,000, and special appropriations other than for war and repatriation services and capital works, £350,713,000. Capital works and services will absorb £64,321,000. So, there will be a total expenditure for 1956-57 of £822,414,000 as against £760,102,048 for 1955-56.

Therefore, every honorable senator who has given serious thought to the financial position and the development of the States must conclude that if the Australian Government does not spend a reasonable portion of its revenue in a State, the State, deprived of an equitable share must lag behind in industry and development. In the larger States such as New South Wales and Victoria, where there are many people and which the Government desires to influence, the allocations by the Commonwealth are proportionately larger than they should be. It is useless to ask the States to develop Australia if they get only about one-fifth of the revenue that they need for that purpose. That is another reason why I ask the Minister representing the Treasurer to furnish a reply to the question that I have already mentioned. States such as Western Australia should not be treated inequitably in the matter of Commonwealth expenditure from Consolidated Revenue, because otherwise their governments will be placed in the position of being merely civic authorities or local councils. Honorable senators should be given details of the huge sums of money that are paid out of Consolidated Revenue, and how Commonwealth grants are distributed among the States. We have a right to such information both from a constitutional viewpoint and from a State viewpoint.

During the last three years, whenever the Estimates have been discussed in the

Senate the speeches of Government supporters have been merely a re-hash of the second-reading speech of the Minister. Obviously, honorable senators on the Government side do not care very much about how this Government allocates its revenues. The country areas of Western Australia badly need money, and money should be spent on standardizing railway gauges in that State. The Government has paid lip service to railway gauge standardization but has done nothing about it. As I have said, there is no practical evidence that Western Australia received a reasonable proportion of this huge governmental expenditure. The vitally strategic Eyre Highway is in a bad state of repair. Whenever this matter is raised, Ministers are not greatly concerned about it. They invariably say that it is a State matter. Surely they realize that this highway is a vital strategic link.

**Senator Kendall.**—There are better roads in Western Australia than in the other States.

**Senator COOKE.**—The would-be Minister for the Navy, who is interjecting, can have his say later. He should not interrupt me when I am addressing myself to budgetary affairs.

**Senator Scott.**—Hear, hear!

**Senator COOKE.**—It is estimated that £9,276,000 will be expended on broadcasting and television services in this financial year, although television is not likely to be introduced into Western Australia for another ten years. While the broadcasting services in the metropolitan areas of Western Australia are quite good, those serving the north-west areas of the State are very bad. It is most unjust that adequate broadcasting services are not provided for the people of the north-west who are, in effect, settlers helping to promote decentralization by developing the out-back. The Government is well aware that the broadcasting services provided for the north-west are inadequate, because the Australian Broadcasting Commission has reported to that effect. It is idle for supporters of the Government to say that, as it is proposed to make payments to, or for, the States totalling £243,770,000, out of a total proposed Commonwealth expenditure of £1,235,113,000 in this financial year, we are doing all that we should do. The States are jealous of their sovereign rights. They

should not have to come cap in hand year after year to the Commonwealth asking for money, as one might ask a money-lender. Why should they be dependent on charity from the Federal Government? Whenever honorable senators on this side ask the Minister representing the Treasurer for particulars of proposed Commonwealth expenditure in the States the questions are parried. I hope that, as my question has been on the notice-paper for a month, before the consideration of the Estimates is concluded, he will supply the information I have sought, and also explain in more detail the proposed expenditure to which I have directed attention.

**Senator SCOTT** (Western Australia) [4.41].—I intend to address myself briefly to the proposed vote for the Taxation Branch. As I entered the chamber, I heard the Leader of the Opposition (Senator McKenna) say that the zone allowances for people who are living in certain parts of Australia had been increased. The allowance for people living on the west coast of Tasmania has been increased from £20 to £30, and that for people who are living in certain parts of the Northern Territory, and elsewhere above the 26th parallel, from £120 to £180. Although the increase of these concessions will assist many people, it will not solve the problem of our sparsely populated areas in Australia. It is true to say that, from time to time, successive governments have studied this problem but, nevertheless, the population of these areas has not increased since 1900. In addition to the taxation concession that has been given to the wage-earners in those areas, I think that the Government will have to do much more in order to attract additional people to them from the populated areas of the country. The granting of additional taxation concessions to people in the areas to which I have referred might encourage other people in the south to go to the north.

It was in 1953, I think, that the Commonwealth Government decided to grant total depreciation allowances to primary producers who were living in the Northern Territory in the year in which structural improvements were effected. That concession has been responsible for encouraging those primary producers to invest their profits in the Northern Territory. If a similar concession were granted to the people

living in other isolated areas of this country, additional capital would be attracted to those areas.

In other parts of Australia, the Government has granted to primary producers a depreciation allowance for structural improvements, spread over five years, at the rate of 20 per cent. per annum. This has proved quite satisfactory in the southern areas. I believe that many pastoral lessees in the north of Queensland and in the north-west of Western Australia are investing the profits they gain from those properties in other properties in the south, where they can get a quicker capital accretion. If we sincerely wish to encourage increased production in the sparsely settled areas of the north, the Government will have to make the taxation concessions there more attractive.

**Senator Courtice.**—Successive governments have considered the matter.

**Senator SCOTT.**—That is so, but no government has done much about it. I represent a State, well over half of which is situated north of the 26th parallel. That area is sparsely populated, and I know that station owners actually spend their profits in the south of the State in order to gain taxation concessions. I think that is wrong. They should be encouraged to spend their money where they are earning it and so develop the north.

Australia has great difficulty in balancing its overseas payments. I should like to refer to taxation concessions granted to people interested in mining. The Government has a specified list of minerals, which is added to from time to time, which enjoy a taxation concession to the extent of 20 per cent. of profits earned. In other words, if a person is mining a specified mineral, such as copper, silver, asbestos, or various other minerals, 20 per cent. of the net profit is deducted and the rest is taxable at the ordinary rate. That practice has been in existence for some years and, although the Government had added to the specified list of minerals, I believe that an even greater concession should be given to people interested in mining. In other countries in the British Commonwealth, taxation concessions have been granted in respect of mining. In Canada, new mining undertakings are tax-free for a period of three years, and the costs of improvements,

construction and development are allowed as deductions. Further, deflation allowance is spread over three years. Those countries which have granted such concessions have increased their productivity by 300 or 400 per cent. Since Canada altered its taxation laws, its exports of minerals have grown to such a degree that their value is greater than that of wool exported from Australia. The value of those minerals has trebled during the last ten or fifteen years.

We, as a nation looking for overseas income, should consider ways of encouraging the development of mining within Australia. If the correct encouragement is given to the mining industry, particularly in the north of Australia, it could be developed tenfold. I was recently in the north, and saw lead and copper deposits untouched. At Mount Morgan, in Queensland, copper deposits of less than 2 per cent. and 3 per cent. are being mined. In Western Australia, large copper deposits of about 3 per cent. in bulk are in existence, but nobody is interested in mining them, the reason being that a start has been delayed too long and the capital now needed is too great. Present taxation concessions are not sufficiently large to encourage the investment of the capital needed to start these mining ventures. As we shall not have an opportunity to discuss taxation during this sessional period, because very few alterations are being made to the act, I have taken this opportunity to point out a few things which should be done in the interests of the development of the remote areas of Australia.

**Senator SEWARD** (Western Australia) [4.50].—I should like the Minister for National Development (Senator Spooner) to tell me why, in Division 48 B, item 8, dealing with uniform income tax and compensation to State governments for use of accommodation, furniture and equipment, has been transferred, according to the footnote, to Division 71, dealing with rent of buildings. Under this item the vote last year was £75,000, and the amount expended £83,201. In Division 71 the amount of the total proposed vote is £800,000. The transfer precludes honorable senators from following the adequacy of that vote to cover the rent of State buildings, furniture and equipment.

While I am on my feet, I cannot resist the temptation to refer to the remarks of Senator Kennelly, who advocated the transfer of further powers from the States to the Commonwealth. I know Western Australia very well and I can tell honorable senators that they need not hope for any such transfer of powers from Western Australia to the Commonwealth. We have the awful example of the Northern Territory staring us in the face. Until the present Government appointed a man to take charge of the Northern Territory that part of Australia was going back and back over the years at an alarming rate. Western Australia also has had the experience of promises of assistance being made by the Commonwealth. On one occasion the various States together were to take certain action. Western Australia took that action, but the other States did not, and as a result the people of Western Australia have been penalized. Therefore, honorable senators need hold no hope at all that Western Australia will transfer any further powers to the Commonwealth. Senator Kennelly, of course, gave his whole case away when he said that if the States were to transfer certain powers to the Commonwealth, the Commonwealth would have the money to carry out the necessary functions. If that is so, why does not the Commonwealth give the money to the States? The States have the knowledge of what is required to a very much more accurate degree than the Commonwealth Government could possibly have. The States could spend that money more wisely than could any Commonwealth Government because of the knowledge possessed by the various State departments.

We all know, of course, that at the last meeting of the Australian Loan Council £190,000,000 was allocated to the States, but that, of course, was based on the amount of money that the council considered could be raised on the loan market. That was the deciding factor. I can well recall the Deputy Premier of Western Australia, Mr. Tonkin, the night after the sitting of the Australian Loan Council concluded, stating that he was pleased that Western Australia had been allocated £19,000,000, as it would enable that State to carry on necessary works. In addition to receiving that £19,000,000, I am thankful to the Commonwealth for granting an additional £2,000,000, which, of course, will enable

the State to engage in further work that otherwise would not have been carried out.

I should like to join with the Leader of the Opposition (Senator McKenna) in making a plea to the Government to appoint a chairman to the committee which is to review the Constitution. If that were done, we might at least obtain some recommendations from the committee. We would then be able to consider whether the recommendations should be given effect or not. I have no great confidence in the committee because I am afraid it will not go into the matter deeply enough. However, the remedy for the present situation is not the transfer of further powers to the Commonwealth, but a better distribution of revenue and loan moneys between the States and the Commonwealth. I am not quite certain what Senator Cooke said, but I think he suggested that the decision to implement the uniform railway gauge scheme was being held up by the Commonwealth, although the Government of Western Australia had agreed to the scheme.

**Senator Cooke.**—I said the scheme had been under consideration for ten years and although the Government had received numerous favorable reports on its implementation, it had done nothing.

**Senator SEWARD.**—It would be nearer the mark to say that it is being held up because the Western Australian Government will not make a request to have the work done by the Commonwealth. However, I am averse to the handing over of any further powers by the States. I think that the remedy lies in a better distribution of revenue and loan moneys as between the States and the Commonwealth. The State of Western Australia is largely undeveloped and, in fact, unknown to the large majority of members of the Parliament. It is not to be expected, therefore, that the Commonwealth could administer the functions of departments in Western Australia as well as the State Government can. I again ask the Minister to supply me with the reason why the item I have mentioned has been transferred to another division.

**Senator BYRNE (Queensland)** [4.55].—Senator Kennelly, in expressing his concern about the development of Commonwealth and States financial relations, was expressing

the concern that is felt not only by honorable senators, but also by responsible authorities in private, public and commercial life in Australia. It is becoming one of the outstanding political, constitutional and economic problems of our generation. I believe that the considered opinion of responsible public men in the States could, with advantage, be placed in the records of this chamber. For that purpose, I rise to have incorporated in "Hansard", by quotation, an observation that was made by the Treasurer of Queensland when he was presenting his financial statement in the Committee of Supply in the Queensland Parliament on 20th September last. He directed attention to certain alarming and significant facts. He referred to the tremendous revenue collected by the Commonwealth Government, the budgeting for a considerable surplus, only a portion of which is for Commonwealth expenditure, whilst the balance is to be put into a loan investment and reserve account for underwriting or assisting State loans. The Treasurer of Queensland drew these conclusions—

Naturally, the extraction of this large excess from the taxpayers curtails contributions to public loans. The consequent inability of public loans to finance a reasonable public works programme enables the Commonwealth, with its surplus funds to—

- (1) determine the State's Loan Borrowing Programmes and consequent Works Programmes, in accordance with the amount of assistance it is prepared to render from surplus revenue;

Of course, to that degree, it determines the political policy that will be applied in the supposedly sovereign States of Australia. The Queensland Treasurer continued—

- (2) finance its own Works Programme from surplus revenue, without interest or sinking fund contribution and without limits which would apply under the provisions of the Financial Agreement;
- (3) lend surplus revenue to the States at full interest rates; and
- (4) strengthen progressively the financial position of the Commonwealth at the expense of the States.

State governments have made numerous and repeated protests on this question of surplus Commonwealth revenue being lent to the States at the current rate of interest. The matter was raised last at the meeting of the Australian Loan Council held earlier this year. The Treasurer of Queensland went on to direct attention to a most significant fact that becomes alarming when the

figures are studied. As we recognize the constitutional responsibility of the States, in a particular and detailed way, for the development of this Commonwealth, any financial burdens that are unduly and unfairly imposed on them must hamper the discharge of these duties. The Queensland Treasurer had this to say—

The White Paper on National Income and Expenditure, 1955-56, shows the downward movement in the interest bill of the Commonwealth as compared with the strong upward trend in interest payments by State and Local Governments:

He cited the White Paper to show that the interest paid by the Commonwealth in 1946-47 was £47,000,000, whereas that paid by State and local governments in that year was £40,000,000; but in 1955-56, the interest paid by the Commonwealth had dropped from £47,000,000 to £32,000,000, whilst the interest paid by State and local governments had increased from £40,000,000 to £99,000,000. Over the years, tremendous relief has been given to the central government in the way of interest payments, but a tremendous added impost has been placed on State and local governments. Commenting upon this fact the Treasurer of Queensland stated—

Thus, Commonwealth interest payments are £16,000,000 per annum, or 33 per cent, below their maximum level of £48,000,000. On the other hand, the interest bill of State and Local Governments has increased from £40,000,000 to £99,000,000, or 147.55 per cent., in the last nine years.

In other words, merely by the imposition of interest charges, we are asking the States to assume added financial burdens which will make the work of day-to-day State administration very difficult, and the discharge of responsibility for national development, so far as it rests in State hands, virtually impossible.

This is emerging as the critical political, economic and constitutional issue of our day, and the maximum goodwill of all concerned will be needed to find a solution. In this chamber, we shall hear suggestions that taxing powers should be returned to the States. Other honorable senators will oppose that suggestion, and state that from such a move the big States would benefit at the expense of the smaller States. There will be suggestions that certain other powers should be returned to the States, or that

there should be a redistribution of constitutional power between the States and the Commonwealth. Other honorable senators, from the perimeter States, if I may so describe them, will resist that proposal, and will say that the States are not prepared to surrender any powers.

In other words, there is a wide division of opinion on this matter, and possibly there will be as many different opinions as there are individuals expressing them.

There is no reason why some order should not emerge from this constitutional tangle. It will take an effort of will, and particularly of goodwill, on the part of all concerned, especially on the part of those who have the responsibility of interpreting the law as it affects these matters. We shall need goodwill from those in the States who do not want to see any more of their powers transferred to the Commonwealth, even though the transfer may seem to be desirable. In these circumstances, I think that the functions of the constitutional committee, which has been set up by this Parliament, but which has not met so far, are of prime importance.

This problem must be solved. Year after year, there is a recurrence of this tragic conflict between the central government and the State governments, the effect of which is that the announced and accepted policies of the State governments must be emasculated because not enough money is available to implement them in their original form. If that state of affairs is to continue, and if central governments, with different political ideas, impose their ideas regarding finance on any one, or all six, of the States, we shall have a state of affairs that will grievously and seriously retard the progress of the Commonwealth.

I appeal to all honorable senators to give their personal and immediate attention and enthusiasm to the solution of this problem. I ask them to use every means in their power to interest all sections of the community in the urgent, vital and increasingly compelling need to deal with this problem in every detail. To solve this problem would be a radical and historic development, but on the success or failure of our efforts will depend whether we successfully develop Australia in the foreseeable future—let us say 25 to 50 years—or go struggling along, immured in political and constitutional difficulties, in a period of the world's

history when national development and defence are of such prime importance. The lesson to be learned from the political conflicts of the past five or seven years is that constitutional conflict must stop. All political parties must, with goodwill, attempt to find a solution. Even if the solution that is found is not the best solution, it must certainly be an advance on the present situation, in which chronic disagreement between the Commonwealth and the States is becoming a blot on the Australian nation.

Proposed vote agreed to.

Miscellaneous Services—Department of the Treasury.

Proposed Vote, £349,000.

**Senator Cooke.**—Are we to understand that the Minister for National Development is treating the committee with contempt by not replying to any of the submissions made by honorable senators during the debate on the preceding proposed vote?

**The TEMPORARY CHAIRMAN (Senator Pearson).**—Order! Is the honorable senator addressing himself to a particular item in the Estimates?

**Senator Cooke.**—I am raising a point of order. Honorable senators have gone to considerable trouble, but they are being treated with thorough contempt in relation to the most important section of the Estimates.

**The TEMPORARY CHAIRMAN.**—Order! I cannot accept that as a point of order. The Minister may please himself whether he replies.

**Senator McKenna (Tasmania—Leader of the Opposition)** [5.6].—I propose to move that the preceding proposed vote be recommitted for consideration, because I was particularly interested to hear what the Minister for National Development (Senator Spooner) might say in reply to what I thought were the very objective arguments that were addressed to the committee by honorable senators on both sides of the chamber. I thought that he would not be able to dispose of them as not being weighty or objectively presented. Honorable senators have opened up fairly wide subjects. It might be that the Minister was taken by surprise and did not have the opportunity to reply. We know, Mr. Temporary Chairman, that the Chair is concerned with having the Estimates passed very quickly, and sometimes it acts smartly.

I should be surprised if the Minister just allowed the debate, which I think was on a very high level; to go by the board. As I indicated, I now propose to move for the recommittal of the preceding proposed vote.

**The TEMPORARY CHAIRMAN.**—Order! The honorable senator would not be in order in doing so at this stage. It can be done at the end of the debates on the Estimates.

**Senator McKENNA.**—At the end of the whole debate on the Estimates?

**The TEMPORARY CHAIRMAN.**—At the end of this section.

**Senator McKENNA.**—Those of us who would be interested in the Minister's reply might not be present at that time. I should think that the appropriate time to deal with the various matters that have been raised would be now. To enable me to achieve my immediate purpose, I move—

That so much of the Standing Orders be suspended as would prevent Senator McKenna moving that the vote—Department of the Treasury, £9,158,000—be reconsidered forthwith.

**Senator SPOONER.** (New South Wales—Minister for National Development) [S.8].—I do not cavil for one minute at the suggestion of the Leader of the Opposition (Senator McKenna) that the debate on the preceding proposed vote was on a very high level. Senators Kennelly, Byrne, Cooke, Laught and Seward all opened up the question of Commonwealth and State financial relations. I agree with what has been said. The future development of parliamentary, financial and democratic relations is a fascinating and interesting subject.

**The TEMPORARY CHAIRMAN.**—Order! Is the Minister addressing himself to the motion submitted by Senator McKenna?

**Senator SPOONER.**—Yes. If I were a member of the Opposition or were not a Minister, I should be delighted to enter the fray and to express my views on this question, but it is not within my province to do so during this debate. My position during this debate is that of Minister in charge of the measure before the committee. I say with respect that the debate on the Estimates is not the occasion on which one should make an announcement of government policy on such an important matter.

I listened to the debate on the preceding proposed vote very carefully, and I made certain notes. I was in a position to reply to honorable senators, but, with respect, I suggest that there were only two matters that were really pertinent to the Estimates. Senator Byrne raised the question of the control of stores; and another honorable senator referred to the functions of the Commonwealth Stores Supply and Tender Board.

**Senator Benn.**—It was I.

**Senator SPOONER.**—They were the only two matters that were pertinent to the Estimates and in relation to which a reply might well have been given. The question of the control of stores, which is fundamental to the production of good accounts and which can cause just as much trouble in commercial circles as in governmental circles, opens up a tremendous field on the administrative level. It opens up such matters as a continuous record of stores used and a physical stocktaking and all that goes with it, but they seem to me not to constitute a subject that one should debate on an occasion like this.

I do not wish it to be thought that I was discourteous. With one exception, I felt rather that the nature of the debate was such that a ministerial reply was not called for. I refer to Senator Cooke's request for a reply to a question that appears on the notice-paper. The reply furnished to me was such that I thought it would not find favour with Senator Cooke. I now tell him that the reply is that the information he wants is kept by Commonwealth departments and not in the States, and that major research will be required to obtain it. I hope that in the fullness of time it will be available; but it will certainly not be available before the conclusion of this debate. I repeat that I do not wish to be regarded as being discourteous. I again submit that one cannot answer during a debate on the Estimates questions of general principle like the majority of those that have been raised to-day.

**Question put—**

That so much of the Standing Orders be suspended as would prevent Senator McKenna moving that the vote—Department of the Treasury, £9,158,000—be reconsidered forthwith.

The committee divided.

(The Chairman—Senator the Hon.  
A. D. Reid.)

Ayes .. .. .	24
Noes .. .. .	25
Majority .. .. .	1

## AYES.

Amour, S. K.  
Armstrong, J. I.  
Arnold, J. J.  
Ashley, W. P.  
Benn, A. M.  
Brown, G.  
Byrne, C. B.  
Cooke, J. A.  
Courtice, B.  
Grant, D. M.  
Harris, J.  
Hendrickson, A.  
Kennelly, P. J.

McKenna, N. E.  
McManus, F. P.  
Nicholls, T. M.  
O'Byrne, J. H.  
O'Flaherty, S. W.  
Poke, A. G.  
Ryan, J. V.  
Sheehan, J. M.  
Toohey, J. P.  
Willesee, D. R.

Teller:

Critchley, J. O.

## NOES.

Anderson, K. M.  
Buttfield, N. E.  
Gorton, J. G.  
Hannaford, D. C.  
Hannan, G. C.  
Henty, N. H. D.  
Kendall, R.  
Laught, K. A.  
McCallum, J. A.  
McMullin, A. M.  
Maher, E. B.  
Matter, E. W.  
Patridge, S. D.

Pearson, R. W.  
Reid, A. D.  
Robertson, A. R.  
Scott, M. F.  
Seward, H. S.  
Spooner, W. H.  
Vincent, V. S.  
Wade, H. W.  
Wedgwood, I. E.  
Wood, I. A. C.  
Wordsworth, R. H.  
Teller:  
Rankin, Annabelle

Question so resolved in the negative.

Proposed vote agreed to.

Refunds of Revenue.

Proposed Vote, £22,000,000.

**Senator McKENNA** (Tasmania—Leader of the Opposition) [5.21].—In relation to Division 231, Refunds of Revenue, involving a sum of £22,000,000, the footnote (b) reads—

To be applied by the Treasurer in making refunds of amounts which have been collected but which do not properly belong to Revenue such as—Value of postage stamps repurchased by the Postmaster-General's Department; Unexpired portion of telephone fees, and of fees for private boxes and bags; Moneys paid to Revenue in error . . . .

I should like the Minister to give some explanation of the item "Unexpired portion of telephone fees, and fees for private boxes and bags". Does it mean that if a person wishes to surrender these facilities during the currency of the term for which he has paid rental or a fee, he may recover a pro rata contribution? In respect of "Moneys paid to revenue in error", I should be interested to know what class of items fall within that category. The footnote (b) mentions also—

Proportion of radio and cable traffic receipts due to Overseas Telecommunications Commission;

Refunds of tax overpaid under various taxation Acts; . . . .

Would these refunds of tax relate to matters, and if so, which matters, other than refunds of tax paid by wage-earners pursuant to the "pay as you-earn" scheme? The footnote continues—

Refunds of tax rebated by the Boards appointed under section 265 of the Income Tax and Social Services Contribution Assessment Act 1936-1956 and the corresponding sections of the previous Act; and section 70 of the Pay-roll Tax Assessment Act 1941-1954.

Can the Minister give me some information under the headings I have particularized?

**Senator SPOONER** (New South Wales—Minister for National Development) [5.23].

—I have not a great deal of information to give the honorable senator other than that which is set out in the bill. In relation to refunds of revenue, £22,000,000, the Treasury has supplied a dissection of the expenditure for 1955-56 amounting to £19,157,033. The actual refunds were as follows: Income tax £17,418,405, sales and other taxes £763,662, postal revenue £648,929, and sundry items £326,037.

The item "Moneys paid to revenue in error" covers a thousand and one transactions. For example, a person may draw a cheque in favour of a government department for an incorrect amount, and on necessary occasions the amount paid in error is refunded. To answer the questions relating to refunds of tax rebated by the boards under section 265 would require a knowledge of the provisions of that section of the act.

**Senator McKenna**.—I have an idea it relates to hardship.

**Senator SPOONER**.—If that is the provision relating to hardship, then I think the Leader of the Opposition (Senator McKenna) will agree with me that not many cheques are drawn under that heading. With the figures I have given relating to the break-up of last year's actual expenditure and my statement that it would be hard to give details of each item mentioned, I trust the Leader of the Opposition may rest content.

Proposed vote agreed to.

Proposed vote—Advance to the Treasurer—£16,000,000—agreed to.

Department of Works.

Proposed Vote, £3,134,000.

Senator BENN (Queensland) [5.27].— On many occasions we hear adverse criticism about the operation of the Department of Works. I am unable to say, of my own knowledge, whether this criticism is justified or otherwise. I do know that the department is efficient in its head office at Canberra. At the same time, I have very good reason for believing that as we get further away from Canberra that efficiency wanes. There have been various happenings connected with the department which were not very pleasant. We in this Parliament do not know what is going on in the Northern Territory and other remote regions where the department is required to carry out works, but, fortunately for the taxpayer, there is an authority in the Commonwealth whose duty it is to send out officers to examine what is going on within the ramifications of the Department of Works, and I propose reading the evidence that has been supplied to the Parliament by the Auditor-General in connexion with certain features of the workings of the department.

I shall refer, first, to what he has to say under the heading, "Control of Labour and Material on Projects". Honorable senators will recall that this matter was discussed last year by the Auditor-General in terms similar to those contained in this year's report. If I remember correctly, he made somewhat similar remarks in the year before that. It is interesting to read, this year, that some progress has been made by the Department of Works during the last three or four years in setting up a proper accountancy system; but this is what the Auditor-General says in his report, under the heading I have mentioned—

Unsatisfactory control of labour and materials has been the subject of report in the last three years.

The department has directed all regions to comply with instructions issued in 1953 dealing with control of materials on day labour projects. Not all regions have applied the procedures satisfactorily, but some improvement has been noted.

A review of further departmental tests of quantitative costing indicates that it is a valuable control and should be adopted wherever appropriate. The department has advised the Public Service Board that the procedure is suitable for particular types of projects but its general adoption is not favoured.

Reference was made in the Annual Report for 1954-55 to unsatisfactory features regarding departmental control of projects constructed under contract in the Papua and New Guinea

region. Further investigations confirmed that substantial overpayments on three wharf projects should be recovered from contractors. Recently, £8,730 was recovered in respect of one project, but the other two remain unsettled. The department is taking action with a view to recovery of the overpayments and to improve internal controls and checks.

The Auditor-General has pointed out that improvement is being effected in some, but not all of the regions in which the Department of Works operates. If an arrangement is made between the department and the Auditor-General, through the Public Service Board, for certain instructions to be given to all sections of the department in all regions, surely those instructions should be observed in every way by all sections in all territories.

Another serious matter is overpayment. Why should there be any overpayment at all? Overpayments were made with respect to three wharf projects. The Auditor-General does not say in his report whether one or several contractors were involved, but the payments were made in connexion with three wharf projects. These are not times in which overpayments should be made to contractors. Surely, in the year 1955-56, it was possible for the Department of Works, through the Public Service Board, to organize a staff which could safeguard the interests of the taxpayers of Australia? Inefficiency should be abolished completely in these days. If inefficiency was displayed only in an isolated case, I should hesitate to say anything about it; but it seems to be general, and this is a serious matter. What I have quoted from the Auditor-General's report refers to Papua and New Guinea. This is what he says about the Northern Territory—

Efforts to place store accounting and control on a sound basis continued throughout the year and considerable improvement was evident. Further progress has been made in centralizing the Trust Stores in Darwin and improving store-house facilities. Greater reliance can now be placed on stock-takings, which are conducted more regularly and under close supervision. The stock-taking recently completed disclosed surpluses amounting to £1,201 and deficiencies totalling £970. When the system of unit piling of stores is in full operation further improvement may be expected. Reorganization of stores staff is under departmental consideration with a view to increased efficiency.

He has this to say about project stores—

Excessive delays still exist in finalising stocktakings relating to certain project stores. A check of holdings at the Darwin Power House store was conducted during March, 1956, but the value of dis-

crepancies has not been determined. A check of the stockholding at the Katherine Power House store is long overdue.

A more suitable register of furniture and equipment, including technical equipment, has been established and placed under the control of the Finance Section. A recent stocktaking disclosed only minor discrepancies.

Procedural instructions designed to strengthen the control over tools in use were introduced as from 1st July, 1955. However, there has been an unwarranted delay in completing action on stocktakings and in effecting necessary reconciliations with the register of assets.

I know that the Minister does not approve of these procedures. I am confident that if he were in charge of the department one of the first steps he would take would be to have established an efficient system of store accounting. I know that he is strongly opposed to unsatisfactory methods of store accounting, but it is essential that the interests of the taxpayers of Australia be properly safeguarded by the Department of Works. Unfortunately, they do not seem to be safeguarded adequately by it at present. Why were there excessive delays in finalizing stocktaking in projects? I do not think that a satisfactory reply can be given to that question, because competent staff are available at present to carry out all sorts of bookkeeping. Qualified accountants are not required to establish bookkeeping systems and operate them; men of ordinary clerical knowledge can do that sort of work. Therefore, if the Department of Works had wanted to do so, it could have organized a competent staff to do the work involved. With regard to the Territory of Papua and New Guinea, I wish again to quote the report of the Auditor-General because his remarks are of interest. In paragraph 55, under the sub-heading of "Plant Operations" the Auditor-General stated—

Departmental control over plant operations is not satisfactory. Essential items of plant have not been replaced as soon as practicable after becoming uneconomical to retain in service. The present adverse operational balances on existing plant items are being reviewed by the Department with a view to increasing plant hire rates. Then under "Stores" we find—

Certain stocktakings have disclosed discrepancies which are attributed to errors in previous stocktakings, incorrect documentation and inadequate security arrangements. Departmental proposals for the provision of adequate storage facilities are under consideration.

I wish to know now why the control over plant operations has been unsatisfactory,

because I take it that plant operating is the work involved. The department evidently does not know the use to which its plant is being put. Then, again, towards the end of the statement on stores, honorable senators will notice that the Auditor-General has stated that there are inadequate security arrangements. Surely this department can employ watchmen to ensure that the stores in the territories are kept secure? We know something about the natives of these territories, and their habits, and it should be possible for the department to place honest men in charge of the stores. The Auditor-General has said quite a lot about this department, and much of it is not of a very pleasant nature. In paragraph 55 of the report, under the heading "Radio Telephone Stations", we find—

A series of contracts were entered into with a single contractor for the supply and erection of eight prefabricated buildings required by the Postmaster-General's Department for Radio Telephone Stations in Victoria and Tasmania. Immediately following completion of six of the buildings, the wall panels and other components were found unsuitable for the extreme weather conditions prevailing at the sites.

To make the buildings weatherproof it was necessary in each instance to erect new or additional walls, and to add galvanized iron roofs. The contract price for the six buildings was £47,383 and the remedial work is estimated to cost not less than £18,000. A change in construction was adopted for the seventh and eighth buildings.

The constructing Department should have been aware that the materials and possibly the structural design were unsuitable in view of the known exposed positions of the sites. In reply to Audit inquiries the Department advised that the type of construction adopted was to some extent experimental, due to the shortage of standard materials.

As the project had limited priority, economy would have resulted had a pilot building been erected on one of the selected sites as a test of suitability for the severe climatic conditions.

The Department of Works employs architects, engineers, cost clerks and a full staff at the offices in the various States. They are all employed in one way or another to design and ascertain the cost of buildings, and to determine where the work should be done and how it should be done. Therefore, it is unpardonable that such a waste of money should occur. I could understand this sort of wasteful expenditure occurring during World War II, and immediately after the war, but I cannot understand its occurring after the department has had ample time to reconstruct itself and to

obtain suitable staff and all the materials that it requires. Eight prefabricated buildings were ordered for the Postal Department in Victoria and Tasmania, and although the climate is moderate in those States, the buildings have commenced to fall to pieces. That is a deplorable situation.

The CHAIRMAN (Senator the Hon. A. D. Reid).—Order! The honorable senator's time has expired.

Senator RYAN (South Australia) [5.42].—I refer to Division 73—Repairs and Maintenance; item 16—Immigration. May I assume that the expenditure on immigration includes expenditure on plant and equipment? The Estimates for the Department of Immigration also appear to provide for maintenance. I ask why those items are not grouped together.

Senator ASHLEY (New South Wales) [5.43].—I refer to the Department of National Development, Division 127, C—Miscellaneous—Industrial land and buildings, St. Mary's—Sub-division and disposal. Will the Minister explain the nature of that item?

Senator SPOONER (New South Wales—Minister for National Development) [5.44].—I ask Senator Ashley to raise his question later when the committee is dealing with national development.

Senator Ashley.—I shall do so.

Senator SPOONER.—With regard to Senator Benn's question, to be fair to the Department of Works, we have to concede that its contract work for the current year will cost about £40,000,000, and that that sum will be spread over every State and every Territory of the Commonwealth. Knowing that this year, as in past years, the Auditor-General had made certain criticisms, I have had the department prepare a reply to each point of criticism. The reply, which covers the matters raised by Senator Benn, runs into a number of foolscap sheets of paper. If the honorable senator so desires, I shall make it available to him.

Senator Ryan asked whether it was intended to expend the proposed vote of £268,500 for Division 73—Repairs and maintenance—item 16—on the maintenance of plant and equipment. Provision has been made in this proposed vote for the maintenance of reception centres in the

various States, which have been established for the accommodation of immigrants. At 30th June last, it was estimated that an expenditure of £98,204 would be needed to finish incomplete works. Provision has also been made in the proposed vote for the carrying out of renovations in order to maintain and preserve the buildings, and to improve their appearance and cleanliness.

Senator McKENNA (Tasmania—Leader of the Opposition) [5.46].—I refer to Division 72, item 19—Administrative—B—General Expenses—for which the proposed vote for legal costs is £10,700, and item 20 of the same division, for which the proposed vote for incidental and other expenditure is £30,600.

Sitting suspended from 5.47 to 8 p.m.

Senator McKENNA.—Before the sitting was suspended I was directing the attention of the Minister for National Development (Senator Spooner) to items 18 and 19. I should like the Minister to give me some information first of all as to the need for employing outside architects and consultants for which an amount of £135,000 is being sought. As I understand the position a large staff of architects is employed in the Department of Works and specialist advice may be required from time to time. If the Minister can give any information as to the particular circumstances in which private architects and consultants are required by the department, I should be interested to hear it. Item 19 deals with legal costs, the proposed vote for which is £10,700. Will the Minister give some indication as to what those legal costs would be? After all is said and done, we have the Attorney-General's Department and Crown Law Office and I should imagine that the officers of those departments should be able to give advice. Would the costs include the briefing of counsel in some cases, and if so, in what type of cases? If they represent counsel's fees I could understand the matter, but how would counsel's fees arise in relation to the Department of Works? I should imagine that it would not be in connexion with the drawing up of contracts for works, as that is something that would be undertaken by the Crown Solicitor in the normal course of routine duties.

Senator ANDERSON (New South Wales) [8.3].—I should like some information in respect of the large variations in some of

the amounts shown in Division 73; Repairs and Maintenance. For instance the amount being sought under this heading for the Prime Minister's Department has been increased from £6,000 to £24,000. That is a rather significant increase. In respect of the Department of the Interior the amount being sought shows an increase of £83,000, whilst the corresponding amount being sought for the Department of National Development shows a decrease from £60,000 last year to £13,000 this year. I should be obliged if I could have some information on those variations.

Senator GORTON (Victoria) [8.4].—I should like to ask some questions and obtain some information from the Minister for National Development (Senator Spooner) as to the reasons for certain provisions in the contract forms which the Department of Works requires builders to sign when they are carrying out work for it. I suppose these forms have been in use for a long time and are therefore not something peculiar to any one government. However, they seem to me, as a casual observer, to contain in them clauses which ought not in equity be found in contracts between an authority and those who are carrying out work on behalf of that authority. I direct the attention of the Minister to page 5 of the normal contract of the Department of Works, where clause 28, relating to patent rights, reads—

The Contractor shall ensure that no patent is infringed and that unless otherwise specified all amounts payable are paid and all conditions imposed in respect of the manufacture, use or exercise of any patented invention are complied with.

It appears to me that it would be eminently possible for the department itself, which after all provides the plans to which the contractor has to work, to infringe in these plans some patent in connexion with some building device, method of erection, or structural or engineering patent. It would not appear to me to be fair, nor would it appear to be a provision in a normal contract of this kind, for the contractor to be required to see that the plan supplied to him did not infringe a patent.

Clause 29 of the contract form relates to progress payments. In the normal course, when a building is being erected by a contractor what happens is that the architect in charge of the work, or his representative, after a certain amount of work has been

completed, issues a certificate to the effect that the work up to that stage has been carried out satisfactorily. That certificate is then presented to the client and, automatically on its presentation, a progress payment is made by the client for that amount of work. That is a normal provision in a contract and one that is necessary to enable a contractor to keep his capital turning over until the completion of the job. The clause in the department's contract form seems to give to the Department of Works powers which an ordinary client would not have. It reads—

Unless otherwise provided in the Specifications, and subject to these Conditions, the Contractor shall from time to time, at periods to be approved by the Director of Works—

That is the operative clause—

be entitled to receive 95 per centum of the value of work done as determined by the Director of Works.

That, in effect, means that the Director of Works could, if he wished, not provide progress payments until half or three-quarters of the work had been done. I do not suggest for one moment that that is a normal practice of the Department of Works. I am sure it is not. Nevertheless, this is a legal document and it does appear from it that the Director of Works is able to determine the periods at which progress payments are to be made. That is not a normal clause in a contract between a client and builder.

The next clause which is of some significance is clause 35, which appears on page 7. I shall read what appear to me to be the operative words, leaving out some inoperative matter. It reads—

Should the Contractor be delayed or impeded in the execution of the works by reason of . . .

(e) extras or variations being ordered by the Director of Works,

the Contractor may, from time to time, within fourteen days of the happening or occurring of the inability . . . apply in writing to the Director of Works for an extension of time . . . the Director of Works shall, if he thinks the cause sufficient; but not otherwise, by writing extend the time for completion of the works . . .

That, as it reads, appears to me to be quite clearly a statement that if the contractor is delayed in the execution of work by reason of extras added by the Department of Works, then it is within the power of the Department of Works itself to refuse to extend the time for the completion of the contract. It is fairly clear that it is quite possible for

a dispute to arise between, in this case, the Department of Works and the builder regarding the operation of the various clauses. The particular clause to which I shall refer now appears to me to be extremely unjust. As in all contracts of this sort with contractors and builders, disputes can arise. Clause 37, dealing with the settlement of disputes, states—

Except where otherwise provided in this contract, all questions and disputes arising under this contract shall be finally settled by the Director-General or such officer as may be deputed by the Director-General in that behalf.

If a dispute does arise, the Director-General will be a party to it. I urge, Mr. Chairman, that the Minister take up with the Department of Works the question of writing into that clause provision for outside arbitration on any dispute between the Director-General of Works and the contractor employed by the Director-General. I believe that, on occasions when such disputes do arise, and if agreement cannot be reached between the Director-General of Works and the contractor, it is the normal practice—but not the invariable practice—to resort to outside arbitration. If that is so, I suggest that there should be written into this legal document proper provision for outside arbitration so that one of the parties to the dispute should no longer have the right to arbitrate on it. I bring these matters to the attention of the Minister for National Development (Senator Spooner) in the hope that he will take up with the department concerned the clauses in the contract that do not appear to me to be completely fair or in accord with the normal contract between a client and a builder.

I direct the attention of the Minister, now, to another matter that is worthy of consideration. I have been informed that there has been, or is, a direction that, in all short-term contracts, there is to be no provision for escalator clauses allowing for increases of wages that may take place during the term of the contract. Short-term contracts are defined by the department as contracts of not more than twelve months' duration. Therefore, if my information is correct, the department is not allowed to have escalator clauses providing for rises in wages over a period of one year. I do not know the reason for this, but it is clear that, in one year, wages could rise very considerably.

Again, it does not appear to me to be a clause that should properly be written into a contract if we are to consider this—as I claim we should—as the sort of contract that would be entered into between one private person and another.

I know that some of the commissions that carry out our great works do not have complete escalator clauses written into their contracts. The contracts used to provide for payment in full of wage increases, but the commissions found that the contractors concerned would not fight hard to put their own case against claims for increases because the client would have to take the whole brunt of the increases. Such contracts now include escalator clauses providing that the client commission shall pay up to 75 per cent. of any increases due to arbitration court awards. That appears to me to be an example that could well be followed by the Department of Works in this connexion. I should be pleased if the Minister for National Development will advert, during the course of his reply, to the suggestions that I put forward, and will refer them to the responsible Minister if he believes, as I do, that there is substance in them.

Senator SPOONER (New South Wales—Minister for National Development) [8.16].—Reference has been made to the item "Fees of private architects and consultants, £135,000" under Division 72—Administrative, Section B. That item does not relate so much to architects as to the engagement of quantity surveyors. I remember that the same point was taken last year during a debate on the Estimates. Quantity surveyors are specialist professional officers, and it has not proved practicable to train and engage them within the Department of Works. In actual practice, they are limited in number, and it is necessary to retain the services of quantity surveyors.

Reference has also been made to the item "legal costs, £10,700". That is to provide for the usual, or unusual, arguments that arise in connexion with various contracts. This provision is for obtaining legal advice when litigation cannot be avoided. I am informed that all this work is done through the Crown Law Office. The Crown Solicitor does all the advising in each matter, but this provision is in respect of charges which he may incur on behalf of the Department of Works, and which he debits to

the department. In other words, the professional responsibility is taken by the Crown Solicitor. He may retain other solicitors and may brief counsel and incur expenses. Having done so, he renders a debit to the Department of Works.

Several points have been raised by Senator Gorton. I have some notes on them from the department, and some personal views of my own which I feel inclined to intrude into the debate. I put the point of view that where there has been a series of transactions over a long period of years based upon a document which the parties know and understand, and have worked with for a long time, one ought to proceed carefully before changing it. In such a case, the vendor and the purchaser, the builder and the contractor, know a particular clause in the document, and how it has operated over a number of years. Both take that into consideration when making their estimates of what the job will cost, and what the tender price will be. I start with that as a foundation, and when I accept it as such I do not find a great deal upon which to criticize the terms of the contract document. I should think it would be a wise precaution for the builder, the owner, or the vendor—whatever the correct term is—to place the responsibility upon the other party to the contract not to offend against the patent rights. It is not only a question of the design of the actual plant used on the job; there are all sorts of conditions under which patents can be broken, if that is the right word, and of which the Department of Works might not hear anything until litigation is commenced.

Let us consider the clause under which the Director-General of Works has the right of arbitration. I think it would be interesting if I were to read to the committee the note that was handed to me by the department, because to me it threw new light on this point. It reads—

It is agreed that at first sight it might seem odd for the Head of a Department, or his nominee, to arbitrate in matters concerning his Department. However, the clause is very similar to that used by most Government and semi-Government works organizations in Australia and has operated satisfactorily for very many years.

From time to time discussions have been had with contractors and contractor's organizations who have, in general, accepted the present position as quick, inexpensive and apparently generally satisfactory to them.

It is pointed out that the Director-General is not concerned with the detailed administration of contracts, which are carried out by the Branches. Thus, he or his nominee, who is selected in accordance with this principle, is in general expert in the problems to be arbitrated upon while not having been administratively concerned with the contract.

That is rather a new concept as distinct from commercial practice. In commercial practice one would scarcely find a builder prepared to enter upon a contract under which the other party to the contract had the right of arbitration. But, in this case, we have a rather different atmosphere in which the permanent head of a department has only a supervisory interest spread over a great number of officers, branches and sub-contractors, and in which apparently the building trade as a whole is prepared to accept the situation that, because of his professional standing or the office that he holds, he will act impartially.

I revert to the question of patents. The departmental note I have obtained reads as follows:—

It is incumbent upon the contractor to ensure that no patent rights are infringed and that all conditions stipulated by patent holders are complied with.

That is another angle again. It is a question not only of using something in breach of the patent right but also of not using the patent right in accordance with the terms of that right—a breach of the right as distinct from what I, as a layman, call a misuse of the right. The note continues—

It will be appreciated that the Department specifies, in general, the type of fittings and equipment to be used but the Department holds the contractor responsible for the payment of any royalties should he use patented equipment or methods.

In other words, if a contractor uses equipment for the use of which a royalty is payable, the responsibility to pay that royalty is upon not the department but the contractor.

Senator GORTON (Victoria) [8.25].—I should like to comment briefly on the remarks of the Minister for National Development (Senator Spooner) because, after all, this is a matter on which two viewpoints can be held. I know and appreciate the fact that notes on this matter have been handed to the Minister by the Department of Works, because last week I informed the

department that the matter would be brought up so that it would be prepared for the debate. But it seems to me that the department has not made out a completely watertight case, or one which does not require some attention by the Minister in relation to certain details.

Let us consider the obviously, in normal practice, unfair provision that the Director-General of Works shall be the arbiter in his own cause, which it is admitted would not be tolerated for one moment under an ordinary private contract. As I understand it, the justification advanced by the department is that it has been going on for a long time. To my mind, that is not a proper justification if the clause is a wrong one. The other justification advanced is that building contractors in general are prepared to accept a clause of that kind. I suggest that, although that might be true, it may not mean what at first sight it seems to mean. Many of the works that are undertaken by the department are done by large firms and large contractors who, for the sake of getting a very large order and of keeping their plant and men in operation, are prepared to accept a clause of this kind which they would have the facilities to fight in court if it should unjustly act against them. In other words, they are prepared to accept it for the purpose of getting a large contract, and they are able, and have the money, to buck it if a manifestly unjust decision is given against them.

But that does not apply to all the small contractors who do jobs for the Department of Public Works. I should think that a great number of them might accept the clause, with grave misgivings, for the purpose of getting some work; but, having accepted it, they, unlike the big contracting firms, are completely at the mercy of the department because they have not behind them the facilities to protest in the courts of law, which after all are the final arbiters in such matters, against a decision that might go against them. If it is admitted by the department—and I gather it is—that it would be more just for a man not to be a judge in his own cause, but that it would be more just for provision to be made for outside arbitration if agreement cannot be reached between the parties, why not, at the expense of another line of type and half an hour spent in the Attorney-General's Department, write into the contract provisions that would allow the small

builder to be better safeguarded and which would make it a better and more proper legal document?

It is said that the Director-General of Works usually is not directly concerned with a particular contract, and of course I agree with that; but the department for which he is responsible is directly concerned with it. The officers who, in the nature of things, he feels he must back up and support are concerned with it.

**Senator Spooner.**—He needs to stand on a fairly high pedestal, does he not?

**Senator GORTON.**—I think that at last I am convincing the Minister. He does need to stand on a very high pedestal. It would rescue him from a very embarrassing position if provision for independent arbitration were written into this clause. It is a principle which has not been opposed by the department, which has had a week to consider the arguments I am now putting forward.

I am not so concerned with these other matters as I am with this particular clause on arbitration, because the disputes which arise about them can finally be settled by arbitration. I am not a lawyer, but I have the gravest doubts whether these other clauses are legally enforceable, and I should like to hear comment from any lawyer in the committee on the matter. Could the department hold a contractor liable for the payment of royalties or for the infringement of patents? I say again that all these matters in dispute could be settled if provision were written into this contract for outside arbitration between the two parties concerned.

**Senator LAUGHT** (South Australia) [8.32].—I have been interested in the argument advanced by Senator Gorton, and I add this comment to his remarks relating to the arbitration clause. My experience is that any agreement containing a clause which is vague or unjust has the effect of causing the contracting parties to regard it very sceptically, and this applies particularly to an unjust arbitration clause. The price tendered by the contractors who look at such an agreement carefully could be inflated because the agreement contains an element of injustice. The department, in its own interest, would be wise to have the usual clause giving the power of arbitration, if need be, to an outside arbiter or umpire. All contractors, before they tendered, would

then see that there was natural justice in the agreement, and there would not be that tendency to inflate the price because of an obvious injustice in the agreement on the subject-matter of the contract.

Proposed vote agreed to.

Department of Social Services.

Proposed Vote, £2,796,000.

**Senator HARRIS** (Western Australia) [8.34].—This is one of the most important votes, because many people rely on social service payments for their living. Unfortunately, they appear to have received scant consideration in this year's budget, and in the early speeches on the budget honorable senators on both sides agreed that pensioners should have received better treatment. Comments have frequently appeared in the daily press, and also in the reports of the activities of church organizations, outlining the acute need of the aged and infirm in Australia. Honorable senators who visit these people know how true are those reports. They will all agree, as does every decent Australian, that it is wrong for these old citizens, many of whom have been pioneers of Australia, should be homeless and hungry as they fight a losing battle for self-respect, and all because the Government does not discharge its responsibility by giving them an adequate pension. I have been inclined to think that officers of the department fail to realize how desperate is the position of many of these old citizens. If the officers will not be convinced by representations or reports, an obligation rests upon them to visit these people and see for themselves in what destitute circumstances they are forced to live.

Many age and invalid pensioners live in the capital cities. In Perth, there are some hundreds but in large cities like Melbourne and Sydney they number thousands. I know that some of them own their homes but many are paying rent, and unprincipled landlords are taking a despicable advantage of these old and needy folk. I know of some who live in enclosed verandahs, and pay as much as £2 a week rent. Others are living in rooms occupied by five or six people, and out of their meagre £4 weekly pension the grasping landlord takes 30s. to £2 a week rent. It should be possible for this Government to make a thorough investigation of the whole position, ascertain how many aged people there are in each of

the cities and towns of the various States and then come to some satisfactory arrangement with the State governments for the establishment of homes for the aged. A splendid example of what can be done is the Claremont Home at Fremantle, which accommodates between 300 and 400 men. It has been in operation for years, is carried on most efficiently and is subsidized by the State government, the pensioners donating a certain proportion of their pension to the institution in return for accommodation. I think the pensioners retain £1 a week for spending money, and, of course, they also receive gifts of tobacco and other things from outside organizations. Another excellent institution is the Mount Henry Home for Old Ladies in Western Australia. The establishment of that institution was made possible by the State Labour government, which advanced a certain amount of money, and by the Lotteries Commission of Western Australia, which made a substantial donation. I advise honorable senators on the Government side, if they should be visiting Western Australia, to inspect both those institutions. If they did so, they would be inspired to urge this Government to do all within its power to help with the establishment of similar institutions in other parts of Australia.

Unfortunately, far too many of our aged are not living in suitable accommodation. Numbers of them sleep in railway carriages, sheds and doorways, and in huts on beaches. A number are living in those circumstances at Geraldton and Fremantle. They are literally starving. They are unable to buy proper food because, after buying clothes, they have not enough left out of their pensions to buy food. It would seem that this Government is determined that they must do one of two things; they must either clothe themselves and starve or feed themselves and go without clothes.

A member of the Opposition in another place suggested that the department send a questionnaire to pensioners and applicants for pensions with a view to ascertaining exactly what expenses such people have to meet, what they are required to pay in rent, rates, and so on. The information gained in that way could be of extreme value to the department when drawing up plans for the future. In a country such as this, we should not permit the state of affairs under which our old people are compelled to

suffer such deplorable conditions. We are a small nation of under 10,000,000 people, and it would seem to me that some of the millions of pounds which are spent in every direction could well be diverted to the provision of reasonable housing for pensioners. In the last five or six years Australia has expended over £30,000,000 on the Colombo plan. This year, £4,700,000 is earmarked for that purpose. Let us have an Australian plan. Let the Government share that £4,700,000 among the States with the direction that it be expended upon the provision of homes for the aged and infirm. If it did that, it would be doing something worth while, something which would pay dividends in the long run. Our old people are entitled to decent conditions. I notice that provision is made, also, for the payment of £22,000 to the United States of America and £10,000 to India for flood relief. All this money is going overseas while many of our own people are in dire need of reasonable accommodation. Charity begins at home. Let it begin here with our aged. We should not allow that money to go outside Australia at a time when so many of our own people are living under deplorable conditions. I urge the Government to allocate funds to the States in order that our aged men and women might be afforded some alleviation of these most undesirable conditions.

I come now to the medical benefits provided for the aged. The Minister has told us, on more than one occasion, that the Government is doing splendid work for the pensioners. I admit that some pensioners are receiving free medical attention, just as I admit that all did not enjoy this benefit under the Labour government; but I remind the Minister that under the Labour government's plan every pensioner in the Commonwealth was to receive free medical attention. Unfortunately, the members of the British Medical Association, who appear to be the Government's chief advisers, put the Government in the week press, as it were, and dictated to it as to who should receive medical benefits and so on. The British Medical Association refused to allow the doctors to have anything to do with the Labour party's scheme. It prohibited them from receiving books and prescribing treatment. Only a few of the doctors of Australia had the courage to defy the British Medical Association, with the result

that the Labour party's scheme could not be brought to fruition.

Now, the Government has imposed a means test in respect of the provision of medical benefits for pensioners. That is wrong. After all, the person who is seeking these benefits is not a millionaire; he is not even wealthy. Any person who receives the full benefit of £4 a week obviously cannot stand very well financially.

**The TEMPORARY CHAIRMAN (Senator Wood).**—Order! The honorable senator's time has expired.

**Senator BYRNE (Queensland) [8.50].**—I desire to refer to the Department of Social Services, Division 111—Central Administration, and also to State Establishments in the Schedule. There appears to have been a re-organization of a major character in the top administration of this department. Four assistant Directors-General of Social Services have been replaced by one, and four additional Directors of Social Services have been appointed. Will the Minister indicate the purpose and nature of that re-organization?

My other query is directed to the provision for the Department of Social Services, in respect of salaries and allowances. In Tasmania, provision for new staff in 1955-56 was £11,270. No provision has been made for this item in 1956-57. If one looks at the numbers of staff, one sees that in 1955-56 the number was 76 and in this year the number is expected to be 75. Therefore, there has been a reduction of one. It would appear, therefore, that unless the staff appointments were of a temporary nature, the purposes for which the sum of £11,270 was voted last year by the Parliament, have not been carried out and seem to have been abandoned. Will the Minister indicate the purpose of the vote last year, to what extent the purpose was carried out, and whether that purpose has been abandoned?

**Senator CAMERON (Victoria) [8.53].**—I wish to direct attention to the same matter as that dealt with by Senator Harris. No provision has been made for the proper treatment of our age pensioners.

**The TEMPORARY CHAIRMAN.**—Order! The matter at present before the committee is the administration and establishment of the Department of Social Services, involving a sum of £2,796,000. I

known an applicant for a considerable period of years and who are prepared to certify that he or she is eligible for social services benefits. That is a matter of

know that to-day many men and women in receipt of a pension do not come within that category. Even though they have

believe that the debate has been wandering rather widely from the matter at present before honorable senators.

Senator CAMERON.—I wish to direct attention to an omission by the Department of Social Services. The department has directed attention to matters mentioned here, but no attention has been directed towards what I regard as a most important matter. I consider that more adequate provision should be made for age pensioners, and that it is the duty of the Minister and the officers of the department to direct attention to that fact. It appears that because these pensioners are aged, are more or less helpless and have not the organized strength to demand the consideration to which they are entitled, the Parliament has deliberately ignored both the presence and the needs of these people. I enter a protest against that omission. Whether we like it or not, in this democratic and Christian community the age pensioners are destined to wither away and die in the slums or the State institutions for the destitute. But they are men and women who, in their prime and for as long as they were able, worked so well that they made it possible for us to be where we are to-day. Yet nothing is being done for them.

The age pension is £4 a week. The Government pays that pension, but business organizations and others, particularly landlords, decide what shall be the purchasing power of the pension. Therefore, the Government and the department are tragically remiss in their duty in not directing attention to this state of affairs and in not recommending something better for the pensioners. Surely Government members are under some obligation to do something for their own parents or the parents of other people who have made our existence possible. That obligation is deliberately and callously ignored both by the Government and by the department. Senator Harris has directed attention to the medical treatment that pensioners receive. For all practical purposes, the medical treatment to which they are entitled is not worth having. So much is given in name, but very little is given in practice.

I want to know from the Minister just what he is prepared to recommend. I ask him to imagine himself in the position of

these people, and to imagine that he is being ignored, just as they are being ignored. What has he to say about that? Because he is more fortunately placed than the age pensioners, he ignores them and treats them as though they do not exist. If they were young and able like the waterside workers, the transport workers and other groups of workers, he would be compelled by their organized strength to do something for them. But because they are helpless, for all practical purposes the Minister forgets them.

I remind the Minister and the Government that these men and women have paved the way for us and made our existence possible. In the Commonwealth household the Government does what would not be done in any reasonably decent private household—it ignores the aged, those who are failing, those who are withering away. Yet it poses as a government of great democrats! The members of the Government postulate that they are prepared to do their best in the interests of all men, but they forget the aged. The Government emphasizes the “all” theoretically, but forgets that it includes the aged.

I feel very strongly about this matter, because of my past experience. Senator Harris has directed attention to Claremont Old Men's Home in Western Australia. I was there in 1915, and the conditions under which the inmates were living in that institution at that time were absolutely shocking. The position generally to-day is no different from what it was then. At the time that I brought the matter to the attention of the government of the day, it was thought that I exaggerated the position. However, a royal commission found that all the charges I had made could be fully substantiated. I am sure that if, to-day, another royal commission were appointed, composed of men prepared to do their duty, it would find that the overall position in Australia is similar to what it was in those days. At the commencement of each sitting day, the President of the Senate recites the Lord's Prayer—

Our Father which art in heaven, hallowed be thy name.

Thy kingdom come. Thy will be done in earth, as it is in heaven.

Pure hypocrisy—blasphemy!

Senator Grant.—Hear, hear!

debate on the administration of the Department of Social Services. I do not think that it should be an occasion to canvass the adequacy or otherwise of the fortnightly social services payments. Consequently, I desire to bring the debate back where it should be. The administration of social services in Australia is something of which we should be very proud. In our capital cities diligent civil servants perform their work in rather congested offices. I pay a tribute to those working in Adelaide because I know how well they work, but I desire primarily to focus attention on the officers who assist the department in the country. In country areas numbers of public servants, including police officers, clerks of courts, postmasters and postmistresses, render sterling service to pensioners and would be pensioners by helping them to fill in forms and by assisting them generally. Stage by stage the Government is ameliorating the means test and generally raising the rates of pensions for aged and invalid people, widows, children, and so on, but I have found, on making application for a set of forms at some post offices in the country, that the instruction sheets are considerably out of date. I urge upon the department the need for keeping up-to-date the instruction forms that accompany applications, so as to avoid confusion among pensioners and those who assist them. I ask, also, that the booklet that is issued by the department be brought up-to-date. As honorable senators have said, the rates of pensions have altered and so also have conditions, and it is against the interests of good government to prepare a booklet that is out-of-date. Possibly, some over-printing in another colour would meet the situation for one year after the original book has been printed, but that would not do in the second year; and a new social services booklet for the public should be prepared.

**Senator CAMERON (Victoria)** [9.22].—Senator Laught has said that we should be proud of our social services provisions. I should like to take him to certain places in Melbourne and to the shums in which many pensioners are living, and ask him whether he is proud of those conditions, and whether he would like to be living as those pensioners are. Certainly, he could not say that he was proud of those conditions, and he would object to them in the strongest terms. As I have

said that the pensioners are not receiving the consideration to which they are entitled, I feel under an obligation to say how it would be possible financially to improve their conditions. We could have a graduated tax on capital investments. We tax the salaries and wages of the workers, but the millions of pounds that are added to capital are not taxed. We could also deal with the enormous waste of expenditure.

**The TEMPORARY CHAIRMAN (Senator K. M. Anderson).**—Order! The honorable senator's remarks are rather wide of the administration of social services, to which the committee is now devoting its attention:

**Senator CAMERON.**—I have been critical of the fact that pensioners, and others who are in receipt of social services benefits, are not receiving enough. Naturally, the Minister representing the Minister for Social Services will ask me where the money could be obtained to improve the lot of the pensioners. I feel obliged to tell him where the money could be obtained, and also that there is no shortage of the goods that pensioners need. Certainly, there is a shortage of houses, and that is being maintained to keep up rents. The Government is under an obligation to find money to provide for the pensioners. I point out that enormous resources are untaxed, and the Government does not intend to tax them. There is big expenditure also on luxuries. I suppose that many citizens are much more concerned about the hundreds of thousands of pounds that will be spent on the Olympic Games than they are with the plight of the age pensioners. The Government is in a position to do what should be done for the pensioners, and by refraining from doing that it is simply capitalizing the poverty of the unfortunate persons who, by their pioneering efforts, made it possible for us to be here to-day. Not one protest has been raised on the Government side.

All of us have benefited from the work that has been done by the age pensioners of to-day, but honorable senators on the Government side are not in the least grateful. They give the age pensioners £4 a week, and then leave them to the mercy of the landlords and the businessmen who increase rents and the prices of commodities. No

£4 5s. a week. Because the total amount of his age pension and superannuation is £5. a week more than £6, he is prevented by the operation of the... people who apply for benefits are elderly and, despite the excellent system of registration of birth and deaths that has been established in Australia, it is difficult...

action is taken by the Government, and it is merely capitalizing the helplessness and poverty of these unfortunate people. I leave the matter to the conscience of honorable senators. How would they like to be treated as the pensioners are being treated? I invite honorable senators to consider what they could do for the pensioners, but have refused to do.

**Senator COOKE** (Western Australia) [9.28].—I agree that the pensions are inadequate, but I wish to record my appreciation of the fine way in which the administrative officers of the Department of Social Services in the various States apply themselves to their duties. I believe that they feel as keenly as any person in the community the unfortunate position in which the people they assist are placed by the paucity of funds at their disposal.

I should like the Minister representing the Minister for Social Services (Senator Spooner) to give the committee some information on the employment of officers in the Department of Social Services. Over all, the staff is relatively the same as it was last year, but in each State provision is made for senior social workers and social workers. I should like to know the number of social workers who are employed in the States, and what their duties are. If any increase of staff is made, it should be made among social workers because the aged pensioner is still a pauper. He has to rely on old clothes that are gathered by organizations, and upon Junior Chambers of Commerce which gather bread and other necessities from socials. Those organizations, such as Meals on Wheels deserve commendation, but the present form of relief is a blot on a nation that is as prosperous as the Government claims we are. Aged persons are provided with a bowl of soup and a good meal once a week. That is what it has developed into. The areas in which there are public-spirited people who are prepared to do social work to enable the pensioners to live, to be fed and to be clothed with a minimum of decency, are all right, but there are many areas that do not enjoy that service.

Although I abhor the fact that pensioners are still beggars in the community and have to rely on the magnanimity of persons who are willing to serve them in an honorary capacity, I think we should ask the Government to increase the number of almoners

who are employed by the department so that they may be able to report on the many cases of distress that we, as senators, see and which we endeavour to help in the course of our duty. The relief that the member of Parliament or the social worker can give is quite inadequate. Therefore, I ask the Minister to furnish me with information showing the number of social workers in each State, the service that the department gives to the pensioner who is quite incapable of looking after himself or herself, and whether some form of assistance will be given in cases of dire distress where sickness has occurred or where a pensioner is suffering real hardship because of the smallness of his pension.

**Senator SPOONER** (New South Wales—Minister for National Development) [9.32].—I have refrained from entering into this debate for the reason that I gave before the suspension of the sitting for dinner. Many of the matters that have been raised are matters of policy as distinct from administrative matters. Let me illustrate the point. Senator Cooke asked for particulars relating to social workers. That, in my opinion, is the kind of question that should emerge from such a debate as this. On the other hand, Senators Harris and Cameron gave a dissertation on their views of the Australian social services system and how it operates. I think the short answer to give to Senator Cameron is this: If he thinks all these harsh and bitter thoughts, why did he not do something about it when he was a Minister of the Crown? The standard of payments and of service has increased very materially during the seven years that this Government has been in office.

I have been avoiding participation in the debate on the Estimates for the Department of Social Services. Indeed, I say with respect, that that is the only way in which one can handle the Estimates. If one is dealing with six or seven portfolios, one cannot be expected to give a dissertation upon the pros and cons of import licensing, of social services, of Army matters, and matters appertaining to the other portfolios that I represent in this chamber. I say that to clear the air. I disagree very profoundly indeed with what has been said by Senators Harris, Cooke and Cameron. I have before me great masses of information

prepared by the Department of Social Services, including a contrast of the rates of pension in 1949, 1950, 1952 and 1955. At every stage at which the contrast is made, the Liberal-Australian Country party Government is shown to have done more for social services beneficiaries than did the Australian Labour party.

Opposition senators interjecting,

**Senator SPOONER.**—That is a statement of fact, a statement of truth. To argue that out would mean that we should be arguing here for hour after hour; but this is not the occasion, at least in my opinion, for such an argument. Rather is it an occasion on which to look at the administrative approach to these matters. In reply to one inquiry that has been directed to me, I am informed that the number of social workers and senior social workers in each State is not available at present, but that the social work of the department throughout the States is performed by a staff of approximately 31 workers.

**Senator Cooke.**—Between all the States?

**Senator SPOONER.**—That is the total number of social workers. I can understand why there is a sort of instinctive reaction to mention of the number 31, but I am sure Senator McKenna will agree with me that these social workers are expert people and that their services are not easily obtained. There is very great demand for them in the hospitals, and not many of them are otherwise available. In reply to Senator Laught's inquiry, I am happy to be able to say that a new booklet is in the course of preparation and that information sheets are being made available.

**Senator McKENNA** (Tasmania—Leader of the Opposition) [9.37].—The Minister for National Development (Senator Spooner) mentioned, at the outset of his remarks, that he wished to clear the air as to what matters might be discussed during the debate on the Estimates. I certainly do not subscribe to the viewpoint that he expressed. I refer him to his own very brief second-reading speech when he introduced this measure. It was a three-paragraph speech, in which he incorporated the budget speech of the Treasurer (Sir Arthur Fadden). If he refers to that speech, he will note that it deals with all sort of policy matters, including the National Welfare Fund and every matter that is concerned with it. Accordingly,

Opposition senators are entitled to criticize the budget proposals and to point to the omissions that we think deserve noting.

I remind the committee that at the first-reading stage we may talk about relevant and irrelevant matters, that at the second-reading stage we could not exercise that right, but were obliged to deal with matters relevant to the bill, and that, while the proceedings were being broadcast, the speeches of most honorable senators were limited to half an hour. Accordingly, the one opportunity that we have to canvass policy and to comment upon omissions in policy and directions is when the Estimates of the various departments are before the committee. I have taken this stand year after year, and I shall never concede any proposition that affirms the contrary. This is the one opportunity that the Opposition has to deal with policy and to roam over the activities and policies of the respective departments. Otherwise, to what position would we be reduced in dealing with the Estimates? Particular provision is made for salaries and for the administration of the various departments. Are we to concern ourselves solely with the adequacy or otherwise of the amounts that are made available for salaries? Is there to be no freedom to discuss the policies that are being implemented, and omissions from those policies? I merely wish to affirm these propositions to indicate that, from my viewpoint and the viewpoint of the Opposition as a whole, the Minister has not cleared the air. If he persists in his viewpoint, he will merely accentuate a very sharp difference.

I conclude by agreeing with what he said about social workers. It takes a long time to train them, they are highly skilled officers, they are not easy to come by and there is a terrific demand for them, not only in government institutions but also in private industry because they do such excellent work. I should like to feel that there would be relatively no limit to the number of social workers that the department would be prepared to engage. They not only humanize the investigation and administration of individual cases, but they are also the media through whom is evaluated the particular services that are given by the department. They see the effects and side-effects of the operation of the different policies, so that not only do they perform a most humane service, but they are also

the most important branch of the research section of the department. They were incorporated in the department's activities under a previous régime, and I am happy to know that there has been no curtailment of their activities. I join with Senator Cooke in the hope that those activities will be extended.

**Senator BROWN** (Queensland) [9.42].—I was very interested in the speech of the deputy leader of the Government (Senator Spooner) and in his statement that this Government had increased the amount of social services benefits and had improved the lot of pensioners. I was reminded of an occasion when I listened to a Minister in Queensland, the Honorable James Larcombe, making a very fine speech eulogizing the Queensland Labour Government in regard to its efforts to increase employment. This was many years ago, and by way of illustration he pointed out that at that time in Western Australia about 11 per cent. of the workers were unemployed, in South Australia about 10 per cent., in Victoria about the same, in New South Wales 9 per cent., and in Queensland only 5 per cent. A man at the back of the crowd shouted, "That's all right Jimmy, the statistics sound well for Queensland, but what about me? I am unemployed, and statistics don't feed me".

The fine phrases of Senator Spooner, outlining what this Government has done for age and invalid pensioners sound very well, and may be very warming to the hearts of those who sit behind him and of those Liberal claquers and supporters in various parts of the country, but they do not help the person who is compelled to live on a paltry £4 a week. The Minister asked Senator Cameron to do something himself instead of criticizing the Government. All honorable senators, individually, do something whether they be Labour supporters or Liberal or Australian Country party supporters. Only the other day, a man who was in distressing circumstances called to see me. For several days, he had been living on bread and fat. He was an invalid pensioner, suffering from a disease similar to that from which the late King George VI. suffered—some trouble in the legs. We helped him a little, and he outlined his position to me. He was unable to work to earn a decent living. He said that he could do a little brain work—he was the product

of an English university and, as far as I could see, was a fine type of person. I tried to obtain some employment for him, but he pointed out that if he got a job his pension would be stopped because he would not be allowed to earn anything as an invalid pensioner.

I ask the Minister to have a social worker sent to interview that man, and, if the story he told me is proved to be true, would it be within the power of the Deputy Director of Social Services to make some provision for him? This man had come from North Queensland, he was paying £2 a week rent for a room and was trying to live on the remaining £2 of his pension. Is it within the discretionary power of a deputy director to assist him? The Minister shakes his head.

**Senator Spooner.**—The deputy director can send a social worker to interview the man, but he can only administer social services under the terms of the act.

**Senator BROWN.**—I feared that that might be the position. Although social workers may find many of these poor people in dire circumstances, suffering in this land of great prosperity—Liberal prosperity—and report the need to the deputy director, nothing can be done to help. I agree heartily with Senator Cooke that the deputy directors are splendid officers, who are willing at all times to do their best to help all cases. In this instance, I telephoned the local deputy director, and his reply was that he could do nothing.

On a previous occasion, another deputy director gave me the impression that it was within his discretion to give a little help. Many times he gave me advice to convey to invalid or age pensioners which enabled them to take certain action and, ultimately, claim a full pension. I admired him for his independent and helpful spirit. These deputy directors and social workers have great experience, and understand the difficulties of the pensioners, and if the Government were to consult them or call them together in conference, it would obtain a much more practical understanding of the problems, and how to solve them. If these officers were not excluded from political discussions, they would be able to give the Government some good ideas on how to improve the lot of pensioners throughout Australia. However, I doubt whether it is of much use my saying any more on the

subject. I have listened to my good friend, Senator Sheehan. I have also listened to my true and venerable friend, Senator Donald Cameron, who speaks from his heart—and he has a big heart—and then I look at the poker face of the Minister, whose stony heart I cannot see, and I am unable to tell whether our pleadings will be of avail. However, I still throw out the suggestion that the Government should confer with its deputy directors and make use of the information they are able to offer. Instead of making a political football of the aged, the Government should genuinely set about doing something for them; and if its members were Christians, they would do something in that direction.

**Senator COOKE** (Western Australia) [9.51].—I appreciate the Government's difficulty in obtaining the services of fully trained welfare and social workers, but when I compare the salaries and conditions offered by the department with those obtainable in outside industry I have no difficulty in discovering why the Government is unable to obtain the services of such highly skilled people. On the other hand, however, much of the work now being done for the department by fully qualified social workers could be done by trainees under their supervision. The department now employs a certain number of investigating officers. I suggest that selected suitable officers could do much of the work now being done by fully qualified welfare workers and in that way the present staff of 31 could be supplemented with advantage. These selected persons could be trained under the direction of fully qualified welfare workers. Almoners and social workers have many calls to all sorts of places and they work unremittingly, and it is essential that some effort be made by the department to ease their burden. By adopting my suggestion, these officers could be relieved of much unnecessary work and thereby great benefit would accrue to both the department and the public.

**Senator CAMERON** (Victoria [9.54].—Our social workers are handicapped to a great degree to-day. I have discussed the position with many of them. They tell me that they have to work strictly according to the act, and I can well imagine that if any of them attempted to say what should be done in preference to working strictly in conformity with the act, they would be told

in no uncertain manner that their duty is not to offer advice, but to carry out the provisions of the act. I am confident that much good would result if they were called into conferences and asked for suggestions. But that is not done. Like privates in the Army, their's is to do or die, their's is not to reason why.

The Minister for National Development (Senator Spooner) asked what I did when I had the opportunity. Let me say, in reply, that I did all that I could, especially during the war years. When I was Minister for Defence Production, we re-employed the superannuants. They were qualified men who had a fine background of both practical experience and theoretical knowledge. They did wonderful work showing the trainees how to operate machines, and so on. As a result of their efforts production was increased enormously and costs were reduced. Similar action was taken in the Postal Department. Superannuants were re-employed to train inexperienced workers, and so effective were they that the revenue of the Postal Department was increased during the war years. When hostilities ceased, of course, these men were thrown on the streets again with the added hardship that the purchasing power of their superannuation benefit was reduced by the inflated conditions obtaining in the country. When the war was on, these men and women did well. In these times of peace when they should be doing even better, they are extremely badly off, and nothing is done about it. I do not judge men and women by their age; I judge them by their deeds and their capabilities, and it is no exaggeration to say that to-day thousands of men and women who are capable of doing useful work are just walking the streets. If another war broke out to-morrow, they would be welcomed with open arms, only to be thrown to the wolves again when it ended.

I emphasize my previous statement that the Government is not doing what it should for the aged. It could do a lot more. Again I remind it that sea pilots are not retired when they reach the age of 65 years. So long as they are capable of doing their work efficiently, they are continued in employment irrespective of age but these unfortunate superannuants are retired at 65 irrespective of their ability to continue working

efficiently. When the Opposition moved that the retiring age be increased to 68 years, the Government rejected the suggestion. In the light of those circumstances, the Minister cannot even imply that he has the interests of these people at heart. We of the Opposition would be sadly remiss in our duty if we did not direct attention to the present state of affairs and remind the Government that it owes a duty to those people whom it is both physically and financially able to help. Instead of doing anything for them, the Government neglects to honour that obligation, and in that respect it is recreant to one of its most sacred duties.

**Senator SEWARD** (Western Australia) [10.0].—As a Western Australian, I have been amazed to listen to some of the stuff that I have been forced to listen to to-night. I said earlier that honorable senators cannot be expected to know about conditions in Western Australia, but I think that it would be unfortunate if I did not intervene in this debate to contradict some of the statements that have been made to-night. I admit that we in Western Australia have not made provision for all our aged people, but I was present last week at the opening of a home in Fremantle. The people who entered that home will have a beautiful view; it is beautifully fitted up and had been erected with the aid of the £1-for-£1 subsidy instituted by this Government. In the last two years the Government has made about £2,000,000 available for the erection of homes for the aged, and I believe that that has been a vast contribution towards alleviating their distress. Moreover, other homes are being erected now and will be erected in the future, on the same basis. I have another home in mind at present where provision will be made for the aged, and to hear one honorable senator opposite describe conditions that existed in 1915 in a home in Fremantle was rather ridiculous. I point out that we are discussing the Estimates for 1956 and not 1915.

**Senator Cameron.**—I said that conditions were the same as in 1915.

**Senator SEWARD.**—I did not understand the honorable senator to say that, but I will accept his assurance. I suggest that he should come out and see some of these homes. For example, he should see the aged women's home on the banks of the Canning River, which is something that

any State could well be proud of. The Sunset Home for men, on the banks of the Swan River, is another home which is beautifully fitted up. If honorable senators want an unbiassed account of conditions in Western Australia I refer them to one written by Sir John Medley, the Vice-Chancellor of the University of Melbourne, in last Saturday's Melbourne "Age". Although he did not deal specifically with homes for the aged, his account is well worth reading. This Government was the first to institute a £1-for-£1 contribution to the States for the construction of homes for the aged, and on behalf of Western Australia I thank the Government for its action. About £116,000 has already been made available on that basis to Western Australia, and that has enabled homes to the value of about £250,000 to be erected. In the future more will be built in that State and other States. I also congratulate the Government for making the other advances in social services that it has made during its term of office.

**Senator SHEEHAN** (Victoria) [10.4].—First I would like to ask whether there is any Minister in the House at present who can answer my questions on this particular matter.

**Senator Cooper.**—Yes, I shall endeavour to answer any questions asked by the honorable senator.

**Senator SHEEHAN.**—I should like to know whether those who are engaged in social services work make any report to the Director-General of Social Services or the deputy directors in the States, on conditions which operate among those in receipt of social services, and indicate any improvements which in their opinion the Government should make. I suggest that when social services legislation is being prepared the advice and assistance of the people engaged in the work would be of some material value. Senator Cooke detailed some of the social services work that is at present being performed. In my own State of Victoria an organization has been set up to investigate the conditions of the aged, and it is hoped that through that organization further assistance will be given to them. I do not know whether the Commonwealth plays any particular part in that organization, although I know that it is financed through a municipal council

which receives a certain sum of money from the State government. In addition to that, I understand that funds will be raised by private charitable organizations. That work appears to be different from the work undertaken by the Social Services Department, and I should like to know whether it would be possible to co-ordinate all these activities.

**Senator COOPER** (Queensland—Minister for Repatriation) [10.7].—I have been informed that State social workers do chiefly case work in the States, but that there is a research section at the head office. Reports from the States are received there and that information is tabulated and then considered by the Director-General of Social Services, who advises the Minister for Social Services (Mr. Robertson). Perhaps I could detail the procedure in my own department, which is somewhat similar to the Department of Social Services. I have innumerable discussions with the deputy commissioners from the States. They also attend a conference at the central office every year, at which the chairman of the commission and myself are present. We go through all the information that has been gleaned from the States and decide what action we shall take in the future. I have no doubt that the Minister for Social Services and the Director-General of Social Services obtain information in the same way, because the functions of the Department of Social Services are similar to the functions of the Repatriation Department.

**Senator COOKE** (Western Australia) [10.9].—I join with Senator Seward in commending the Government on the payment of a £1-for-£1 subsidy to assist the States to build homes for aged persons. That is a move in the right direction, and although only a small number of people are housed, they are accommodated in great comfort. The scheme is a credit to the Government. I ask the Minister to indicate the amount of subsidy that will be available this year. Last year £2,000,000 was granted, and I should like to know whether additional funds will be made available in the present financial year.

Proposed vote agreed to.

Miscellaneous Services—Department of Social Services.

Proposed Vote, £845,000.

**Senator SHEEHAN** (Victoria) [10.10].—The vote for the Department of Social Services under this heading includes the sum of £110,000 for "Compassionate allowances—payments under special circumstances". Although the vote last year was £90,000, a total of £96,895 was expended on payments made under special circumstances as compassionate allowances. I should like the Minister to inform me whether in cases such as the one I mentioned a few minutes ago when, after long conferences take place, and the required evidence cannot be produced, compassionate payments will be made out of the proposed vote of £110,000 for this financial year.

**Senator SPOONER** (New South Wales—Minister for National Development) [10.11].—Senator Sheehan will recall my saying previously that, in certain circumstances, compassionate allowances can be paid to aliens who have resided in Australia since 1902, but who have not been naturalized. In certain circumstances, widows' pensions can be paid to women who are not legally or technically entitled to such pensions. These are instances in which compassionate allowances can be paid.

**Senator BYRNE** (Queensland) [10.12].—I refer to Division 225, item 5—"Building of Homes for the Aged—Assistance to approved organizations—£700,000". There appears to have been gross over-estimation last year in connexion with this item; because only £397,994 of the vote of £1,500,000 was expended. I doubt whether there is any other instance of such gross over-estimation in the whole of the Estimates. I think that the Estimates that we are asked to consider should bear some relation to reality. In these circumstances, I should like the Minister for National Development (Senator Spooner) to inform me of the degree of reality that has been observed in estimating the amount required under this heading in this financial year at £700,000. Can the Minister assure the committee that this is not merely a nominal figure, that the actual expenditure will not, in fact, be much lower? I think that the Minister owes to honorable senators an explanation for last year's gross over-estimation for this item.

**Senator ANNABELLE RANKIN** (Queensland) [10.14].—I refer to item 4 of Division 225—"Housekeeper service—Grant—£14,000". The annual grant that

is made under this heading has increased gradually since it was introduced, and it has been of great assistance in providing a housekeeper service to women who have needed it because of ill health or other reasons. I should like the Minister for National Development (Senator Spooner) to inform me how the proposed grant will be allocated between the States. Will the grant be divided according to the population of the various States, or according to the number of organizations in the States that are providing housekeeper services?

I come now to item 5 of Division 225—“Building of homes for the aged—Assistance to approved organizations—£700,000”. I was astounded earlier to-night to hear a member of the Opposition say that the Government is giving no assistance in the provision of housing for aged people in the community. Of course, the honorable senator was in error because, by means of this subsidy, church and charitable organizations have been enabled to extend their operations in the provision of housing for aged people. They have established garden settlements and other kinds of homes for aged people in various parts of Australia. This grant has done more to assist in the provision of homes for aged people in the community than anything previously. Many hundreds of aged people have directly benefited as a result of the legislation under which this money is provided. As we all know, the money has been distributed to organizations engaged in the provision of homes for the aged throughout the Commonwealth. They have provided these homes not only in the metropolitan areas, but also at places as far away from the big cities as Alice Springs. I congratulate the Government on the assistance that it is rendering in this respect.

I turn now to item 7 of Division 225—“Commonwealth Rehabilitation Service—Contribution towards expenses of overseas consultant—£2,000”. It is, of course, not evident from Division 225 what is the total amount of money that is expended on rehabilitation services. As I have done in previous years when the Estimates were under consideration, I take this opportunity of paying a tribute to the officers who have conducted rehabilitation centres on behalf of the Government throughout this country. In my own State of Queensland, I have seen a great deal of their work, and I know that other honorable senators have been keenly

interested in the rehabilitation services in their States. In many instances, I have seen people who were unable to engage in any occupation, or to help themselves very much, regain hope, faith and confidence in themselves at the rehabilitation centres, with the result that, after leaving the centres, they were able to engage happily in useful occupations. I compliment the men and women who work untiringly at the rehabilitation centres to help to restore the confidence of incapacitated persons.

As money has not previously been provided as a contribution towards the expenses of an overseas consultant, I should like the Minister to inform me whether an extension of the valuable work that is being performed by the Commonwealth rehabilitation service is envisaged.

Senator SHEEHAN (Victoria) [10.17].—I should like the Minister for National Development (Senator Spooner) to furnish me with some information in respect of items 4 and 5 of Division 225. From time to time, the municipal council of which I am a member has received requests for the establishment of a housekeeper service. I should like to know how it is intended the proposed vote of £14,000 for the housekeeper service will be allocated among the States, and whether the local governing authorities in the States will be able to obtain some of the money from their governments. Of course, £14,000 will not go very far, but it is encouraging to note that the proposed vote is for the same amount as last year, of which £13,949 was expended. In order to extend the scheme, I should like to see more money made available under this heading.

I am not unmindful of the grants that have been made to various organizations that provide homes for aged people. As only £397,994 of last year's vote of £1,500,000 was expended in providing assistance to approved organizations, I should like the Minister to inform me whether all of the grants that have been made for this purpose were provided from that vote. Is provision made under any other heading in the Estimates for grants for this purpose? Of course, after homes have been constructed for aged people, it is necessary to obtain adequate staff. I was very surprised to notice in the local press of my own town an item relating to

additions which were made recently to an institution as the result of assistance rendered by the hard-working community subsidized by the Government. The opening of the additions took place only a few months ago, but I noticed in the press that the management is afraid it will have to close a part of the institution because of financial difficulties which it is encountering. It is a deplorable state of affairs when a body of citizens after working hard and raising funds to expand an institution finds that the institution cannot carry on. I should like to know something more about that matter.

Senator CAMERON (Victoria) [10.21].— I also should like to know something more about the position. As has been pointed out £1,500,000 was authorized to be spent but the amount actually expended was £397,994. Who is responsible for not spending the amount of money allotted when thousands of people are in need of adequate housing? What is meant exactly by an "approved" organization? In Melbourne we have a Combined Age Pensioners Organization. Would that organization be approved, and would it be subsidized if it were to spend money on housing that is so desperately needed? It is no exaggeration to say that in Melbourne—and the position is even worse in Sydney—people are not able to obtain decent housing mainly because of the rapacity of landlords and landladies, or because sufficient housing is not available. Yet, we have the position in which the department is authorized to spend 1,500,000 but does not spend half that amount. It must be perfectly obvious to the officers of the department and to the Minister for National Development (Senator Spooner) also, if he looks outside his office, that housing is needed. The money is available but the houses are not being built. Why? Men and materials also are available.

An enormous amount of material is being used for non-essential work such as the building of clubs, palatial hotels, offices and residences and other non-essential work. The homes we are discussing are essential. The money has been authorized, yet it is not being spent. I should like to know the explanation. Apparently, the policy of the Government is officially to spend £1,500,000 as a maximum but its unofficial policy is to spend as little as possible, or to reduce

the amount to a minimum. The Government proposes to spend £700,000 this year, a little less than half of the amount it proposed to spend last year, but the possibility is that next year when the corresponding proposed vote is being discussed we will find that the money has not been spent. When discussing other Estimates we will find that the Government has over-spent on unauthorized military and other expenditure, but when it is dealing with pensioners it is no exaggeration to say that it does not consider them to be as important as it considers these other matters to be. The Government is adopting a most inhuman attitude which I cannot imagine any man or woman on the opposite side can justify. I again ask my two questions: Why was the money provided not spent? Is it intended to spend the £700,000 allotted for this year?

Senator SPOONER (New South Wales—Minister for National Development) [10.26].—Senator Cameron can be answered shortly. The amount appropriated, in accordance with the terms of an act of Parliament, was £1,500,000. The department had no right to go beyond the terms of the act which provided that the Commonwealth would subsidize the erection of homes on a £1-for-£1 basis. If the homes are not being erected, then the Government cannot pay out the money. The money is there, and the Government is willing and anxious to make it available, provided the organizations are prepared to use it. The unpaid grant carried over from 1954-55 to 1955-56 was £347,743, and the amount granted during 1955-56 was £772,979. Two things have to be considered, the grant and the actual payments. The government budgets for the grant, but can only make the actual payments as and when the other partner in the scheme makes his payment. The payment of £397,994 made during the year leaves an outstanding liability of £722,728 as at 30th June, 1956. The provision for 1956-57 must, therefore, cover a substantial portion of this amount of £722,728, plus estimated expenditure against grants that will be approved this year.

A total amount of £13,900-odd was allocated to housekeeping services, of which £5,900 went to New South Wales, £4,120 to Victoria, £1,000 to Western Australia, £500 to Tasmania, and £2,200 to Queensland. This scheme is administered on the basis that the amounts are paid to the State

Treasurers, with the exception of Queensland, where the amount is paid to two organizations. The provision of the amount of £2,000 is to cover the cost of the expenses of Dr. Howard Rusk, an international authority on rehabilitation problems, who is coming to Australia in a consulting capacity to advise the Government upon our rehabilitation scheme.

**Senator BYRNE** (Queensland) [10.29].—I do not wish to intrude unduly on the time of the Minister for National Development (Senator Spooner) in his explanation as to why the proposed vote in 1955-56 was £1,500,000, whereas the actual expenditure was much less. But, did I understand the Minister to say that the enabling statute provides that the Government may make grants up to a ceiling value of £1,500,000 in terms of demands in consonance with the statute?

**Senator Spooner**.—Per annum.

**Senator BYRNE**.—I take it that that was the top appropriation made in terms of that statute. I do not believe that it was ever intended that it should be spent in one year, or that the act itself should provide an appropriation of that amount.

**Senator SPOONER** (New South Wales—Minister for National Development) [10.31].—I made an error. I am informed that the Aged Persons' Homes Act itself makes no provision of a particular amount. The sum of £1,500,000 was the Government's estimate of the amount that would be spent in the first year. The position is that there is an act giving the Government the right to take action, and the actual amount required is appropriated year by year.

Consideration interrupted.

**The CHAIRMAN** (Senator the Hon. A. D. Reid).—Order! In conformity with the sessional order relating to the adjournment of the Senate, I formally put the question—

That the Chairmen do now leave the chair and report to the Senate.

Question resolved in the negative.

Consideration resumed.

**Senator BYRNE** (Queensland) [10.32].—The point still remains that there was a gross over-estimation of expenditure. It represents, roughly, an error of 80 per cent.

The Minister for National Development (Senator Spooner) had made a serious admission. It is wrong to include in the Estimates that come before the Parliament an amount of £1,500,000 when that estimate is unreal. I should like to know upon what basis the Government made that estimate, and upon whose advice it estimated that the expenditure would be £1,500,000 when it was, in fact, £397,994.

**Senator SPOONER** (New South Wales—Minister for National Development) [10.33].—Senator Byrne will recall that when the scheme was inaugurated, it broke new ground. The Government was, and still is, very enthusiastic about it. We provided £1,500,000, and the fact is that the department could not find work for that amount. However, I believe it is possible to exaggerate the position because, as I said earlier, expenditure can take place only while a building is being erected, and as the other party to the project pays money in from time to time. Actual expenditure during the year was £397,994. We finished the year committed to pay a further £347,000, but we were unable to pay it over because the buildings concerned had not progressed far enough. At the end of June, 1956, we still had a liability of £722,000 in respect of approved buildings. It appears that there will be difficulty in using £1,500,000 a year on the scheme. The appropriation this year, which is down £700,000, is an admission of that fact.

**Senator BYRNE** (Queensland) [10.35].—In view of the explanation that has been given by the Minister for National Development (Senator Spooner), it is evident that the Government believes that the Treasury can stand a commitment of £1,500,000 on a £1-for-£1 basis for this project. As the estimate appears to be over-generous, will the Government consider subsidizing the scheme on a somewhat more generous basis so that the £1,500,000 will be absorbed as originally contemplated?

**Senator CAMERON** (Victoria) [10.36].—It appears that the £1-for-£1 basis for this scheme is not a working proposition, because the £1 that the Government seeks from other parties is not forthcoming. Am I correct in assuming that the Government does not propose to spend anything because other persons are not prepared to contribute on a £1-for-£1 basis? If that is so, the Government cannot justify its attitude, because it

has full powers of taxation. When £1 is not offered voluntarily, it can be taxed into commission. The Government is saying, in effect, that the aged persons shall not receive adequate housing because others are not prepared to assist. In that case, the Government is justified in using its taxing powers. The Minister for National Development (Senator Spooner) said that the work had not progressed far enough for payments to be made. I should like to know why. Is the £1-for-£1 provision the Government's excuse?

**Senator COOKE** (Western Australia) [10.37].—I understand that, in 1955-56, actual expenditure on homes for the aged on a £1-for-£1 basis was £397,994. I believe it is correct, also, that the Government has a liability of £700,000 to be met on account of approved buildings.

**Senator Spooner**.—That is correct.

**Senator COOKE**.—If the approved buildings are completed, the amount of £700,000 will be absorbed. I should like to know whether the amount of £700,000 provided for 1956-57 is the liability that the Government has already accepted in relation to approved projects.

**Senator Spooner**.—That will be the cash outgoing.

**Senator COOKE**.—The Government is budgeting for a liability that was approved last year?

**Senator Spooner**.—I do not know. We have to meet the cash payments when they are due. It may take twelve or eighteen months to expend £700,000.

**Senator COOKE**.—That is admitted, but if the Government has budgeted for liabilities incurred in 1955-56, the implication is that the scheme will be static this year, or is the Government proposing to refuse any further approvals until the amount of £700,000 is taken up?

**Senator Spooner**.—We will spend as much as we can.

**Senator COOKE**.—The Auditor-General made this statement on homes for aged persons in his annual report for the year ended 30th June, 1956—

Under the Aged Persons Homes Act 1954, the Director-General of Social Services is empowered to make grants to eligible organizations towards the capital costs of approved homes for aged people.

Grants approved and payments made to 30th June, 1956, are as follows:—

	Grants Approved.	Grants Paid.
	£	£
To 30th June, 1955 ..	783,979	436,236
1st July, 1955 to 30th June, 1956.. ..	772,979	397,994
Total to 30th June, 1956	1,556,958	834,230

What I want to know is exactly what the Government proposes to make available this year for this laudable scheme.

**Senator SPOONER** (New South Wales—Minister for National Development) [10.40].—The answer must be that it is making available £700,000, which is the amount shown in the Estimates. That is the Government's view of the utmost sum that, having regard to all the circumstances, it will be proved possible to spend. I am sure that the Government and the Department of Social Services would like to spend more than that, but I am asking the committee to approve that amount. If more than £700,000 can be spent, I have no doubt that a further approach will be made to the Parliament.

Proposed vote agreed to.

Department of National Development.

Proposed Vote, £1,107,000.

**Senator CAMERON** (Victoria) [10.41].—I wish to direct attention to an omission from the Estimates. If there was ever a time in the history of this country when national development in the form of the provision of an adequate and up-to-date railway service was needed, it is now; yet nothing has been done. As far back as 1912, Lord Kitchener pointed out the absolute necessity for a uniform railway gauge.

**The TEMPORARY CHAIRMAN** (Senator R. W. Pearson).—Order! To which item is the honorable senator referring?

**Senator CAMERON**.—I am relating my remarks to an omission from the Estimates.

**The TEMPORARY CHAIRMAN**.—I think that provision for the Commonwealth Railways comes under another heading.

**Senator CAMERON.**—Many items are included under the heading "Department of National Development". I emphasize the word "national".

**The TEMPORARY CHAIRMAN.**—Order! The honorable senator will have to relate his remarks to a particular item in the Estimates.

**Senator CAMERON.**—I refer to Division 127, Administrative.

**The TEMPORARY CHAIRMAN.**—I do not see any item there which relates to the Commonwealth Railways.

**Senator CAMERON.**—What is meant precisely by the word "national" in the first place and the word "administrative" in the second place?

**The TEMPORARY CHAIRMAN.**—Order! I remind the honorable senator that the Estimates for the Commonwealth Railways will be before the committee at a later stage.

**Senator CAMERON.**—I am not referring to the Commonwealth Railways alone.

**The TEMPORARY CHAIRMAN.**—Order! I cannot allow the honorable senator to proceed.

**Senator CAMERON.**—Then I relate my remarks to Division 127k, Division of National Mapping. What has been done in the form of mapping for better roads?

**The TEMPORARY CHAIRMAN.**—Order! I cannot allow the honorable senator to proceed to discuss railways. I am not depriving him of his opportunity to discuss the matter, because it will be available at a later stage. He must relate his remarks to the particular Estimates now before the committee.

**Senator CAMERON.**—Well, then, I refer to incidental and other expenditure which appears under the heading, "General Expenses" in both Division 127, Administrative, and Division 127k, Division of National Mapping. What is meant by "incidental and other expenditure"? That is merely a generalization. Has it anything to do with mapping for the purpose of providing more or better roads, or anything of that kind? The terms "national" and "general" imply that an overall survey is being made.

**The TEMPORARY CHAIRMAN.**—Order! I cannot allow the honorable senator to develop his argument along those lines.

**Senator CAMERON.**—What is meant by the item, "Incidental and other expenditure, £2,500"? That might mean anything at all. How can honorable senators be in a position to discuss these matters when the particular purposes covered by the items are not specified? Are we to understand that the administrative officers have authority to spend this money as they wish? Is it to be spent at the direction of the Minister, or at the direction of the senior officers? I do not wish to prolong the discussion, but the wording of these items in very general terms without details being set out is unsatisfactory. An entirely wrong impression is created in the minds of people generally when one speaks about national development. The same thing happens when one speaks about national income. There is no such thing as national income. As you ruled, Mr. Temporary Chairman, that I must refer to a specific item in the Estimates for the Department of National Development, I thought it appropriate to raise that matter.

**Senator SPOONER (New South Wales—Minister for National Development) [10.47].**—We have not been making the progress that we had anticipated. It was my desire to spread the Estimates over as long a period as was practicable. As we have a fairly heavy programme for the remainder of the week, I now move—

That the following votes be taken together, viz.:—

Department of National Development,	£1,107,000;
Miscellaneous Services—Department of National Development,	£262,000;
Department of Trade,	£1,440,000;
Miscellaneous Services—Department of Trade,	£334,000;
Department of Labour and National Service,	£2,013,000;
Defence Services—	
Department of the Army,	£60,284,000;
Other Services—	
Administration of National Service Act,	£239,000;
Recruiting Campaign,	£226,000.

I ask the committee to sit until midnight to deal with this group of Estimates. I shall take appropriate steps just before midnight to bring the debate to a conclusion.

Senator Ashley.—That is right, bludgeon it through!

Senator SPOONER.—I knew the honorable senator would be disappointed if I did not. I think that that is the fairest method of approach. It will give to honorable senators a chance to discuss the Estimates of all the departments concerned. I shall do my best to extend the courtesy of a reply to any questions that may be raised.

Senator McKENNA (Tasmania—Leader of the Opposition) [10.49].—On behalf of the Opposition, I oppose the proposal. At least it has the merit of complete frankness, and the Opposition knows where it stands. The proposal has the virtue, that, if the Minister for National Development (Senator Spooner) intended, as I believe he did, to gag, at midnight, the debate on the Estimates entrusted to him, it is better for the Opposition to have an opportunity to say at least something about each of the departments that have not yet been dealt with than merely to talk about one or two of them and have no opportunity to proffer comment about the others.

I direct the attention of the committee to the sums that are involved in the various Estimates that will be considered between now and midnight—a period of one hour and ten minutes. Although only £1,440,000 is involved in the Estimates for the Department of Trade, the whole question of the administration of imports, the balance of payments, and major questions affecting the economy are opened up. Debate on the Estimates of the Department of Labour and National Service involves a consideration of the unemployment position in Australia, which is a matter of vital concern. The proposed vote for the Department of the Army is £60,284,000. All these are to be disposed of between now and midnight. I record a very emphatic protest on behalf of the Opposition, but so that we may take the fullest possible advantage of the time available, I content myself by leaving the matter at that.

Motion (by Senator Spooner) put—

That the question be now put.

The committee divided.

(The Chairman—Senator the Hon. A. D. Reid.)

Ayes .. .. .	29
Noes .. .. .	26
Majority .. .. .	3

AYES.

Anderson, K. M.	Pearson, R. W.
Buttfield, N. E.	Reid, A. D.
Cooper, W. J.	Robertson, A. R.
Gorton, J. G.	Scott, M. F.
Hannaford, D. C.	Seward, H. S.
Hannan, G. C.	Spooner, W. H.
Hetty, N. H. D.	Vincent, V. S.
Kendall, R.	Wade, H. W.
Laight, K. A.	Wardlaw, R.
McCallum, J. A.	Wedgwood, I. E.
McMullin, A. M.	Wood, I. A. C.
Maher, E. B.	Wordsworth, R. H.
Mattner, E. W.	Wright, R. C.
O'Sullivan, N.	Teller:
Paltridge, S. D.	Rankin, Annabelle

NOES.

Amour, S. K.	Kennelly, P. J.
Armstrong, J. I.	McKenna, N. E.
Arnold, J. J.	McManus, F. P.
Ashley, W. P.	Nicholls, T. M.
Benn, A. M.	O'Byrne, J. H.
Brown, G.	O'Flaherty, S. W.
Byrne, C. B.	Poke, A. G.
Cameron, D.	Ryan, J. V.
Cole, G. R.	Sheehan, J. M.
Cooke, J. A.	Toohy, J. P.
Courtice, B.	Willesee, D. R.
Grant, D. M.	Teller:
Harris, J.	Critchley, J. O.
Hendrickson, A.	

Question so resolved in the affirmative.

Original question resolved in the affirmative.

Senator McKENNA (Tasmania—Leader of the Opposition) [10.55].—Division 128, sub-division C, item 1, deals with operational expenses of the Bureau of Mineral Resources, and £400,000 is provided for the service of this year. The details at the foot of the page indicate that for oil search surveys the sum of £129,400 is made available. That is a most inadequate amount, having regard to the vast importance of oil to the Australian economy. As I have said on previous occasions, many millions of pounds might well be spent by the Government in combing this land from end to end in a search for oil, not leaving it to private enterprise to follow a very meagre lead from the Government.

I should be much happier, having regard to the economy and the defence of this country, if the Government were making an all-out endeavour to locate oil in Australia. An amount of £129,400 out of a total budget revenue of £1,230,000,000 is an insignificant contribution in this important field. Apart from the essential nature of oil, without which our transports could not run, our

ships could not move, and our aircraft could not fly, the vast question of balance of payments is involved. Australia imports petroleum products to the tune of £90,000,000 a year, and if oil were discovered in this country Australia would be relieved of that great overseas debit, and might even be able to turn it into a credit by exporting oil.

**Senator Wright.**—Is not Australia exporting oil now?

**Senator McKENNA.**—Australia is exporting an insignificant amount of oil which, first of all, is imported into this country at high cost. It would be an infinitely better commercial proposition if oil were discovered in Australia, and exported after treatment. That would have a most beneficial effect on the balance of payments position. It is hard to visualize any commodity that could have such an important bearing upon the defence of Australia.

**Senator Scott.**—If it could be discovered.

**Senator McKENNA.**—That is so, and my complaint is that the search is not being prosecuted with anything like adequate vigour. This Government is fond of citing figures to show what it is doing in various fields, but this year, out of a revenue of £1,230,000,000 it proposes to spend £129,400 on oil search. That is .0001 per cent. of the total revenues of the Government. It is all very well to say that private enterprise is doing something in this field, that it has the revenue and that in the first place the Government should give its general blessing to this work, and in the second place should indicate from a limited number of oil surveys where potential fields exist. I know that the oil companies are spending considerable sums, and have a £14,000,000 programme for oil search, but having regard to the difficulties that face Australia the efforts of the oil companies are inadequate. I say again that I should like to see Australia combed systematically from end to end in a search for oil under government-sponsored schemes. An all-out effort should be made by the Government, employing experts, geologists and people well experienced in oil search. There are hardly any brains in the world that cannot be bought at an adequate price. I believe that we could import all the scientific personnel who could guide us to the desired result and who could progress

very much quicker than we are progressing now. This is one respect in which Australia is being let down. I shall take no more time on that topic at the moment, worthy though it is of much greater amplification.

I should like, now, to refer the Minister to a most interesting article which appeared in the "Quarterly Review of Agricultural Economics", published in April of this year. It is headed, "Direct foreign investment. Influence on Australia's balance of payments." It is written by one C. Dawson. I do not know whether he is a member of the department, or is not connected with it, but at least the article is published under the sponsorship of the department in its review of agricultural economics. I do not say that it necessarily expresses the view of the department, but at least the department poses this man's article for consideration. He points out the vast growth in foreign investment in this country, for which this Government has taken a great deal of credit. He points to its short-term advantages. He indicates the many manufacturing industries in which it has played a substantial part. He points out its virtues as being an immediate contribution to our receipts of foreign exchange. He referred to the fact that much of the investment is in import replacement production and that foreign investment is in production for the extraction of goods for export and instances uranium, rutile and beef cattle.

**Senator Hamford.**—And all are very important.

**Senator McKENNA.**—They are all very important, and very useful. He is putting the credit side first, and he points out it is a source for augmenting our capital in Australia. But then he points out that, whilst huge profits are being made, most of them at the present time are being ploughed in. He indicates, at the outset, that—

Private oversea investment in commercial enterprises in Australia has flowed in at a particularly rapid rate in recent years. Between the end of June, 1947 and June, 1954, the total estimated value of oversea investment in companies in Australia increased by 156 per cent. from £244,900,000 to £626,700,000.

Then he deals—and I select only three brief extracts from the article—with the adverse effects of this great capital inflow. In view of the short time at my disposal, I content

the legislation will not immediately be put into operation, because policy must be determined in consultation with the Minister, and in the event of a disagreement the Minister must lay down the policy. There is a tremendous amount of machinery still to be operated, and it is fair to say that this act may not be operating before the end of the year. It is up to the Minister to explain what I call an almost unforgivable delay in implementing a measure which, at the time of its passage, we regarded as valuable and urgent legislation.

**Senator GORTON (Victoria)** [11:17]— I wish to say something, under the proposed vote for the Department of National Development, about the grant to the Snowy Mountains Hydro-electric Authority. The grant this year is some £18,000,000, an instalment of a total investment which, I believe, will reach £450,000,000 and will provide this country with the greatest aggregation of irrigation water and electricity which it could hope to get from the Snowy Mountains catchment area. Whether full effect from irrigation water and electricity will be gained is dependent entirely upon the proper retention of conditions in the catchment area from which the water runs into the dams whence it goes through the channels to the turbines which generate the electricity. In this chamber, not so long ago, we heard from Senator Buttfield, an informed address on the ways in which that catchment area is, in certain respects, deteriorating. I do not propose to go, step by step, over those various ways, but it is clear that the catchment area is at least on the threshold of becoming seriously eroded through the bogs being over-grazed, through snow grass being killed, through fennel coming into the bare patches in between, through frost and wind erosion and the destruction of timber, and through normal soil erosion due to rain. Now, if that area is on the threshold of becoming seriously eroded—and I put it no higher than that at the moment—then the process could be halted now without great effort. But once it is allowed to over-pass that threshold the effort and the expense involved in reclaiming the area rises in geometric progression, and a task which could be easily undertaken now could then call for the expenditure of tremendous resources by this nation. I point this out at this juncture, though the area is now on the

threshold of being seriously eroded, because now we are offered an opportunity to take the greatest step which could be taken towards preserving these catchment areas. It is generally agreed that the greatest factor in causing this erosion about which I have been speaking is the system of letting snow leases for grazing, allowing them to be over-grazed without proper policing and supervision, and regularly burning off the leases to kill the snow grass—which is unpalatable to animals—to bring on a green pick and allow other grasses, which do not bind the soil like snow grass, to take root.

It is generally agreed by all, except the graziers who use these snow leases, that that is the greatest factor in causing erosion in those areas. Those snow leases come up for renewal in 1957, and it might well be that this will be the last convenient opportunity that the Parliament will have to consider this matter before the leases come up for renewal, which renewal will be for a period of seven years. At present, they are leased or let to graziers by various instrumentalities of the New South Wales Government, including the Kosciusko State Park Trust and the Department of Lands of New South Wales, and they bring in—in return for the damage which qualified people believe is done to them—an income of a paltry £20,000 a year. It seems that we now have a golden opportunity to tackle this whole problem as these leases come up for renewal.

No proper action has yet been taken because of the great number of authorities which have something to do with the snow leases. Among those authorities are the Kosciusko State Park Trust of New South Wales; the Department of Lands of New South Wales, the Soil Conservation Service, the Water Conservation and Irrigation Commission, the Forestry Commission, the Tourist Bureau, the State fisheries, the Monaro Acclimatization Society, the Department of Main Roads, the pastures protection boards, certain shires, the Hume-Snowy Bushfires Protection Advisory Committee and the Catchment Area Protection Board. In addition, authorities which have some control over the small part of the catchment in Victoria are the Victorian Department of Lands, the Soil Conservation Authority, the Forests Commission and the State Rivers and

Water Supply Commission. The River Murray Commission also has something to do with the area, as do the Snowy Mountains Advisory Committee—I believe that is the title—and the Snowy Mountains Hydro-electric Authority.

About twenty bodies, all with overlapping powers, have something to do with this matter, and there is therefore no organization to which responsibility can be finally sheeted home. I suggest that the Commonwealth, in agreement with the States—particularly New South Wales—should place this area under the control of one body. I do not suggest how that body should be made up, because that is a matter for negotiation between the Ministers concerned. The River Murray Commission has recommended that that body should be composed to a large extent of soil conservation boards from each State; but there should be one body with full responsibility for ensuring that erosion does not continue in that area, and with full powers to police the regulations which it ought to be empowered to make.

Snow leases, allegedly, have been wiped out in the Guthega catchment area, but at present and in the immediate past there are and have been just as many cattle and sheep grazing on those snow leases as when they were in full operation, because there is no one body with proper powers to police the area and punish people who infringe the relevant regulations. If we could seize this opportunity to bring this area under the control of one body with proper powers, we should do some good and take some action to combat erosion. I should not mind if the Australian Government paid a bit of money towards the running of such a body because if that were done, the benefit of the retention of an investment of £450,000,000, whatever is paid out, would be almost incalculable.

At present streams are not filling the reservoirs to any great extent. As a matter of fact, the measurement of siltage brought down by streams indicates that those reservoirs would take 400 years to silt up completely. But that is presuming that erosion does not progress geometrically. Even so, 2 per cent. of those reservoirs would be silted up in ten years, and that is more than a water-hungry inland can allow to be silted up if it can be prevented.

The sixth annual report of the Snowy Mountains Hydro-electric Authority for the year ended 30th June, 1955, which is the last report of that authority, refers at page 19 to a commission set up, and states with regard to its terms of reference as follows:—

The terms of reference do not include an examination of the cost of Snowy power, but it is hoped that the investigations will, amongst other things, clear up once and for all the vexed question of low load factor for Snowy power, which was adopted by the original Commonwealth State Snowy River Committee and later by the Authority as a basis for the design of the ultimate Scheme, and about which there has been such a diversity of opinion.

I should appreciate it if the Minister could explain what diversity of opinion there is about the vexed question of low load power, and give us any other facts in respect of that matter which he would care to bring forward. Will the Minister also give honorable senators a history of the protracted negotiations which have taken place over the years in an endeavour to reach some form of firm agreement concerning this authority and a resumé of the present position of these negotiations? As he is not a prophet, I shall not ask him to prognosticate the future of them.

Senator BENN (Queensland) [11.28].—I wish to refer to the Department of the Army. It will be noticed that the proposed vote for this financial year is £60,284,000, and the expenditure last year was £61,445,936. Therefore, the proposed vote is approximately the same as the expenditure was last year. I know as well as every other honorable senator knows that it is futile to look through the Estimates to ascertain whether the money provided last year was spent wisely. We know that the expenditure was more than £61,000,000, but that does not tell us anything at all. Therefore, we have to go further afield and make our own investigations. In this regard it is interesting to turn to the report of the Auditor-General for the year ended 30th June, 1956, in order to see what he has to say after having examined the accounts of the Department of the Army. The Auditor-General's report at page 72, under the heading of "Stores and Stores Accounting", reads as follows:—

In previous Reports adverse comment was made on unsatisfactory accounting and ineffective control over Unit stores.

Later he said—

The position in the various States with regard to stores and store accounting is summarized hereunder.

He then dealt with New South Wales and his remarks were—

Unsatisfactory accounting for, and ineffective control over Unit stores are still evident. At 30th June, 1956, visits of inspection by the Army Audit Staff were seriously in arrear; many Units had not been inspected for eighteen months. When this Report was prepared, stocktaking at twelve Units was overdue for more than a year and considerable delay was occurring in the investigation and adjustment of discrepancies disclosed by stocktakings made at other Units.

In 24 cases reported during the year, results of stocktakings at Depots and Units showed large discrepancies. At one Unit, School of Mechanical Engineering, surpluses and deficiencies totalled £21,864 and £8,792 respectively.

Defalcations by Service personnel of rations, petrol, clothing and general stores at the Belmore Training Depot were reported during the year. Fourteen members were prosecuted and eight found guilty on various charges. The thefts were made possible by the collusion of members and the failure of others to carry out instructions. The matter is still under departmental investigation.

In collusion with two civilians a member of 2 Base Ordnance Depot, Moorebank, defrauded the Commonwealth of 29,857 gallons of petrol. The member was sentenced to imprisonment and ordered to make restitution of £1,460. This fraud was facilitated by the Department's failure to institute suitable internal checks. Detection was delayed by the member destroying relevant documents and by ineffective internal audit examinations. A satisfactory system of internal check is now in operation and the internal audit procedures are under review.

The main part of that statement, and the part which concerns the Senate, is—

Unsatisfactory accounting for, and ineffective control over Unit stores are still evident.

The Auditor-General drew attention to this unsatisfactory position in previous years, but when he made a further inspection he found that the faults of the previous years were still evident. No government can afford to overlook this position. No government can afford to ask the people to provide a sum of £190,000,000 for defence purposes without safeguarding their interests by protecting the stores from even ordinary forms of theft. The surpluses and deficiencies at the School of Mechanical Engineering call for special attention by the department. We as a Senate must hold the Minister responsible for these things. We do not look to the heads of the departments or to any one else. We say that the Minister is the person responsible for the administration of the department and we

lay the blame on his shoulders. If the Minister for the Army (Mr. Cramer), who is now overseas, is responsible he should be called back to answer the charges at the bar of the Senate. These are serious matters; the sums involved are large and show that the Minister has been lax in his administrative functions.

A wide range of goods, covering rations, petrol, clothing and general stores, is affected by the thefts. A large quantity of petrol—more than 29,000 gallons—was stolen. The Minister for the Army should give this matter special attention. When he was appointed, we were told that he had been given the post because of his prowess as a businessman. He should now apply his business ability to this matter and protect the interests of the people.

The losses through thefts and general dishonesty are not restricted to one State. They occurred also in Queensland. One would expect better from a State like Queensland, but the Auditor-General, referring to that State, said—

Accounting for and control of stores at some Army Units have not reached an efficient standard, whilst there is evidence of failure of Unit personnel to carry out internal checks set down in departmental instructions.

The check of stores at Units by the Army Audit Staff is considerably in arrear. This position was contributed to by the poor state of store accounting at various establishments already examined and the resultant necessity to spend excessive time at those establishments in order to advise and assist in placing the accounting on a more satisfactory basis.

At the Jungle Training Centre, Canungra, a particularly unsatisfactory position was reported. A low standard of store accounting, lack of security, inadequate storage and issue facilities, and insufficient control and accounting for rations, petrol and oils were some of the matters instanced. A Command inspection has been ordered. A stocktaking carried out at this Centre in June, 1956, disclosed surpluses and deficiencies amounting to £918 and £3,543 respectively.

I am sure that the Minister for National Development would not stand for this conduct. If he were made the Minister for the Army to-morrow, I feel sure that some of the "tall poppies" would have to get to work immediately and arrange their stores so that these thefts would not be carried out as easily as they appear to have been in the past. As I said before, this conduct is not confined to one State; it exists

throughout the Commonwealth. In respect of Western Australia, the Auditor-General said—

Unit store accounting and stocktaking programmes were reasonably maintained but biennial stock checks of C.M.F. Units required to be carried out by Army Audit Staff are seriously in arrear.

Storekeeping and accounting for Engineer stores are unsatisfactory.

That is the strain in which the Auditor-General has reported upon the stores and accounting of the Department of the Army. The Department of the Army is not a new department; it has functioned for years. To my mind, there is no excuse for the condition which existed at the time the examinations were made. If this kind of thing is to be permanent, the Government should tell us that it is the warp and woof of the Department of the Army. We are tired of listening to reports of this nature. This is the third year I have spoken of similar matters. So we go on in our unhappy way!

I do not think that the Minister can make any reply to what I have said. I do not think that he can give me any assurance, except that he will take up the matter in Cabinet and say, "In future we must have a proper system operating in the Army so that the interests of the people will be properly safeguarded".

**Senator COLE** (Tasmania—Leader of the Anti-Communist Labour party) [11,39].—We know that defence is most important to Australia. I am very surprised that recruitment for the Regular Army is dropping. In view of the present state of affairs in the world, it is important that the Australian Regular Army be kept up to standard, and at full strength. I have before me a letter that I received from a serving member of the forces, and it stresses a great number of important points. Figuratively speaking, this is right from the horse's mouth. Members of the forces are not supposed to approach members of Parliament direct, so I shall not mention the soldier's name. As his letter is of considerable interest, I shall read it to the committee. It is as follows:—

As a member of the Australian Regular Army with the interests of my country at heart, I think that it is high time that a little bit of publicity was given to the present state of the Regular

Army. I am writing to you, sir, as you are, at present, the only man in either House of Parliament who can take up this matter. It is due to the present government's mishandling that the situation is as bad as it is, whilst, were the Evatt Labour Party in power, it is doubtful if we would have any army at all!

He is, apparently, a very discerning gentleman. The letter goes on—

The present position is that the Regular Army is several thousand men under strength, and discharges are exceeding enlistments. Although this fact is known to the government, nobody seems to have the slightest interest in the fact, and no effort is made to find out from serving members just what is wrong, so the number of Regular Soldiers decreases from month to month. . . . I do not claim to have the answer to all the army's ills, but I can give you a few reasons which I know of personally as to current discontent in the Army, and a few suggestions for improvement. What is really needed is a complete inquiry into the R.A.A., with facilities for all ranks to speak their minds to the investigators.

I commend the following very important points in the letter to the committee:—

Some reasons for discontent: Living Quarters. These are in many cases hang-overs from the last war, and are not fit for Peace-Time soldiers.

Married Quarters. In every district where Regular Troops are stationed, sufficient homes should be provided to provide for all married men. At present, homes (an inadequate number) are provided at only some places. There are practically no quarters in the Melbourne area. A married man in the Army must rely on such homes, as it is pointless to buy a home in Melbourne when he might be moved to Darwin the day after! This was, of course, one of the points in your party's election programme, but neither of the other parties gave it a mention.

Promotion.—To qualify for promotion to confirmed rank, a soldier must pass certain examinations in military subjects. The present position is that men have qualified in all subjects for promotion to ranks higher than those which they hold, but cannot get promotion as there are no vacancies, owing to positions being held by men of temporary rank who have not passed promotion exams. The army should bring in a strict rule that no man can be promoted until he has passed all required exams. "Temporary" rank should be abolished. Another obstacle to promotion is that some C.M.F. men are employed on "full-time duty", thus stopping A.R.A. men from being promoted to the positions which they hold. Promotions to W.O. should be done within each corps, on a nation-wide basis, strictly in accordance with the seniority of qualified personnel. At present, many very junior sergeants are promoted to W.O. just because they happen to be in the right spot at the right time.

Postings. All ranks should be automatically re-posted after two years in one place. At present, men are able to get into the "plum" jobs and stay there indefinitely, which means that A.R.A. men serving with National Service units (the most unpopular posting amongst regular soldiers) cannot get re-posted.

**Continuity of Service.** Many regular soldiers are dubious of making the army their career, as they are afraid that if the Evatt Labour Party is returned to office: (which God forbid!) they will be "axed". There should be an all-party statement issued guaranteeing that regular soldiers will not be sacked consequent upon a change of government.

And now, some suggestions for improvement:

**Annual Leave.** At present, a soldier can only get a free travel warrant to the address of his next-of-kin. Thus, if he is stationed at Puckapunyal, and his wife lives at Puckapunyal, he doesn't get one at all. Every serving soldier should be entitled, once annually, to a free rail warrant for himself, and dependants, to anywhere in the Commonwealth.—

**Senator Hannaford.**—Do you agree with that suggestion?

**Senator COLE.**—Politicians enjoy that privilege. The letter goes on—

it being understood that he would NOT be entitled to additional "travelling time" above that normally required to get to his next-of-kin's address.

The next suggestion is most important—

**Re-engagement bonus.** At present, a man is offered no inducement to re-engage when his term expires. As it must cost several thousand pounds to enlist, train and equip a soldier, I suggest that any man re-engaging be given a re-engagement bonus . . . and fourteen days' leave.

**Senator Critchley.**—Fourteen days' leave?

**Senator COLE.**—The whole point is that the Army is losing trained, efficient men. If a re-engagement bonus were payable, it would encourage the men to re-enlist in the Army, and a quite considerable sum of money would be saved in training recruits. The next suggestion is—

**Rations.** If a man lives out of camp, he is not entitled to any rations. If he lives several miles from his unit, as many "living-out" men do, this means that he must take a cut-lunch with him, not at all satisfactory in the winter months. I suggest that the army rationing system be amended so that a midday meal is provided for all "living-out" personnel. Most living-out men are married, and they receive no additional allowance for living out of camp.

The points that have been brought out by this serving soldier, and that he discussed with a great number of other serving personnel, might seem trivial to some people, but they are important to a well-trained soldier of the Australian Regular Army. I remind certain honorable senators who are smiling that when, not long ago, our stamp allowance was cut out, although that action by the Government did not seem to people outside to be very important, it elicited

many squeals from members of the Parliament. In the same way, the things that this soldier has mentioned are very important to serving personnel and I think that, if we wish to keep the Army at its proper level—and I hope that that is what we want to do—they should receive consideration. These points could, with advantage, be looked into by both the Minister for the Army (Mr. Cramer) and the administrative heads of his department.

**Senator ANNABELLE RANKIN** (Queensland) [11.50].—I refer to the proposed vote for the National Service Training Scheme. First, let me say that I think that the scheme is providing splendid training for the young men of this country. I believe that they enjoy the training and that Australia benefits because their sense of citizenship is increased. However, I have been concerned for a considerable time about a particular aspect of the scheme. I refer to trainees who receive a permanent injury during training. Fortunately, so far as I can gather, not many trainees have suffered in this way, but nevertheless there are some tragic cases. I know personally of a boy of eighteen years of age who received a permanent spinal injury during his training and who will never leave his hospital bed. I admit that when trainees are injured they are compensated, and that is as it should be, but there seems to be no provision for subsequent treatment during, perhaps, years of invalidism. National service trainees who are incapacitated do not seem to be covered by the various schemes for other permanently incapacitated members of the community. They cannot be admitted to repatriation hospitals because, in the strict sense, they are not ex-servicemen.

The young man to whom I have referred is a patient in a public hospital where, of course, he is receiving the best attention that can be given him. But he is a little different from the other patients. They are not ex-servicemen, and most of them are older than he is; whilst others are chronically ill. I believe that national service trainees who are injured should be cared for in the same way as any other man who serves his country. Surely it cannot be denied that these young men are serving their country!

The very fine family of this young man lives in a country district of Queensland. They have not much of this world's goods, but week after week and month after month the mother travels to see her son in hospital. She receives no assistance such as fares or anything of that kind. I understand that in the case of incapacitated ex-servicemen, fares and other assistance are available. This boy's mother is in indifferent health, but that does not prevent her from visiting the hospital frequently to see her son who is helpless and who suffers greatly.

I have taken up this matter with Minister after Minister, and although they have been most sympathetic, they have not been able to close the gap which seems to exist somewhere in the legislation and which prevents the necessary assistance from being given. This boy will never walk again. His life, whether it be short or long, will be tragic, and I think that everything possible should be done to improve his lot. I hope that the number of such cases will never be large, but whether there are few or many we should not fail to do everything we can to help them.

Senator CRITCHLEY (South Australia) [11.54].—I was interested in the remarks of Senator Annabelle Rankin regarding incapacitated national service trainees. I, too, am concerned with that aspect of the scheme, but from another angle. With my colleagues from South Australia, I fought for years for justice for a South Australian national service trainee who was injured during the course of his training. He was in hospital for 88 days, I think, after the camp ended, but was not paid for that period. After long and persuasive arguments by myself, Senator Ryan and other South Australian senators, the matter was adjusted, but other cases of the kind have occurred in South Australia, and I have no doubt that that is also true of other States. I hope that the Minister representing the Minister for Labour and National Service (Mr. Harold Holt) will take notice of this matter.

A lad who goes into camp cheerfully, in compliance with the law, may be injured a week or a fortnight before the camp breaks up, and be admitted to hospital. In South Australia, most of these cases are

admitted to the repatriation hospital at Springbank, or to the hospital at the Keswick military barracks. The trainees receive the daily rate of pay until the day on which the camp breaks up, but they do not receive pay thereafter. In one instance, a young man was in the repatriation hospital at Springbank for 63 days after the camp broke up, but received no pay for that period. As national service training is compulsory, the Government should devise means to overcome the grave injustice which is suffered by trainees who are injured through no fault of their own. I believe that if this injustice were rectified, much of the hostility to national service training would disappear.

Recently, when we were discussing the proposed vote for the Department of Trade, I was told that the subject of import licensing could be dealt with when the schedules of salaries and allowances were being discussed by the committee. I notice that there are 456 administrative officers of the Department of Trade concerned with import licensing. In South Australia, there are dozens of small businessmen who are adversely affected by import restrictions, and I wish to present a plea on their behalf. The success of many small businesses depends on the availability of imports. I wish to make a special plea for a particular firm, Golden Nut Margarine Limited. I am just as keen as are other honorable senators to ensure that householders have all they need of Australia's good butter, but they have never been able to do so. By an arrangement between the State and Federal governments, quotas have been fixed for the production of margarine, which is being used to an increasing degree by bakers, pastrycooks and housewives, because of the high price of butter. In South Australia, the demand for margarine is always greater than is the quantity available. Over a period of two years, the company to which I have referred has applied for permits to import oil, used in the preparation of margarine, which has no resale value. Yet, because of the refusal of this Government to grant them a permit they have been forced to close down their business for months of the year. That is bad enough, but because of quotas being granted to manufacturers of this commodity in other States their product is being sold in South Australia whilst the South Australian institute has had to close down. We say

that is wrong. There is a demand for this commodity only because of the inability of the people to pay the price for what should be the only foodstuff of this sort of the Australian people, namely the best Australian butter. However, if it is right that quotas should be granted for the manufacture of this commodity, then those who are in business in a small way should not be penalized by the restrictions to which I have referred. That is the position of the firm I have mentioned. It has reached the stage where already this year, after only four months of processing, it has had to cease manufacturing part of its product, and is continuing to manufacture only that grade of margarine used for cooking. I say that is wrong and unjust. I have given one example but could quote four or five others.

I again impress upon the Government the bad effect that these restrictions have on the smaller businessmen in Adelaide who for years have enjoyed a good reputation with the public. No doubt the same position exists in other parts of the Commonwealth. Because of the restrictions these people are slowly but surely being forced out of business. I hope that the Government at an early date will reconsider the impossible and unfair implications involved in its import restrictions.

Wednesday, 24th October, 1956.

Senator SPOONER (New South Wales—Minister for National Development) [12.2 a.m.]—My own personal opinion is that the Senate has more profitably employed the time available to it during the latter part of this evening than it did during the earlier portion. I only wished I had conceived earlier the idea of putting the debate on the basis upon which it has proceeded during the last hour or so. One of the objections to it is that the hour is so late that it is hardly fair to reply at length to all the very interesting points that have been made during the last hour or so.

I shall speak, not at great length, upon two matters which affect the Department of National Development. The first is that raised by the Leader of the Opposition (Senator McKenna) concerning the search for oil in Australia. He was very critical of the Government's activities and of the level of expenditure. In reply, I say first of all, in a minor key; that the £129,400

which the Leader of the Opposition mentioned covered only the operational expenses. One needs to add to that the cost of staff and equipment which brings the figure for this year's appropriation more correctly to £324,750 instead of £129,400. I have no doubt that the honorable senator's reply to that will be; "It is still far less than it should be". I think the correct rejoinder to that criticism is to ask the question: In what way, in what direction and by what methods could the Government justifiably increase the expenditure? I adopt the same approach as did the Leader of the Opposition. There are few matters more important and none offers a greater reward than the discovery of oil in Australia. The Government wants to do all it can to achieve that result. This year it is spending £324,750 and, of course, because of that programme the oil companies themselves are spending some £7,000,000 each year in the search for oil in Australia.

The search for oil is a very chancy business. In Canada the search went on for 30 years before the right patch was struck, and then, on the information obtained in that strike, a foundation was laid which enabled the same process to be repeated over and over again. I am told, and I hope I understand the position correctly, that a most extraordinary situation has occurred in Western Australia. The first strike of oil in that State represented one chance in a million. Working on the experience of Canada, the scientists were of the opinion that they would be able to go on from strength to strength, but the Western Australian strike was extraordinary in two respects. First, it was such a long shot; and secondly, the oil struck there had apparently migrated from somewhere else and in its present situation it does not provide the geological information upon which scientists anticipate that having once struck oil they will be able to repeat the performance.

The search for oil is not just a matter of spending money; it is a matter of staff and equipment which is much more important than money. The Leader of the Opposition said that we can buy brains and import people, but that has not been the Government's experience in this particular field of activity, in the search for either oil or

uranium. I remember very well, when in London in 1952, making most urgent representations to the British Government to provide technical officers and scientists for the search for uranium in Australia. The results were most disappointing. I could talk for a long while on this subject but shall refrain from doing so.

I desire to touch on one other point raised by Senator Gorton in regard to the catchment area of the Snowy Mountains scheme. I shall do so very quickly. I have pushed ahead with this scheme with my lights focused on two objectives. The first is to obtain from the Government each year as much money as I can in order to push the scheme along as far as possible; and the second is to try to tie up an agreement between the Commonwealth and the State governments. I think that success is within our grasp in both directions, but I will not believe that the agreement is signed until it is signed. It has eluded us from time to time, but I think it is fair to say that there is agreement between the three governments. It is a question now of getting the agreement down in a suitable set of words which the three governments will accept. Having said that, I move—

That the votes be agreed to.

Motion (by Senator Spooner) put—

That the question be now put.

The committee divided.

(The Chairman—Senator the Hon. A. D. Reid.)

Ayes .. .. .	29
Noes .. .. .	26
Majority .. .. .	3

AYES.

Anderson, K. M.	Pearson, R. W.
Buttfield, N. E.	Reid, A. D.
Cooper, W. J.	Robertson, A. R.
Gorton, J. G.	Scott, M. F.
Hannaford, D. C.	Seward, H. S.
Hanna, G. C.	Spoener, W. H.
Henty, N. H. D.	Vincent, V. S.
Kendall, R.	Wade, H. W.
Laight, K. A.	Wardlaw, R.
McCallum, J. A.	Wedgwood, I. E.
McMullin, A. M.	Wood, I. A. C.
Maher, E. B.	Wordsworth, R. H.
Mattner, E. W.	Wright, R. C.
O'Sullivan, N.	Teller:
Patridge, S. D.	Rankin, Annabelle

NOES.

Amour, S. K.	Kennelly, P. J.
Armstrong, J. I.	McKenna, N. E.
Arnold, J. J.	McMamus, F. P.
Ashley, W. P.	Nicholls, T. M.
Bena, A. M.	O'Byrne, J. H.
Brown, G.	O'Flaherty, S. W.
Byrne, C. B.	Poke, A. G.
Cameron, D.	Ryan, J. V.
Cole, G. R.	Sheehan, J. M.
Cooke, J. A.	Toohy, J. P.
Courtice, B.	Willesee, D. R.
Grant, D. M.	
Harris, J.	Teller:
Hendrickson, A.	Critchley, J. G.

Question so resolved in the affirmative.

Proposed votes agreed to.

Progress reported.

ADJOURNMENT.

Australian Trade Representation in Spain—  
Export of Scrap Metal—Import  
Licensing—Immigrant Sufferer from  
Hansen's Disease.

Motion (by Senator O'Sullivan)  
proposed—

That the Senate do now adjourn.

Senator ARMSTRONG (New South Wales) [12.17 a.m.]—It is apparent that the only opportunity that I shall have to discuss certain matters will be on the motion for the adjournment of the Senate. I would much rather have discussed them in the normal course of business, but because of circumstances over which the Opposition has no control, this seems to be my only chance to bring to the notice of the Senate certain matters which I think ought to be considered. I would not for one moment reflect on any decision of the Senate, but I may reflect on certain decisions by Ministers.

I should like to bring under notice the matter of the Commercial Intelligence Service in the Department of Trade. From time to time I have pointed out the very important advantages of having representation in one of the main European countries in which, over the years, we have failed to take our place. I refer to Spain, where every country of the British Commonwealth other than Australia is represented, in some cases on an ambassadorial level. Although Spain has very great trade potentialities for us, particularly in the sale of wheat, we have refused to send even a trade commissioner to that country. I do not know whether or not the opportunity has been lost. I know

that it has been almost lost, but perhaps it is not yet too late to take appropriate steps. I shall develop this point at another time, but I want to leave this thought with the Minister in the hope that he will take the matter up with the Minister for Trade (Mr. McEwen). For an expenditure of £11,000 we obtain trade representation in a number of countries. This seems to me to be rather cheap representation. After all, if we can send representatives to Trinidad, Burma, and the Central African Federation, for reasons which are good in the opinion of the Minister for Trade, surely there is more value in having a representative in Spain at this time.

I should like to mention another very important matter while Senator Spooner is present in the chamber. This is a matter with which he had much to do in the Department of National Development but which has now passed out of his control. The Government has been subjected to very great criticism as a stop-start government, which seems to have the greatest difficulty in making decisions. I ask the Minister, with his great background of knowledge, to influence somebody in Cabinet to make some decisions in respect of the export of scrap metal, particularly steel rails. The Government transferred control of this matter from the Department of National Development to the Department of Trade just before last Christmas. After many, many months of trying to get a decision, the important thing for a potential exporter is to get a decision so that he may know where he stands. This Government has a reputation for delays in coming to decisions. In the case of scrap steel, after six months of cogitation, the mountain has brought forth a mouse and decided to set up a committee. It is the old story. The committee consists of three men, including a representative of the Broken Hill Proprietary Company Limited, a representative of outside business and a representative of the department.

I do not know why the department cannot stand on its own feet and make its own decisions. The setting up of a committee is another waste of time. The representative of the Broken Hill Proprietary Company Limited will object to any scrap steel leaving Australia except in special circumstances. The man representing industry will

want to send it away. Then the public servant on the committee, who is virtually an arbitrator, will give a final decision. Why should he not make the decision in the first place?

Only last week, I was asked to try to get a decision from the Department of Trade. I made contact with the department but the matter had been referred to a committee, and the committee had gone to Melbourne. It is days before matters are heard of once they go there. I telephoned Melbourne and was told by officials that they had not heard of the matter. Later, I was told that it had been sent back to Sydney. In Sydney I was told that they did not have it there, but they knew that it was on the way. That is where the matter stands now. Many cases have been sent to Melbourne for final decision. Surely the Minister responsible must know that the setting up of committees only blocks progress and delays decisions.

The Broken Hill Proprietary Company Limited is the only company in Australia in the position of advantage that it holds. It has access to scrap steel at a pegged price. The only pegged price is the level at which it buys the scrap. The price at which it sells the steel is not pegged. If a man in the woollen textile trade wants to buy raw material, he has to go to an auction sale and pay the world price. He fabricates the wool and sells it against world competition, but the Broken Hill Proprietary Company Limited is protected by this Government in the market of scrap steel. If it produced cheap steel, we would not mind, but after it has bought scrap at about one-third of the overseas price in many cases, it fabricates the steel in its own mills and charges the public what it pleases.

I ask the Minister for National Development (Senator Spooner) to refer this matter to the Cabinet. Why cannot the responsible Minister or a public servant make the decisions in the first place? If somebody puts a question on scrap steel, he is informed that the committee has to examine the matter. It then becomes sacred. I ask the Minister to examine the whole question.

Finally I wish to refer to the old problem of import licences. I know the problem is difficult but, again, the main complaint is about lack of decision. I know that at times

it is difficult to reach a decision, but it is not as difficult as it is made to appear. Decisions should be made quickly so that persons whose licences have expired know where they stand. I read the last annual report of W. Watson and Sons Limited, who manufacture X-ray and surgical equipment and medical accessories. This company has developed a high degree of efficiency. When the Government imposes import licensing, it should endeavour to prevent the importation of goods that are manufactured in Australia of good quality and sufficient quantity. Watson and Sons Limited have been manufacturing the goods to which I have referred for many years. At the annual general meeting of the company, the chairman of directors, Mr. J. P. Trainor stated—

Importation has weakened Australian enterprise. There has been far more overseas expenditure than in the pre-import licensing period.

This company has to contend with more imports than it did before. Mr. Trainor continued—

Unless governments reduce the habit of importing cheap apparatus and providing duty-free clearances, we will find a repetition of the position in this key scientific industry, which was rightly deplored by the late Sir Alan Newton, famous surgeon, when he told his colleagues of the Medical Equipment Control Committee in the "Medical Journal of Australia":—

"We must, therefore, rely on our own manufacturers, and here the difficulty lies in the fact that we have forsaken these men in the years of peace by showing a marked preference for imported instruments. It is to be hoped that our successors will profit from the knowledge that, had we supported local manufacturers to a greater degree, we should not be in our present predicament in regard to the supply of instruments".

Without doubt, the Army could buy bullets from cheap foreign sources, but will not—nor should authorities permit the purchases of cheap foreign technical equipment for the removal of those bullets.

If the Government wants to examine the Department of Trade and believes that the time is opportune to reduce trade restrictions, it should not apply a general increase of 5 or 6 per cent. to imports, but should study Australian industries and help them by supplying raw materials. That is preferable to maintaining an influx of ready-made goods that are already being manufactured in Australia.

I thank the Senate for its sympathetic hearing. I should not have brought these matters forward now but for the arrogant stand that was adopted by the Minister responsible for the departments concerned in this chamber. His suggestion that the application of the gag had improved the debate was a gratuitous insult to honorable senators.

**Senator PALTRIDGE** (Western Australia—Minister for Shipping and Transport) [12.30 a.m.]—I have received an answer to a question which Senator Tangney addressed to me as the Minister representing the Minister for Immigration (Mr. Harold Holt). The Minister for Immigration will cease to hold that portfolio as from tomorrow and, therefore, I wish to include the question and answer in the report of to-day's proceedings. Senator Tangney asked the following question, upon notice:—

1. Is there a provision in the Immigration Act that, if within five years of his arrival a migrant becomes a charge on the Government, he may be deported to the place from whence he came?

2. Is this provision intended to apply to criminals or to those who, through no fault of their own, contract a serious illness after their arrival in this country, despite the rigid health checks made by Immigration officials at the point of departure for Australia?

3. In this connexion, will the Minister give consideration to the case of Nicholas Prosopapa, a Cypriot migrant of more than three years residence in Australia, who is under threat of deportation because some twelve months ago he was found to be suffering from Hansen's disease, which to-day is not regarded as incurable and therefore is not likely to cause him to remain a permanent charge on public funds?

4. As the deportation of this man could mean a lifetime separation from his wife and two children, for whom he has provided a home in Sydney, will the Minister allow the ordinary rules of Christian charity and not economic considerations to influence his decision?

5. In view of the fact that with the development of medical science there is not the same degree of danger from infection as was the case when the immigration laws were framed in 1901, will the Minister have the laws brought up to date in closer conformity with modern conditions?

The Minister for Immigration has supplied the following answers:—

Section 8A of the Immigration Act 1901-1949 provides, amongst other things, that "where the Minister is satisfied that, within five years after the arrival in Australia of a person who was not

born in Australia and who arrived in Australia on or after the date of commencement of this Section, that person—

(a) has been convicted in Australia of a criminal offence punishable by imprisonment for one year or longer; or

(c) has become an inmate of an insane asylum or public charitable institution;

he may . . . make an order for his deportation”.

It seems clear the Parliament's intention was that not only persons convicted of criminal offences but also those who became inmates of insane asylums or public charitable institutions, should be liable for deportation.

The individual case to which the honorable senator has referred has, in my view, raised the general question of whether deportation should continue to be required under the Immigration Act on the grounds that a migrant has become a charge upon public funds. I am arranging for the Immigration Advisory Council to consider this question. This has been a very difficult case to

decide but I have been influenced by the fact that the present condition of the man is not serious, there is every prospect that he will completely recover within a period of two years and he has a wife and two children in Australia.

I have also had regard to indications received that migrants already settled in Australia acquire some feeling of insecurity when this type of case arises, since they are apprehensive of their position should they be unfortunate enough to break down in health; and to the possibility that deportation, on health grounds, might result in other migrants who suffer from serious complaints not reporting for treatment, and thereby endangering the health of the community generally. I have cancelled the deportation order and granted approval for Mr. Prosopapa to remain.

The special factors which I have mentioned, coupled with other compassionate circumstances, have led me to the view that deportation should not take place.

Question resolved in the affirmative.

Senate adjourned at 12.32 a.m.

Wednesday, 24th October, 1956.

The PRESIDENT (Senator the Hon. A. M. McMullin) took the chair at 3 p.m., and read prayers.

#### SHIPBUILDING.

Senator ARNOLD.—I preface my question, which is directed to the Minister for Shipping and Transport, by saying that yesterday the Minister, in reply to a question upon notice by Senator Kennelly, outlined the current Australian shipbuilding programme. I ask him how far the programme has progressed, and how many ships are in the initial stage of construction.

Senator PALTRIDGE.—Perhaps I could best answer the honorable senator's question by announcing the dates of the proposed launching and commissioning of vessels now under construction. I stated yesterday that two 19,000-ton vessels were being built at Whyalla, and it is expected that the first will be launched about June, 1959, and commissioned about February, 1960. The second will be launched about May, 1960, and commissioned in February, 1961. The first of the two 10,000-ton bulk carriers being built for the Australian Shipping Board at Whyalla will be launched in March, 1957, and commissioned in September, 1957. The second is expected to be launched in October, 1957, and commissioned in May, 1958. One 10,000-ton turbine bulk carrier, "Iron Spencer", is expected to be launched in February, 1957, and commissioned in May, 1957. The 10,000-ton motor bulk carrier being built at Whyalla will be launched in August, 1958, and commissioned in March, 1959. Of the three 10,000-ton vessels being built by Evans Deakin Limited, Brisbane, "Lake Colac" will be launched in April, 1957, and commissioned in October of that year. "Lake Sorrell" will be launched in February, 1958, and commissioned in May, 1958. "Lake Boga" will be launched in 1956—apparently late 1956—and commissioned in May, 1957. At the Newcastle State dockyard two 7,000-ton motor colliers are being built and one will be launched this month, if it has not been already launched, and will be commissioned in February of next year. The other will be launched in April, 1957, and commissioned in August, 1957. The 6,000-ton ferry will

be commenced shortly. Of the two 2,000-ton cargo vessels being built by Walkers Limited, Maryborough, it is expected that the first will be launched in January, 1957, and commissioned in June of that year. The second will be launched in January, 1958, and commissioned in June, 1958.

#### GOLD.

Senator SCOTT.—I ask the Minister for Customs and Excise whether he has been made aware of reports that people are dealing illicitly in the export of gold from Australia. Will the Minister check these reports, and if they are found to be true will he take the necessary action to prohibit the illegal export of this valuable commodity?

Senator HENTY.—The reports referred to by the honorable senator have not yet come to my notice, but I will refer the matter to the department and give the honorable senator a considered answer in due course. This is a very important matter.

#### BROADCASTING.

Senator KENNELLY.—I ask the Minister representing the Postmaster-General whether he has seen a report by the Melbourne University School of Education which claims that many radio serials, most popular among children, are wholly unsuitable for children, and gravely infringe the code for children's listening proposed in 1945 by the Broadcasting Control Board, and accepted by the Federation of Commercial Broadcasting Stations and the Australian Broadcasting Commission. If the Minister has not read this report will he do so; and investigate the allegations to ascertain whether the programme standards laid down have been observed? If he finds that they have not been observed, will he assure the Senate that he will take action to prevent further such occurrences?

Senator COOPER.—I shall be very pleased to bring the honorable senator's question under the notice of my colleague, the Postmaster-General, and ask him to give the matter earnest consideration.

#### CREDIT RESTRICTIONS.

Senator HENDRICKSON.—Has the Minister representing the Treasurer seen reports that the Prime Minister is prepared to relax restrictions on bank advances on the ground that Australia has overcome the

inflationary problems which these credit restrictions were designed to cure? Are these reports correct? If they are, how does the Minister reconcile this claim with the increase of 11s. in the cost of living for the quarter ended September, 1956, in New South Wales?

**Senator SPOONER.**—I have not seen any such reports. Further, if they do exist, I very much doubt their accuracy.

#### IMPORT LICENSING.

**Senator ASHLEY.**—Has the attention of the Minister representing the Minister for Trade been directed to a statement appearing in the Sydney Sunday "Sun-Herald" that a group of men known as "Menzie's spivs" are making huge profits out of import restrictions and are holding a gun at the heads of some of Sydney's biggest importing and warehouse firms? Is he aware that representatives of big firms say that in order to maintain supplies they are forced to buy goods from these spivs at premiums of up to 40 per cent. and 50 per cent.? Is he aware that two operators working in homes in the eastern suburbs of Sydney each hold import licences for carpets far in excess of that held by one of the largest and oldest established firms in Sydney? Is it a fact that a Chinese café proprietor has obtained a licence to import from Japan more goods than a big firm which has been trading with Japan since before World War II, is permitted to import? Will the Minister acting for the Minister for Trade have these cases investigated in accordance with the suggestion made by the Minister for National Development yesterday?

**Senator SPOONER.**—I do not regard the general statements made by the honorable senator as references to specific cases which can be investigated. I repeat the offer that I made yesterday, and which I was interested to notice my colleague, the Minister acting for the Minister for Trade, also made in the House of Representatives yesterday. If the honorable senator will submit a case in sufficiently specific terms to enable it to be investigated, then it will be investigated, and any corrective action necessary will be taken.

**Senator Ashley.**—These are specific cases. Does the Minister wish to make a policeman out of me?

**Senator SPOONER.**—They are not specific cases.

**Senator Ashley.**—They are. The names are given in the press.

#### UNIFORM TAXATION.

**Senator WRIGHT.**—Can the Attorney-General inform the Senate what stage has been reached with the case instituted by Victoria against the Commonwealth to destroy the system of uniform taxation? Pursuant to the announcement of the Premier of New South Wales last week, has any step been taken by New South Wales to join with Victoria as a co-plaintiff, or to intervene in the suit?

**Senator O'SULLIVAN.**—I am not aware of the precise date on which the case will be heard, but I understand that it is unlikely that it will come on this year. I have not been formally informed whether the Premier of New South Wales has joined in the proceedings, but I shall ascertain that and inform the honorable senator accordingly.

#### PENSIONS.

**Senator BROWN.**—Perhaps my question, which is directed to the Attorney-General, may involve a matter of Government policy, but I intend to ask it just the same. In view of the recently announced increase of the cost of living, will the Government give the Senate an assurance at an early date that pensions will be increased generally?

**Senator O'SULLIVAN.**—That matter will be considered in its proper light in due course.

#### FRENCH-BUILT AIRLINERS.

**Senator HENDRICKSON.**—I ask the Minister for Civil Aviation whether he is aware that two French-built "Armagnacs" airliners, operated by a Japanese airline, have been refused permission to land at Brisbane while bringing people to the Olympic Games? Is the reason given, that they were too big and heavy, correct? If it is correct, what are the restrictions and conditions which govern the use of other capital city airports, such as Essendon, Kingsford-Smith, Llanherne and Adelaide?

**Senator PALTRIDGE.**—I am pleased to be able to tell the honorable senator that an alert department noticed the same press

report as he has apparently noticed, and furnished me with some material that may be of use to the honorable senator. I have been advised that, of all the aircraft that are visiting Australia for the Olympic Games, the French-built "Armagnacs" to which the honorable senator referred is the only type that presents any runway difficulties. That is because the "Armagnacs" has a unique undercarriage design, with small wheels and small high-pressure tires, making the wheel loading greater on impact than that of any other type of big aircraft. The runways at Brisbane are, at present, under construction; but the "Armagnacs" will be able to land at Darwin, Sydney, Adelaide and Melbourne airports.

**CREDIT RESTRICTIONS.**

**Senator ASHLEY.**—Is the Leader of the Government in the Senate aware that the policy of credit restriction that has been forced upon the trading banks by the Government is playing right into the hands of hire-purchase companies, which are unrestricted in their lending? Does he know that this situation encourages profiteering and high interest rates? Finally, can the Minister inform the Senate whether the recent conference between the Prime Minister and the bankers reached any agreement that will help to reduce the burden of the workers, who have been forced to pay high interest rates to hire-purchase firms in connexion with their purchases of domestic goods?

**Senator O'SULLIVAN.**—I am sure that the honorable senator is aware that the Commonwealth cannot legislate in regard to the transactions of hire-purchase companies, or control the rate of interest charged by them. I suggest that he direct his energies in this regard towards the Premier of the State from which he comes.

**JET AIRCRAFT FOR PASSENGER SERVICES.**

**Senator SCOTT.**—I preface a question to the Minister for Civil Aviation by stating that I understand that the British Overseas Airways Corporation has ordered jet aircraft capable of speeds averaging more than 550 miles an hour, for its passenger service on external air routes. In view of the long distances between the capital cities of Australia, does the Minister consider that

that type of aircraft would be suitable for our internal airlines?

**Senator PALTRIDGE.**—The honorable senator will appreciate that only a couple of hours have elapsed since I was sworn in as Minister for Civil Aviation. I have not yet had an opportunity to examine all of the data that it would be necessary for me to consider before I could make a pronouncement on such a momentous issue. If Senator Scott asks me a similar question in two or three months' time, I might be in a position to answer it.

**POSTAL DEPARTMENT.**

**Senator KENNELLY** asked the Postmaster-General, upon notice—

1. What was the overall profit or loss of the Postmaster-General's Department for the year ended 30th June, 1956; and

2. What were the profits or losses on individual services in the Postal Branch for 1955-56, tabulated in a manner similar to that in which the figures for 1951-52 are set out on page 40 of the Twelfth Report of the Public Accounts Committee?

**Senator COOPER.**—The Postmaster-General has furnished the following answer:—

1. The commercial profit and loss results for the financial year 1955-56 are not yet available, as their compilation involves the examination of a great deal of statistical information covering the whole of the activities of the department throughout the Commonwealth. When the results are known, they will be published in my annual report for the financial year concerned, which will be presented to the Parliament as soon as possible.

2. With regard to the break-up of the Postal result under individual items of service, this, also is not available. Apart from the fact that the overall 1955-56 trading results are not yet known, the department does not maintain continuous records of the nature necessary to provide this information. Accurate dissection of the profit or loss on the handling of any particular type of mail matter would be costly and, indeed, impracticable because of the great variety of conditions under which postal articles are dealt with in Mail Branches, at thousands of post offices, and by road mail contractors, and the fact that they receive common handling through most stages. The continuous segregation of costs in such a way would involve an enormous amount of time and money, which would not be justified by the information thus obtained, particularly as the final results could only be regarded as tentative. During 1951-52, sample studies were performed which enabled information of an approximate basis to be provided for the Joint Committee of Public Accounts, showing the broad picture in regard to the details of postal operations. No similar sample studies have been carried out since that date, and figures on the basis shown in the Twelfth Report of the Public Accounts Committee are not available.

be respected and in the integrity of the governments of which full confidence can be had.

Having said that, let us examine the list of countries with which Australia, at present, has extradition treaties. It is significant that the Australian extradition act is only a very small act; it contains hardly any provisions. Australia relies mostly on the English extradition act and the treaties made by Great Britain with various countries, and we honour those treaties. Apart from the British Commonwealth countries, the Australian Government recognizes treaties with the following States, under which the countries concerned are entitled to requisition for extradition:—Albania, Argentina, Belgium, Bolivia, Chile, Czechoslovakia, Denmark, Ecuador, El Salvador, Estonia, Finland, France, Greece, Guatemala, Haiti, Hungary, Iceland, Iraq, Italy, Latvia, Liberia, Lithuania, Luxembourg, Mexico, Monaco, Netherlands, Nicaragua, Norway, Panama, Paraguay, Peru, Poland, Portugal, Roumania, San Marino, Spain, Switzerland, Thailand, the United States of America, Uruguay, and Yugoslavia. Australia, therefore, at present has extradition arrangements, not only with Yugoslavia, but also with Albania, Czechoslovakia, Hungary, Poland and Roumania. It is true that the treaties were concluded when those countries were not under Communist control, but the Australian Government has taken no action to modify or terminate them. Therefore, we should look at them with great care. The position under international law is such that extradition arrangements should be entered into with only those States whose legal institutions are worthy of respect, and in the integrity of whose government it is possible to have confidence.

I propose to cite some examples of the law, and to quote the utterances of members of the judiciary in the various countries I have mentioned. The character of the law and of legal administration in Communist States is probably best indicated by an oft-quoted passage from the famous Russian legal text-book, "A Course in Criminal Procedure", published in 1936 by Vyshinsky and Undrevich. They wrote—

There is no contradiction between revolutionary legality and the suppression of class enemies. The task of revolutionary legality is so to organize

summary justice and the suppression of class enemies that the courts, under the dictatorship of the proletariat are turned into an unerring weapon against the class enemies, pitilessly suppressing them and mercilessly dispensing justice.

The courts are not seen as independent by Communist legal theorists. As a writer in the "Czechoslovakian Law Review" wrote—

To-day our judiciary must lead the anti-capitalist, the fight against the remnants of the defeated ruling class which tries desperately to save whatever can still be salvaged.

It has been repeatedly emphasized by Communist lawyers that the courts and the judiciary in Communist States cannot stand aside from political matters, nor can they be impartial in the administration of justice. A member of the office of the Czechoslovakian Prosecutor-General pledged in a broadcast—

... a daily fight against the village rich, the humiliation and expulsion from the economic and political positions in the villages as the guiding principle for the work of the judiciary.

One of the clearest statements of the function of the judicial system in a Communist country is to be found in a recent publication by Professor Golyakov, a recognized Soviet authority. This is what he says—

The court as an organ of State power cannot stand aside from politics. In its decisions it has always carried out and continued to carry out the policy of the ruling class. The work of the court is itself political work.

It is possible to quote a number of similar statements by leading Communist lawyers stressing the fact that in Communist countries the judicial system is part of the administrative structure, and that Communist courts are not, and do not claim to be, impartial. In most cases, the purpose of the court is merely to carry out executive decisions. Consequently, it can be said that there is no guarantee, and very little likelihood, that a person extradited to one of the Communist countries with which Australia has extradition arrangements, would be given a fair trial by an impartial tribunal. If the individual is of sufficient importance to the executive for it to apply for his extradition, then there can be no doubt that the function of the court will be merely to give judicial effect to whatever the executive may decide in respect of him. In addition, there can be little hope that the person extradited would be allowed proper legal

representation. The Czechoslovakian Minister for Justice, Dr. Rais, outlined the function of defence counsel on 12th June, 1952, when he said—

Counsel must not follow blindly his client's own selfish interests. He must not try always and at any price to save his client. The attorney has to keep in mind the higher interest of the people—to defend and strengthen the socialist community.

As the "Bulletin of the International Commission of Jurists" concluded—

Within this straitjacket, the activities of the defence are limited to the support of the state's to propogandistic utterances, and, at the best to a meek presentation of such alleviating circumstances as describing the client as a mental case, blaming influences of his bourgeois environment, praising his "Complete spontaneous confessions", and claiming credit for him for the free denunciation of his own defendants.

Even if the extradited person were to be given a fair and just trial, the nature of the punishments that can be inflicted are such that no civilized State could allow extradition to a Communist country. We know that the economic system of Russia is such that it is dependent greatly on its slave camps, most of which, as set forth in a memorandum by the International League for the Rights of Man, are situated in or near industrial and mining centres. It seems to be beyond doubt that economic reasons determine the extent and use of slave labour, and from reports of refugees who have passed through some of these camps, we may safely estimate that about 80 per cent. of the prisoners in the camps are political prisoners.

After careful consideration of the evidence at present available on the nature of the legal system in Communist countries, and the fact that the Communist governments have, by their attitude to international obligations, including questions of extradition, shown that no confidence can be placed in their integrity, it must be concluded that the essential prerequisites of extradition arrangements do not exist in the case of Communist countries. On that account, I believe that Australia should terminate its extradition treaties with those countries that I have mentioned. In dealing with this subject, I have concentrated mostly on Communist countries. It is my firm belief that extradition treaties with them should be terminated, and that no further extradition treaties should be made with Communist countries, for the reasons I have enunciated.

I shall not deal to-day with the other matter relating to extradition so far as Australia itself is concerned. That is a matter for thorough investigation by lawyers, by the Attorney-General and others, but it certainly needs urgent consideration. I have just spoken about Communist countries. I do not say that our treaties with certain other countries should be terminated, but, because we have not complete faith in their methods of Government, I suggest it is essential that we write certain safeguards into our extradition laws. I refer to such countries as Spain and Argentina.

The committee to which I have referred has made certain excellent recommendations in this direction which might well be adopted in the extradition laws of this country. The first recommendation is that upon any application for extradition the accused shall have the right to raise the question whether, if extradition is granted, his trial in the foreign State will be conducted in accordance with the requirements of natural justice; that is, that he will be openly charged, that he will be tried by an independent judicial tribunal, and that he will be given adequate opportunity for his representation and defence. The second recommendation is that if, upon such question being raised, it appears to the court that there is a reasonable doubt as to these matters, it shall inquire into them, and for that purpose may inform itself in such manner as it deems proper. The third recommendation is that no order shall be made unless the court is satisfied that the trial of the accused in the foreign State either will be conducted, or has been conducted in accordance with the foregoing requirements. The fourth recommendation is that no order shall in any case be made unless the court is satisfied that the offence in respect of which extradition is sought is not a political offence. The committee suggests that in this regard, the exception in favour of political offenders should be extended to include treason, sedition and espionage, whether committed by one or more persons, and that it should also include any offence directed against the governmental system of the requisitioning State, and any offence directed towards escaping from the territory or control of the requisitioning State but not other offences having a political objective. The committee also states that in this regard, too, the court must

be at liberty to hear evidence as to the real, as distinct from the admitted, motive for extradition and to examine the bona fides of the request for extradition. In conclusion, the committee states that with these amendments to the existing law full protection will be assured against the misuse of the process of extradition, the onus being placed on the requisitioning State in cases in which the question is raised to establish the bona fides of its application and the integrity of its judicial system.

Finally, it is felt that the incorporation in our law of firm guarantees protecting the fundamental rights of all who seek refuge within our shores will contribute in no small measure to a sound restoration of the whole fabric of the international law of extradition. To-day, that fabric has all but lost its texture. Its delicate and noble design has almost faded from sight. Abuse and misuse have rent it. Fear and mistrust have worn it thin. Subtle and powerful forces are at work which would tear down and destroy the last vestiges of human dignity, and the asylum which we owe to all true political fugitives is under fire from those who would crush every basic human right and pursue their foes to the ends of the earth.

**The DEPUTY PRESIDENT (Senator the Hon. A. D. Reid).**—Order! The honorable senator's time has expired.

**Senator O'SULLIVAN** (Queensland—Vice-President of the Executive Council and Attorney-General) [4.0].—The question raised by Senator Cole is one of great human interest. Among the million and more immigrants who have arrived in Australia since the end of World War II., there are probably tens of thousands who have come here as refugees from tyranny and oppression. They have sought here in our free land a haven of refuge from the terrors that haunted them in their home lands. This Government is not unmindful of the fears and misgivings of these new citizens. The Prime Minister (Mr. Menzies), the Minister for Labour and National Service (Mr. Harold Holt), when he was Minister for Immigration, and the Minister for External Affairs (Mr. Casey) have each in turn made it abundantly clear that there is no real ground for or substance in their fears and that their rights and liberty shall be jealously guarded by the Government.

The treaties to which Australia is a party and with which we are, in the motion, concerned are those with Albania, Czechoslovakia, Hungary, Poland, Roumania, San Marino and Yugoslavia. Most of these treaties were concluded with those countries before World War II. Broadly speaking, each treaty specifies offences in respect of which extradition may be sought by, either party. At the same time, each treaty either gives to each party discretion if it is asked to surrender its own nationals, or, alternatively, provides that it shall not surrender its own subjects. Each treaty also provides for the protection of persons where extradition is sought on political grounds.

I should mention that the Imperial Extradition Act 1870-1932, the provisions of which have been adopted by Australia, also deals with the question of surrender in respect of offences regarded as having a political character. The act expressly forbids surrender if the offence on which extradition is sought is of a political character, or if the request for surrender is made with a view to trying or punishing a person for an offence of a political character. There are, therefore, two broad grounds on which discretion may be exercised if a request is made for extradition. The first is if the offence is of a political character or if the person concerned proves that his surrender has been sought with a view to trying or punishing him for an offence of a political character. The second is if the person is a national of the country which is asked to extradite him. It will be noted, as I have mentioned already, that some treaties expressly forbid surrender of one's own nationals.

The Government is not unaware that some unease is felt by immigrants to Australia in regard to their position under these treaties, and it earlier examined carefully whether their apprehensions were, in fact, justified. The Government is satisfied that no action prejudicial to the rights of the immigrant country will in fact be taken. At the same time, the Government is examining whether any further steps of a more formal nature are required. Honorable senators will recall that this matter has been the subject of emphatic public statements and assurances by the Prime Minister and the Minister for Immigration over the past few months which should, I think, have allayed any fears on the part

of the immigrant community. The Prime Minister stated on 13th April last—

The Government's view is that whether or not a person living in Australia is an Australian citizen, it will exercise its discretion under the Extradition Acts and will not grant extradition unless it is thoroughly satisfied that such a move is not being sought for political purposes.

The Extradition Treaties which Australia has with Eastern European countries date back for many years. They were entered into under entirely different circumstances and atmosphere from those which exist to-day.

Under present circumstances the Australian Government has to be convinced before agreeing to extradition that the application from Eastern European countries is bona fide and not a pretext to obtain custody of an individual for other purposes.

In this approach there must be no element of doubt. The Commonwealth has undertaken immense responsibility for the million or more Australians who have passed the rigid screening of its Immigration officials overseas. It will be vigilant in this responsibility. . . .

The question of reviewing these treaties is a complex matter and involves a study of the whole system of extradition, not merely in relation to the group of countries mentioned, but generally. Substantial considerations and many factors are involved. I am sure that honorable senators will agree with me, having regard to the consideration which the Government is at present giving to the problem, that it would be inappropriate to enter into a public discussion at this stage of any future formal steps in respect of the treaties. In its examination of this subject the Government will take full cognizance of the report of the Foreign Affairs Committee. I have much pleasure in laying that report on the table of the Senate. The Government has given earnest and careful consideration to the subject-matter of Senator Cole's resolution.

**Senator McKENNA** (Tasmania—Leader of the Opposition) [4.7].—Earlier this afternoon I rose, with a number of my colleagues, in order to indicate that we acknowledged the importance and interest of the matter raised by Senator Cole. We recognized that there were fundamental human freedoms in the matter that he projected into the discussion. I believe that all of us in recent years have been horrified by reports, which have reached us from behind the iron curtain, of trials in various Communist-controlled countries that really made a mockery of justice, where the rule of law was abrogated, where there was an

amazing regularity of what purported to be voluntary confessions and were in fact extortions, and where there was political direction of tribunals—in short, where not only the principles of natural justice adverted to by Senator Cole were thrown into discard but also the rule of law as we understand it in British countries was completely abrogated.

The matter of extradition is not easy for the people to understand, or, indeed, for any one to understand, as the Attorney-General (Senator O'Sullivan) has indicated. I agree with him that the rejection of extradition treaties that we have entered into can carry with it some real dangers. I am sure, although the Attorney-General did not advert to them specifically, he had at least one danger in mind, that is that an extradition treaty does not operate unilaterally—it affects both countries involved. If we throw completely overboard an extradition treaty with another country then, in effect, we create a haven in that country for any of our own fugitive criminals who may seek sanctuary there. Therefore, we have a vital concern in proper extradition treaties.

There is no doubt that, constitutionally, we have the power to legislate. Our immigration power helps us and our power relating to the influx of criminals and our external affairs power all tend to give to this Parliament complete power in the matter of extradition. In 1903 we adopted the English Extradition Act of 1870; and amendments made to it since then have also been adopted by us. The Australian legislation is exceedingly sketchy, but it does project the Governor-General of Australia into the position where, when an approach is made from another country for the extradition of one of its nationals who is an alleged fugitive from that country's justice, it is for the Governor-General to determine whether he shall order a judicial officer to inquire into the matter to ascertain whether a prima facie case is available before that officer makes any order for extradition. The English legislation that has been adopted by us provides that no man can be extradited for a political offence. That provision gives extraordinarily wide cover, and perhaps some honorable senators may be shocked to learn that it protects a man who, in effect, has committed murder. In that connexion I refer to a headnote to be found

at page 49, volume 1, 1891 Queen's Bench, Division Law reports. That matter refers to a disturbance in Switzerland and the headnote reads—

By the Extradition Act, 1870 (33 & 34 Vict. c. 52), s. 3 (1), "A fugitive criminal shall not be surrendered if the offence in respect of which his surrender is demanded is one of a political character".

Held, that the true meaning of this expression is that suggested in Sir James Stephen's History of the Criminal Law, vol. ii., p. 71, and therefore that to bring an offence within the meaning of the words "of a political character," it must be incidental to and form part of political disturbances.

A number of the citizens of one of the cantons of the Swiss Republic, being dissatisfied with the administration of the government of the canton, rose against the Government, arrested several members of the Government, seized the arsenal, from which they provided themselves with arms, attacked, broke open, and took forcible possession of, the municipal palace, disarmed the gendarmes, imprisoned some members of the Government, and established a provisional government. On entering the municipal palace the prisoner, who had taken an active part in the disturbance throughout, shot with a revolver and killed a member of the Government. He escaped to England, where he was arrested and committed for extradition on a charge of murder.

On a motion for habeas corpus:—

Held, that the offence which the prisoner had committed was incidental to and formed a part of political disturbances, and therefore was an offence of a political character within the meaning of the statute, and the prisoner could not be surrendered, but was entitled to be discharged from custody.

The decision of a magistrate, who commits a prisoner for extradition, that the offence charged is not of a political character, is subject to review by the Court on an application for habeas corpus.

The other case to which I desire to refer relates to certain anarchists who are engaged in a rather desperate action. The reference may be found at page 415, Volume 2; 1894 Queen's Bench Division law reports. The outrage was committed at a café and certain barracks; and there were certain explosions which injured people. It was held in this case—

... that the outrage at the barracks was not an offence of a political character, within the meaning of s. 3, sub-s. 1, of the Extradition Act, 1870 for to constitute a political offence there must be two or more parties in the State, each seeking to impose the government of their own choice on the other, which was not the case with regard to anarchist crimes, and therefore the prisoner was liable to extradition.

There are many safeguards under the extradition legislation for a person who is in our own country. First, an application

from the foreign country is screened by the Governor-General or his delegate. That involves a recommendation for the Executive Council or the Government, either here or in the States. That applies, even if a magistrate holds that a prima facie case has been made out, and that the offence alleged is not a political one. The individual has the right to go to the superior courts of our land. Where the Governor-General feels satisfied—and he would act on the advice of his Ministers—that the offence is political, or the man is sought primarily for a political purpose, to be punished in connexion with a political offence, he has the right, even after the decision of a magistrate committing the man to custody, to order his release.

Very great fear was projected into the minds of many new Australians as a result of the Rancic case. It was rather interesting that the whole trend of proceedings through diplomatic sources was set in train before the man became a naturalized Australian. It was only after the proceedings had been initiated that he became an Australian citizen. The case created great interest in this country and, I repeat, raised a great fear in the minds of some of our nationals. I do not think it was fully justified, because there is ample protection for them under treaties and under the law.

It is interesting to note that the terms of a specific treaty made with another country under the Extradition Act can, in fact, override the provision of the act, so that, when we address our minds to a consideration of a resolution of this kind, it is essential to look at every treaty and every term of it. I would not subscribe, without the closest examination of each of the treaties, to a proposition which might be expressed by saying, "Let us abrogate them all"; that is, to substitute for some law, no law; to avoid all regulation in a matter which, though it arises only rarely, is of great importance, involving as it does the personal freedom of individuals.

On 13th April last, Mr. Holt, as well as the Prime Minister (Mr. Menzies), indicated that the Government was examining all treaties with the Communist-controlled countries, and, only last week, the Minister for External Affairs (Mr. Casey) indicated in the House of Representatives that he, the Attorney-General (Senator O'Sullivan),

and the Minister for Immigration (Mr. Townley) were still conferring about the matter. I point out to the Senate that that was six months ago, and no conclusions yet appear to have been reached by the Government. I was very interested to hear the Minister indicate that, as he spoke, he was laying on the table of the Senate the report of the Joint Committee on Foreign Affairs dealing with this very important matter of extradition. It is a pity that that was not immediately available for our consideration during the course of this debate. I look forward to perusing it with interest in the very near future, and I think it will be acknowledged that, whilst I am glad that the debate has been initiated, and whilst I recognize its importance, this is not a proper occasion to debate a matter of the scope and importance of this subject.

I suggest to the Senate that it might be better if, on a matter of this kind, which is without party significance, but which concerns elementary human freedom, we appointed a joint committee of both Houses of the Parliament, and representative of all parties, to consider it. I say with confidence, although I have had no opportunity to consult my party on the matter, that it would not hesitate to play its part on such a committee.

If the present Foreign Affairs Committee has addressed its mind to this matter, it will have recognized the difficulties, and the need for considering the exact terms of each treaty. It would know all the dangers of having no extradition treaties. The statement of Senator Cole, when he laid down the conditions that might apply to extradition treaties, was quite impeccable. The trouble with our law is that prosecutions and proceedings under the treaties have arisen only very rarely. They generally arise in respect of some unworthy person in regard to whom no political or international issues are involved, so that the extradition law does not attract to itself the fierce searchlight of publicity that was turned on the Rancic case. Not all countries are prepared to participate in extradition treaties with the rest of the world. France, for instance, positively refuses to extradite anybody from its territory. It is prepared to deal, on its own territory, with persons accused of crimes committed abroad. So, there is no broad rule in relation to the whole matter.

I think that it has been useful to raise this subject, and to project a public discussion on it, not only to stimulate the Government into more speed in looking at the treaties which, six months ago, it indicated would be looked over, but above all to relieve the minds of new Australians. I think they could be assured that the whole of the population of Australia would react most strongly against any proposal to extradite them to their former countries on charges arising out of their political activities in those countries, irrespective of whether or not they are now naturalized Australians. That became fully apparent through the Rancic case in April last. So that, I think the motion has done some good, even if it does no more than to speed the Government's consideration of these treaties, which have been unchanged down many decades. Some—probably most—came into operation under British legislation and, in fact, were functioning even before the Commonwealth of Australia came into being on 1st January, 1901.

**The DEPUTY PRESIDENT.**—Order! the honorable senator's time has expired.

**Senator COLE** (Tasmania—Leader of the Anti-Communist Labour party) [4.22].—in reply—The Leader of the Government in this chamber (Senator O'Sullivan) mentioned that the Prime Minister (Mr. Menzies) and the Minister for Labour and National Service (Mr. Harold Holt), when Minister for Immigration, gave an assurance that they would not permit the extradition of any persons to a Communist country. That being so, why do we need to continue extradition treaties with countries such as Hungary and Poland?

**Senator O'Sullivan.**—There was a reservation that we would not extradite them for political offences.

**Senator Vincent.**—Those countries might cease to be Communist-controlled.

**Senator COLE.**—I hope that the Communist control over them does end. With the reservation that has been mentioned by Senator O'Sullivan, it was stated that we would not extradite anybody to Communist countries. As I have said, in that event we do not need treaties, and that is why I have asked that they be abrogated.

I do not mean that we should abrogate all extradition treaties. I referred specifically to Communist countries, and other countries which are suspect in this connexion, such as Spain and Argentina. In the interest of the preservation of human rights, I consider that the Australian law should be amended to ensure that justice is done to any person whose extradition is sought by another country. Speed is essential in this matter. As the Leader of the Opposition (Senator McKenna) has mentioned, the Government has been talking about doing something in this connexion for the last six months. Under the British Extradition Act of 1870, up to twelve months' notice of intention to apply for extradition has to be given; in practice, usually six months' notice is given. In these circumstances, the sooner we abrogate our extradition treaties with Communist countries, the better. Speed is essential at the present moment. It may well have been that if I had not brought forward this motion to-day, the report of the Foreign Affairs Committee on extradition treaties might not have been tabled for several months. As the report has now been presented to both Houses of the Parliament, I have at least gained for honorable senators an opportunity to study the work the Foreign Affairs Committee is doing in regard to extradition treaties. The formation of a select committee, as suggested by the Leader of the Opposition (Senator McKenna) is something on which the Government could act very quickly in this very important matter.

I say, once again, that if the Australian people wish to build up their country by bringing in immigrants from behind the iron curtain who wish to adopt a new way of life, we must be prepared to see that the fears and apprehensions that were created after the Rancic case are dispelled. If the Government will move in that direction, it will be doing a great deal for those people who still wish to come to Australia, but are being turned to other countries because of the fear that as soon as they arrive in Australia they may be returned on extradition behind the iron curtain. As the purpose of the motion has been served, namely to permit a debate on a matter of great urgency, concerning which I hope the Government will act speedily, I ask leave to withdraw the motion.

Leave granted.

### FOOD RESEARCH LABORATORY BUILDINGS, NORTH RYDE.

#### Report of Public Works Committee.

Senator O'BYRNE.—I present the report of the Public Works Committee on the following subject:—

Erection of food research laboratory buildings at North Ryde, New South Wales.

Ordered to be printed.

### MINISTERIAL ARRANGEMENTS.

Senator O'SULLIVAN.—by leave—During the absence of the Minister for External Affairs the Minister for Defence will act for him, and the Minister for Primary Industry will administer the Commonwealth Scientific and Industrial Research Organization.

I desire to announce to the Senate that His Excellency the Governor-General has this day accepted the advice of the Prime Minister on the reallocation of portfolios recently announced by him and has sworn in Senator Henty as Minister for Customs and Excise, and the other Ministers affected by the reallocation.

Representation of Ministers in the two Houses will henceforth be as follows:—

In the House of Representatives the Prime Minister will represent the Attorney-General; the Minister for Immigration will represent the Minister for Shipping and Transport and Civil Aviation; the Minister for Supply will represent the Minister for National Development, with the exception of the War Service Homes Division; the Minister for Social Services will represent the War Service Homes Division; the Minister for Health will represent the Minister for Repatriation; and the Minister for Air will represent the Minister for Customs and Excise.

In the Senate I will represent the Prime Minister; the Minister for External Affairs, the Minister in Charge of the Commonwealth Scientific and Industrial Research Organization and the Minister for Defence; Senator Spooner will represent the Treasurer, the Minister for Labour and National Service, the Minister for Trade, the Minister for the Army, the Minister for Works and the Minister for Social Services; Senator Cooper will represent the Minister for Territories, the Minister for Health and the Postmaster-General; Senator

Paltridge will represent the Minister for Supply and Minister for Defence Production, the Minister for Primary Industry and the Minister for Air; and Senator Henty will represent the Minister for Immigration, the Minister for the Navy and the Minister for the Interior.

#### FOREIGN AFFAIRS COMMITTEE.

Senator O'SULLIVAN.—I lay on the table the following paper:—

Report from the Joint Committee on Foreign Affairs relating to Extradition.

#### COMMONWEALTH GRANTS COMMISSION.

##### Twenty-third Report.

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

Commonwealth Grants Commission Act—  
Twenty-third Report of the Commonwealth Grants Commission (1956).

The recommendations contained in the report will be adopted by the Government and the enabling legislation will be introduced in the House of Representatives to-day. Copies of the report will be available for honorable senators later to-day.

#### PRINTING COMMITTEE.

Senator BUTTFIELD.—I present the fourth report of the Printing Committee.  
Report—by leave—adopted.

#### CUSTOMS TARIFF BILL (No. 4) 1956.

Bill received from the House of Representatives.

Standing orders suspended.

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

##### Second Reading.

Senator HENTY (Tasmania—Minister for Customs and Excise) [4.34].—I move—

That the bill be now read a second time.

This bill is associated with the Government's 1956-57 budget and its purpose is to give effect, insofar as imported cathode ray tubes are concerned, to the Government's decision to apply a duty of £7 each on all cathode ray tubes as used in television receiving sets. The application of this duty to locally produced cathode ray tubes will form the subject of a separate bill. Prior to the Government's decision in

this matter, television cathode ray tubes imported into Australia were for all practical purposes, free of duty when entitled to entry under the British preferential tariff and dutiable at 12½ per cent. ad valorem when not qualifying for preferential tariff treatment. The comparative statement which has been circulated to honorable senators shows in detail the tariff changes which this bill is designed to effect.

In establishing the national television service the Government is committed to considerable expenditure. This year, with the two stations in Sydney and Melbourne coming into operation before Christmas, it is estimated that operating costs will be in the vicinity of £1,036,000. In addition to this, capital expenditure for the year is estimated at a further £1,830,000. It is expected that the viewer's licence-fee will yield only about £150,000 during 1956-57, and, in order to reduce the call on the budget for the national television service, the Government has decided to impose a customs or excise duty, as the case may be, on the cathode ray tube with which each television receiving set is fitted. The revenue which the proposed duties will return this year is estimated at £210,000.

Debate (on motion by Senator Kennelly) adjourned.

#### EXCISE TARIFF BILL (No. 3) 1956.

Bill received from the House of Representatives.

Standing Orders suspended.

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

##### Second Reading.

Senator HENTY (Tasmania—Minister for Customs and Excise) [4.38].—I move—

That the bill be now read a second time.

This bill is complementary to the Customs Tariff Bill (No. 4) 1956, and, as I intimated to the Senate when speaking on that bill, gives effect to the Government's decision to apply an excise duty of £7 on each television cathode ray tube produced in Australia. I have already explained to honorable senators the reasons which prompted the Government's action, and I feel that they would not wish me to cover that ground again.

Debate (on motion by Senator Kennelly) adjourned.

**SUPERANNUATION BILL (No. 2) 1956.**

Bill received from the House of Representatives.

Standing Orders suspended.

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

**Second Reading.**

Senator SPOONER (New South Wales—Minister for National Development) [4.40].

—I move—

That the bill be now read a second time.

This bill has for its purpose amendment of the Superannuation Act 1922-1956. There are four principal amendments; three arise from the sixth quinquennial investigation of the Superannuation Fund as at 30th June, 1952. The Commonwealth Actuary's report has been tabled in the Senate and, in accordance with his recommendations, certain increases in pensions to officers retiring after that date for which they were contributing to the fund are being granted. That part of the cost of such additional pensions, which has temporarily been borne by the Commonwealth, will be met from the resources of the fund in accordance with the conclusion of the Commonwealth Actuary.

Section 11A of the act provides for the payment to the fund from Consolidated Revenue of the amounts necessary to maintain an average rate of interest of 3½ per cent. on the assets of the fund. The decision of the Government, taken in 1947, to grant this assistance was conditional upon any surplus disclosed at a quinquennial valuation being used to repay it. The drafting of the existing section is defective, and does not conform to that decision; the amendment will provide for the amount of any Commonwealth subsidy to be repaid to the Commonwealth from a surplus.

The other principal amendment provides for continued contributions to the fund by temporary employees. The effect of the act, as now drafted, is that if an employee moves from one position in the Commonwealth to another, even without a break of continuity, he is disqualified from further contributing to the fund, at least for another period of three years. This was not the intention when provision was made for temporary employees to contribute to the fund and the purpose of the amendment is to ensure that employees preserving their

continuity of service will not be disqualified from contributing to the fund.

The other amendments are of a drafting nature, details of which I propose to explain in committee.

Debate (on motion by Senator Critchley) adjourned.

**LOANS SECURITIES BILL 1956.**

Bill received from the House of Representatives.

Standing Orders suspended.

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

**Second Reading.**

Senator SPOONER (New South Wales—Minister for National Development) [4.43].

—I move—

That the bill be now read a second time.

The purpose of this bill is to amend our present borrowing legislation in two respects which are relevant to overseas borrowing. In some recent overseas borrowings, it has been necessary to obtain an order in council authorizing the borrowing before the terms have been finally settled with the underwriters. This order has specified the limits approved by the Government and the Australian Loan Council as to the terms and conditions to which the Treasurer, or his authorized representative, is permitted to go. It is proposed in future to adopt a more flexible procedure under which an authority would be obtained from the Governor-General to borrow a specified sum of money on terms and conditions to be determined by the Governor-General or the Treasurer. This procedure would make it unnecessary for the negotiating limits to be set out in the order in council itself. These limits would, of course, still have to be approved in the first instance by the Government and by the Australian Loan Council as provided in the Financial Agreement.

The view may be taken that the existing legislation does not provide sufficient authority for this form of approval and it is, therefore, proposed in clause 3 of the bill now before the Senate to repeal the existing section 3 of the Loans Securities Act and to replace it with a new section. The proposed new section provides that the

Governor-General shall determine the amount to be borrowed and may determine or authorize the Treasurer to determine the terms and conditions of the borrowing.

The second proposed amendment to the Loans Securities Act relates to the currency in which moneys may be borrowed. There is no doubt that borrowings in a foreign currency may be made pursuant to the Financial Agreement, and that the Australian Loan Council may authorize loans to be raised in foreign currency. However, where the Commonwealth has borrowed moneys for its own use or for the use of itself and the States, the borrowing has invariably had the authority of statute, in addition to that of the Financial Agreement. In some cases, specific legislative authority is sought for borrowing in a foreign currency. A Commonwealth borrowing in Canada, last year, for example, was covered by the Loan (Canadian Dollars) Act 1955. However, legislation specifically authorizing a borrowing overseas is not always sought. Where, for example, an existing act authorizes the borrowing of a sum sufficient to cover the amount of any particular borrowing—whether local or overseas—the Commonwealth may rely on the Act, as it did on the Loan Housing Act 1955 in connexion with the recent Commonwealth-State borrowing of 25,000,000 dollars in New York. That act does not contain an explicit reference to borrowing in a foreign currency, nor is there any such explicit reference to overseas borrowings in other statutes, such as the Commonwealth Inscribed Stock Act 1911-1946 or the Loans Securities Act 1919, which may be regarded as links in the chain of statutory authority for an overseas borrowing.

Commonwealth governments have borrowed overseas for many years, and there has never been any doubt that, if the Parliament authorizes the borrowing of any sum of money, then that amount may be borrowed either in Australian or in foreign currency. Indeed, the Government has been advised strongly to this effect on more than one occasion. In a recent New Zealand case before the Privy Council, however, the suggestion was made in argument, but not decided, that the relevant New Zealand law—which was in terms similar to Australian loan acts, and made

no reference to borrowing in foreign currency—might not authorize borrowing in other than New Zealand currency. Although, as I have said, there seems to be no room for doubt on this matter, it is clearly desirable to put the matter beyond question and so avoid any possibility of argument on the point in connexion with any future loan. Accordingly, it is proposed to insert in the Loans Securities Act a provision to the effect that, whenever a borrowing is authorized by the Parliament, the borrowing may be made in any currency authorized by the Governor-General. I commend the bill to honorable senators.

Debate (on motion by Senator McKenna) adjourned.

#### APPROPRIATION BILL 1956-57.

##### Declaration of Urgency.

Senator SPOONER (New South Wales—Minister for National Development) [4.49].—I declare that the Appropriation Bill 1956-57 is an urgent bill.

Question put—

That the bill be considered an urgent bill.

The Senate divided.

(The President—Senator the Hon. A. M. McMullin.)

Ayes	..	..	..	29
Noes	..	..	..	26
Majority	..	..	..	3

#### AYES.

Anderson, K. M.	Pearson, R. W.
Buttfield, N. E.	Reid, A. D.
Cooper, W. J.	Robertson, A. R.
Gorton, J. G.	Scott, M. F.
Hannaford, D. G.	Seward, H. S.
Hannan, G. C.	Spooner, W. H.
Henty, N. H. D.	Vincent, V. S.
Kendall, R.	Wade, H. W.
Laight, K. A.	Wardlaw, R.
McCallum, J. A.	Wedgwood, I. B.
McMullin, A. M.	Wood, I. A. C.
Maher, E. B.	Wordsworth, R. H.
Mattner, E. W.	Wright, R. C.
O'Sullivan, N.	Teller:
Paltridge, S. D.	Rankin, Annabelle

#### NOES.

Amour, S. K.	Kennelly, P. J.
Armstrong, J. I.	McKenna, N. E.
Arnold, J. J.	McManus, F. P.
Ashley, W. F.	Nicholls, T. M.
Benn, A. M.	O'Byrne, J. H.
Brown, G.	O'Flaherty, S. W.
Byrne, C. B.	Poke, A. G.
Cameron, D.	Ryan, J. V.
Cole, G. R.	Sheehan, J. M.
Cooke, J. A.	Toohy, J. P.
Courtice, B.	Wiltse, D. R.
Grant, D. M.	Teller:
Harris, J.	Critchley, J. O.
Hendrickson, A.	

Question so resolved in the affirmative.

## Allotment of Time.

**Senator SPOONER** (New South Wales—Minister for National Development) [4.53].

—I move—

That the time allotted for the consideration of the bill be as follows:—

- (a) For the committee stage of the bill—until 10.20 p.m., Thursday, 25th October.
- (b) For the remaining stages of the bill—until 10.25 p.m., Thursday, 25th October.

I am sure honorable senators will agree that to allot the proposed amount of time for consideration of the remainder of the bill is not in any way treating the Senate in a cavalier fashion. The Government proposes that the remainder of to-day's sitting and all three sessions of to-morrow's sitting should be allotted for the remaining Estimates contained in the schedule to the bill. I suggest with great respect that, in view of previous performances, it is possible that the Senate might not need the time that it has been suggested should be allotted. It is necessary for the Government to know that it will be able to have consideration of the Estimates completed by 10.25 p.m. to-morrow, and for both sides of the Senate to feel that they will be disposed of in an orderly way and that in the last hour we shall not be applying the gag and approving the expenditure of large sums of money. The Estimates must all be passed by to-morrow night, because the Government has Supply only until 31st October. That date is fast approaching. In addition to the Estimates contained in the bill now before the Senate, honorable senators will see on the notice-paper other measures of a similar character. The Appropriation (Works and Services) Bill 1956-57 relates to substantial sums of money, and there are also two supplementary appropriation bills, one of which I describe as dealing with the current account and the other with works and services.

When the budget session began, the Government plotted the course of business from day to day, and at the moment the Senate is one full day behind schedule. On past performances it may well be that we could very easily overtake that delay of 24 hours.

**Senator Grant.**—Put Senator Reid in the chair and the bills will be through in five minutes.

**Senator SPOONER.**—Perhaps the business would be dealt with more quickly if Senator Grant decided to go for a cup of tea at a critical moment. To-morrow, 21 bills will be introduced. This approach to the business cannot in any way be regarded as abrupt or discourteous, but merely as an attempt by the Government to have the remaining business of the session dealt with in an orderly fashion. At the committee stage, I shall ask for an alteration of the order of considering the Estimates in order to allow those matters in the charge of Senator Cooper to be dealt with to-night and to-morrow morning, and Senator Paltridge's section to be considered late to-morrow morning, to-morrow afternoon and to-morrow evening.

**Senator McKENNA** (Tasmania—Leader of the Opposition) [4.59].—I oppose the motion on behalf of the Opposition. The Minister (Senator Spooner) overlooked one matter when he indicated that the remainder of to-day, and all of to-morrow, would be available to deal with the remaining Estimates. As happened to-day, the Senate may be presented with an adjournment motion, but not at the instance of the Opposition. That might take some hours to dispose of. Is the Minister prepared to say that he would scotch such a development and assure honorable senators of more time for debate? To-day, we had the spectacle of Ministers giving notice of no fewer than nine bills to be presented to-morrow. In relation to each of those measures, there will be the first and second reading motions and a second-reading speech. The time taken in that procedure will, unquestionably, curtail the time for debating the Estimates to-morrow. In addition, bills may be received on message from the House of Representatives, and that will further interrupt the consideration of the Estimates.

Obviously, the Minister is not accurate in suggesting that the debate on the Estimates will be uninterrupted from now until 10.25 p.m. to-morrow. I rather fear that the programme will be greatly disrupted. It is possible that, if there were no interruptions, the debate on the remaining Estimates would conclude within the time proposed, but I am surprised that the Minister has seen fit to introduce the "guillotine", which, from past experience, he knows is always irritating to an Opposition.

I am making no threats, but I think that proceedings would have gone more sweetly had the "guillotine" not been applied. The Minister has not done it in an orderly way. He has merely fixed a time at which the debate is to conclude. He might have addressed himself to the details of the Estimates that remain to be considered, assessed their importance and allocated the times for their discussion in the remaining two days. Those who are interested in the various departments would then have known in which order they would be dealt with, and have been available for divisions or any other procedure.

**Senator Spooner.**—I propose to do that in committee.

**Senator McKenna.**—The Minister indicated that at the committee stage he would ask for an alteration of the order from that in the list circulated so that Senator Cooper's matters might be taken before Senator Paltridge's. If the Minister did not mean more than that—

**Senator Spooner.**—I did not mean more than that.

**Senator McKenna.**—I did not gain that impression from the Minister's remark, but that may be my fault, or the Minister's. However, if he is prepared to reduce the proposed programme to some kind of order, that ground of objection is no longer tenable. On the broad, general principle, however, I oppose the motion because there is no need for what the Government proposes to do.

Question put—

That the motion (vide page 866) be agreed to.

The Senate divided.

(The President—Senator the Hon. A. M. McMullin.)

Ayes ..	..	..	29
Noes ..	..	..	26
Majority ..	..	..	3

AYES.

- |                  |                   |
|------------------|-------------------|
| Anderson, K. M.  | Pearson, R. W.    |
| Buttfield, N. E. | Reid, A. D.       |
| Cooper, W. J.    | Robertson, A. R.  |
| Gorton, J. G.    | Scott, M. F.      |
| Hannaford, D. C. | Seward, H. S.     |
| Hannan, G. C.    | Spooner, W. H.    |
| Henty, N. H. D.  | Vincent, V. S.    |
| Kendall, R.      | Wade, H. W.       |
| Laught, K. A.    | Wardlaw, R.       |
| McCallum, J. A.  | Wedgwood, I. E.   |
| McMullin, A.     | Wood, I. A. C.    |
| Maher, E. B.     | Wordsworth, R. H. |
| Mattner, E. W.   | Wright, R. C.     |
| O'Sullivan, N.   | Teller:           |
| Paltridge, S. D. | Rankin, Annabelle |

NOES.

- |                  |                   |
|------------------|-------------------|
| Amour, S. K.     | Kennelly, P. J.   |
| Armstrong, J. I. | McKenna, N. E.    |
| Arnold, J. J.    | McManus, F. P.    |
| Ashley, W. P.    | Nicholls, T. M.   |
| Benn, A. M.      | O'Byrne, J. H.    |
| Brown, G.        | O'Flaherty, S. W. |
| Byrne, C. B.     | Poke, A. G.       |
| Cameron, D.      | Ryan, J. V.       |
| Cole, G. R.      | Sheehan, J. M.    |
| Cooke, J. A.     | Toohy, J. P.      |
| Courtice, B.     | Willesee, D. R.   |
| Grant, D. M.     |                   |
| Harris, J.       | Teller:           |
| Hendrickson, A.  | Critchey, J. O.   |

Question so resolved in the affirmative.

**In committee:** Consideration resumed from 23rd October (vide page 847).

Motion (by Senator Spooner) put—

That votes to and including Defence Services—Department of Defence Production, £19,891,000, be postponed until after the consideration of the votes—Department of Health, £1,516,000, to Cocos (Keeling) Islands, £22,600, inclusive—and that the time allotted for the committee stage of the bill be apportioned as follows:—

THE SECOND SCHEDULE.

- Department of Health, £1,516,000;
- Miscellaneous Services—Department of Health, £1,231,000;
- Payments to or for the States, £1,925,000;
- Australian Atomic Energy Commission, £778,000;
- Defence Services—Department of Supply, £15,132,000;
- War and Repatriation Services, £17,306,000;
- Postmaster-General's Department, £87,123,000;
- Broadcasting and Television Services, £6,802,000;—until 10.55 p.m. this day.
- Department of Territories, £234,000;
- Northern Territory, £3,735,000;
- Norfolk Island, £36,000;
- Papua and New Guinea, £9,370,400;
- Cocos (Keeling) Islands, £22,600;—until 12 o'clock midday, Thursday, 25th October.
- Department of the Interior, £4,334,000;
- Miscellaneous Services—Department of the Interior, £90,000;—until 3 p.m., Thursday, 25th October.
- Australian Capital Territory, £2,716,000;
- Defence Services—
- Department of Air, £53,750,000;
- Other Services—
- Civil Defence, £70,000;
- Reconditioning of Marine Salvage Vessels, £18,000;
- Construction of Jetty for Handling of Explosives, £185,000;
- Department of Civil Aviation, £8,747,000;
- Department of Primary Industry, £1,506,000;
- Miscellaneous Services—Department of Primary Industry, £685,000;—until 5.45 p.m., Thursday, 25th October.
- Self-balancing items, £150,000;
- Department of Shipping and Transport, £1,139,000;
- Miscellaneous Services—Department of Shipping and Transport, £2,035,000;

Commonwealth Railways, £3,697,000;  
 Department of Immigration, £1,862,000;  
 Miscellaneous Services—Department of Immi-  
 gration, £8,062,000;  
 Defence Services—Department of Defence Pro-  
 duction, £19,891,000;

—until 10.15 p.m., Thursday, 25th  
 October.

Postponed clauses 3 and 4, the postponed First  
 Schedule and the Title;

—until 10.20 p.m., Thursday, 25th  
 October.

The committee divided.

(The Chairman—Senator the Hon.  
 A. D. Reid.)

Ayes .. .. . 29  
 Noes .. .. . 26

Majority .. .. . 3

AYES.

Anderson, K. M.  
 Buttfield, N. E.  
 Cooper, W. J.  
 Gorton, J. G.  
 Hannaford, D. C.  
 Hannan, G. C.  
 Healy, N. H. D.  
 Kendall, R.  
 Laught, K. A.  
 McCallum, J. A.  
 McMullin, A. M.  
 Maher, E. B.  
 Mattner, E. W.  
 O'Sullivan, N.  
 Patridge, S. D.

Pearson, R. W.  
 Reid, A. D.  
 Robertson, A. R.  
 Scott, M. F.  
 Seward, H. S.  
 Spooner, W. H.  
 Vincent, V. S.  
 Wade, H. W.  
 Wardlaw, R.  
 Wedgwood, I. E.  
 Wood, I. A. C.  
 Wordsworth, R. H.  
 Wright, R. C.

Teller:

Rankin, Annabelle

NOES.

Amour, S. K.  
 Armstrong, J. J.  
 Arnold, J. J.  
 Ashley, W. P.  
 Benn, A. M.  
 Brown, G.  
 Byrne, C. B.  
 Cameron, D.  
 Cole, G. R.  
 Cooke, J. A.  
 Courtice, B.  
 Grant, D. M.  
 Harris, J.  
 Hendrickson, A.

Kennelly, P. J.  
 McKenna, N. E.  
 McManus, F. P.  
 Nicholls, T. M.  
 O'Byrne, J. H.  
 O'Flaherty, S. W.  
 Poke, A. G.  
 Ryan, J. V.  
 Sheehan, J. M.  
 Toohey, J. P.  
 Willesee, D. R.

Teller:

Critchley, J. O.

Question so resolved in the affirmative.

Department of Health.

Proposed Vote, £1,516,000.

Miscellaneous Services—Department of  
 Health.

Proposed Vote, £1,231,000.

Payments to or for the States.

Proposed Vote, £1,925,000.

Australian Atomic Energy Commission.

Proposed Vote, £778,000.

Defence Services—Department of Supply.

Proposed Vote, £15,132,000.

War and Repatriation Services.

Proposed Vote, £17,306,000.

Postmaster-General's Department.

Proposed Vote, £87,123,000.

Broadcasting and Television Services.

Proposed Vote, £6,802,000.

Senator BENN (Queensland) [5.18].—A  
 glance at the vote under consideration shows  
 that the Government proposes to spend  
 £1,516,000 on the Department of Health in  
 this financial year, and honorable senators  
 may notice that last year the expenditure  
 on this department amounted to £1,362,159.  
 It is obvious that the Government proposes  
 to spend even more on the department  
 during the present financial year than was  
 spent on it last year; and when one con-  
 sideres the ramifications of the Department  
 of Health, one can appreciate the request  
 that more funds be made available this  
 year.

Now and again, during the past two or  
 three years, we have all read in the press dis-  
 concerting reports of medical practitioners  
 not observing the ordinary rules of justice  
 and not carrying out their duties to the  
 Department of Health in a proper manner.  
 We have also read of chemists who are  
 doing work under the national health  
 scheme and under the pensioners' phar-  
 maceutical benefits scheme, not exactly  
 trafficking in drugs, but exercising their  
 powers and authorities in respect of the  
 improper distribution of drugs. Although  
 I have examined press reports to try to  
 ascertain what has occurred about these  
 matters, I have never seen a strong denial  
 of these practices made by the Minister for  
 Health (Dr. Donald Cameron).

I feel sure that the department is capable  
 of establishing a section which can follow  
 up misdemeanours; and when I use that  
 word about doctors, I believe that I am  
 using very courteous language. When we  
 consider that blatant acts of dishonesty  
 have been committed by doctors and  
 chemists, I feel sure that the people desire  
 an assurance about the steps taken to deal  
 with those malpractices. The people also  
 want an assurance from the Minister, as  
 the head of the department, that these  
 practices no longer exist. If they do exist,  
 we look for some intimation to the effect  
 that the Government is taking positive  
 action to curtail them. I know that the  
 national health scheme is comparatively  
 new, and I realize that it would take at  
 least a few weeks to establish a section to

check effectively the accounts of doctors and chemists. However, some time has elapsed since the scheme came into operation, and the easy harvest that some doctors and chemists sought to reap should have been put beyond their grasp.

The sum of £283,000 has been requested for the administration of quarantine services. The quarantine function is one of the important functions of the Department of Health. Years ago there was not so much need for quarantine services, but because air travel has become more popular and air services are expanding every day, we have reached the stage when more money must be expended upon the quarantine services of the department. I feel sure that the department is capable of looking after itself, and of establishing its own organization to deal with the matter that I have raised. I am concerned, not altogether with quarantine, but with the examination of incoming passengers in order to make sure that they are not bringing to Australia diseases which exist in other countries. Perhaps the Minister for Repatriation (Senator Cooper) who represents the Minister for Health in this chamber will assure me that the improper practices by doctors and chemists which were rather prevalent at one stage, have been stamped out.

**Senator LAUGHT** (South Australia) [5.23].—I desire to direct some questions to the Minister for Repatriation (Senator Cooper) about the Department of Health. I refer to the item "Nutrition of Children—Payments to States"; the proposed vote in connexion with this item is £7,900. I wish to know the reason for that item and to what States it is anticipated that the £7,900 will be paid.

I also refer to the item "Control of Foot and Mouth Disease". The proposed vote in this case is £1,300. I think that three or four years ago about £80,000 was voted in respect of foot-and-mouth disease. That disease is a great scourge in other countries, particularly in Europe, and if such a disease were to be introduced into Australia, it would decimate the dairy cattle population in a very short time. I should like to know why only £1,300 will be provided this year, when a much larger amount has been provided in past years. Is it because the Commonwealth Scientific and Industrial Research Organization, or some

other body is handling the matter? I believe that it was the practice to pay great attention to the baggage of immigrants with a view to preventing the entry of foot-and-mouth disease. It is important, therefore, that the Minister should let us know the attitude of the Commonwealth towards the introduction of such diseases, and what preventive measures it is taking. I ask this question because it appears that £1,300 would barely pay the salary of one officer engaged in investigation work of this nature for the whole of the Commonwealth.

**Senator ASHLEY** (New South Wales) [5.25].—I refer to Division 81—Administrative—for which the proposed vote is £559,000. The matter that I desire to raise concerns the administration of the national health scheme. I have recently received many complaints—one only a couple of days ago—that certain contributors to the Medical Benefits Fund of Australia Limited, with which is associated the Hospitals Contribution Fund of New South Wales, have been refused benefits by that organization. I remind the committee that, not long after the national health scheme was inaugurated, the Medical Benefits Fund of Australia Limited informed the people of this country, by advertisements in the press that, after two years' membership of the fund, persons who suffered from chronic illnesses which were evident at the time of joining, would become entitled to benefits. That undertaking has not been honoured by the organization.

I have before me the case history card—which I am prepared to show to the Minister for Repatriation (Senator Cooper)—of a person who joined the organization on 27th July, 1953. Several weeks ago, after three years' membership—which is considerably in excess of the qualifying period of two years, as advertised by the organization—this member had to receive hospital attention. He was subsequently denied the benefit to which he was entitled. Although I do not know why it was necessary for him to enter hospital, I do know that he was an in-patient for a fortnight. Honorable senators are aware of the expense in which he would be involved for that period. Although this person is a heavy contributor to the fund, on application for the payment of hospital benefits, he received a cheque for only £3. I have the cheque in front of

me, and I am prepared to make it available for the Minister's inspection. The cheque from the Hospitals Contribution Fund of New South Wales was accompanied by a letter in the following terms:—

We refer to your claim for benefit on this fund for admission to hospital, but it is regretted that a benefit cannot be granted. The medical information before us indicates that the condition was in evidence prior to your joining the fund. In this connexion, Rule 9 reads as follows:—

Exclusion from Benefits.

There follows an extract from that rule. The only benefit that this person has received is the Government subsidy. I am greatly concerned about the frequency with which this kind of thing is happening. The case that I have mentioned is by no means an isolated instance in which the Hospitals Contribution Fund of New South Wales has accepted no responsibility at all for hospital expenses incurred by members of the organization.

As I have mentioned, this person contributes to the fund at the intermediate scale, his contributions amounting to £4 16s. a year. But in addition, like every other person in the community, he has paid social services contributions. In 1948-49, the year prior to the amalgamation of income tax and social services contributions, an amount of more than £100,000,000 was collected as social services contributions compared with £95,000,000 levied on the people in personal income tax. The present collections are more than double that amount.

As the Government provides financial assistance to people who obtain hospital treatment, I think that it should ensure that organizations of the kind I have mentioned live up to their advertised promises. I emphasize that, although the Medical Benefits Fund of Australia Limited advertised that, after completion of a probationary period of two years' membership, chronic sufferers would be entitled to fund benefits, in the specific case that I have cited, the payment of benefit was refused to a person who was suffering from a chronic complaint at the time of joining the fund.

I now wish to bring to the notice of the committee the hardship that is being inflicted on pensioners who are denied free drugs. Almost every day, I receive letters of complaint in this connexion. Only to-day, I have received a letter of complaint from a man 83 years of age, who

managed to refrain from claiming an age pension until a few years ago. As he has been in very delicate health, he consulted a doctor, who prescribed certain tablets for him. When he went to collect the tablets from the chemist, he was told that he would have to pay for them. As I have said, this man refrained from applying for an age pension for as long as he could afford to do so. He was one of the pioneers of this country.

This Government is constantly claiming credit for the provision of free medicine and free hospital treatment to pensioners. Yet, this is a case in which an old gentleman, who neglected to claim the pension for as long as he could do so, was required to pay for tablets that a doctor had prescribed for him for a disability probably resulting from his advanced age. The old gentleman states that he is unable to afford to pay 11s. a bottle for these tablets. As we can imagine, if he had to obtain a couple of bottles a week, he would not be able to afford to pay for them at this price out of his pension of £4 a week. When he mentioned the matter to his doctor, the latter stated that all he could do was to get in touch with the Department of Health to ascertain if a substitute drug could be provided free of charge. I do not desire to criticize the medical profession, but the wisdom of some doctors in using certain drugs has been questioned. As a matter of fact, only within the last fortnight, a doctor appealed against the action of the Minister in refusing him the opportunity to prescribe certain medicines under the national health scheme because, apparently, according to the Government, he had prescribed too liberally. I ask the Minister to give serious consideration to these matters. They are important to pensioners and subscribers to the various medical benefit funds who should receive the treatment for which they are paying not only by way of subscriptions, but also by taxation.

The CHAIRMAN (Senator the Hon. A. D. Reid).—Order! I doubt whether all honorable senators know exactly which of the proposed votes are before the Chair at the moment. They are the following, and they will be considered together:—Department of Health, £1,516,000; Miscellaneous Services, Department of Health, £1,231,000; Payments to or for the States,

£1,925,000; Australian Atomic Energy Commission, £778,000; Defence Services—Department of Supply, £15,132,000; War and Repatriation Services, £17,306,000; Postmaster-General's Department, £87,423,000; and Broadcasting and Television Services, £6,802,000.

**Senator LAUGHT** (South Australia) [5.40].—I desire to refer to the annual report of the Auditor-General, because it is interesting to note that it deals with some of the matters which Senator Ashley raised. On page 43 of his report, dealing with the Department of Health, the Auditor-General states that his officers are aware of certain accounting control and audit difficulties associated with the provision of medical benefits to contributors. It is interesting to know that the Auditor-General has been in close collaboration with the Department of Health. He makes the following comment—

Since the introduction of the scheme, Audit Officers have carried out test checks of transactions and have made critical appraisals of procedures. Conferences have been held between the Audit Office and the Department and suggestions made by my officers have been adopted by the Department with a view to improving accounting control over payment of benefits.

It is well for the committee to realize that the Auditor-General and the Department of Health are co-operating to achieve this control. I am pleased to see that the position has greatly improved.

With regard to the pensioner medical service, the Auditor-General reports—

During the year, checks of transactions and reviews of departmental controls have been made by my officers. The results of these checks and reviews have revealed that, in general, departmental controls are operating satisfactorily.

This very difficult administration is receiving the approval of the Auditor-General. Opposition senators continually refer to parts of his report which criticize departmental activities. It is appropriate that the committee should realize that the Auditor-General has made a favorable report on the administration of the hospital benefits and medical benefits schemes, and the pensioner medical service.

**Senator BENN** (Queensland) [5.42].—I wish to refer to the proposed vote of £15,132,000 for the Department of Supply under the defence services. I pointed out yesterday that the Government is seeking

millions and millions of pounds for the defence of Australia and that the people are under the impression that the money is being wisely spent and that good housekeeping is being practised by the defence services. When we turn to some of the documents which are available in order to see just how the money has been and is being spent, we are rather shocked. The average taxpayer in Australia would be severely shocked if he were to understand just how money has been wasted through negligence on the part of some departmental officers.

When a case of extreme negligence involving wastage of money comes to the notice of honorable senators, we blame, not departmental officers, but the Minister because we acknowledge him as the administrator of the department. I call again upon my absent witness—the Auditor-General. Dealing with storage in the Department of Supply on page 76 of his report, the Auditor-General has this to say—

The Department of Supply acts as a general storage authority for the Commonwealth, but responsibility for the care of goods placed in its stores is not clearly defined. In its Ninth Report, the Parliamentary Joint Committee of Public Accounts drew attention to the necessity for a definition of responsibility but completely effective action has not been taken.

A case was noted during the year where serious damage to approximately 1,200 blankets, which had been stored after withdrawal from closed hostels, had been caused by insect infestation. Many of the blankets had not been cleaned prior to storage and had been allowed to remain in store, without attention, for a period approaching three years.

Owing to the length of time the blankets were in storage a Board of Survey was unable to determine whether the infestation commenced before or after receipt into store.

The question of responsibility for inspection and treatment of stores held by one department on behalf of another has been referred to the Department of the Treasury.

These are not my words. I have repeated only what the Auditor-General has said. He made a serious statement and I am sure that the citizens of Australia, who are required to pay their taxes, are very disturbed about it. The statement reveals first of all extreme carelessness on the part of the department. The evidence in support of that statement is damning. I invite honorable senators to dissect the report. The Auditor-General has stated—

The Department of Supply acts as a general storage authority for the Commonwealth. If that were so, one would think that the department would not quibble about whether

the blankets were cleaned before they were stored. If the department were the general storage authority for the Commonwealth, it would act as a good storage authority, and take all necessary precautions to ensure that proper care was taken of the goods placed in its custody. The Auditor-General referred to the need for the definition of responsibility and stated—

... but completely effective action has not been taken.

What is the reason for this quibbling on the part of the department regarding the storage of goods? It should know that, if it is its duty to store goods, it should do so in a proper way and have appropriate buildings at its disposal. The people are providing millions of pounds for Government purposes. I shall direct my attention now to the goods that were spoilt.

**Sitting suspended from 5.48 to 8 p.m.**

**Senator BENN.**—Before the suspension of the sitting, I was dealing with the "rock 'n' roll" methods that have been adopted by the Department of Supply in relation to storage, and, in particular, to laxity in the storage of 1,200 blankets. While I was dealing with that matter, I recalled that, some months ago, during the winter, Senator Brown directed a question to a certain Minister about the possibility of making a free issue of blankets to pensioners. The minute one mentions a free issue of blankets to pensioners, even to age pensioners only, people visualize the necessity to spend a huge sum of money. But, to-night, I am dealing with the ruination of 1,200 blankets as a result of the neglect of the department in failing to protect them adequately. I feel sure that, if the department had been thoughtful and had acted as one would have expected an ordinary citizen to act, it could have purchased 1s. worth of DDT powder and could have protected them effectively for at least two or three years. Instead, they were eaten by silverfish. I can visualize, when a check was being made, the audit inspector going along and holding up a blanket and wondering whether it was really a blanket or a new kind of mosquito net.

So, the whole sum involved, which must be £5,000 or £6,000, is merely written off! At least, each of 600 pensioners could have been issued with a pair of those blankets. And what comfort they would have derived

from them! Dealing further with the economics of the loss, if the blankets had been issued to pensioners, the Department of Health would not have been called upon to attend to them because of colds, bronchitis and pneumonia.

I pass to another matter that, also, is related to the failure of the Department of Supply to act as a department is expected to act by the citizens of Australia, who have to find the money to enable it to function. The Auditor-General, in his report for the year ended 30th June, 1956, said—

During the year the Department made progress towards remedying unsatisfactory aspects of store-keeping and store accounting—

I pause there to mention that the Auditor-General, in dealing with some of the affairs of the various departments, has worn out the word "unsatisfactory".

**Senator McCallum.**—To what item is the honorable senator referring? I am trying to follow him.

**Senator BENN.**—My dear man, you know what I am talking about. It is not my duty to inform the honorable senator what subject we are discussing.

**Senator McCallum.**—Mr. Temporary Chairman, I protest. I merely asked for information, without any ill will.

**Senator BENN.**—The report continues— which were the subject of adverse comment in previous Reports, and in the issue and implementation of instructions for the control of stores. There are, however, still some stores which are not under satisfactory accounting control.

Subsequent to the Treasurer's approval to accept new stocktakings as the basis for future recording and control of certain assets (plant, equipment and furniture), the Department has arranged to conduct a complete stocktaking of these items at an early date.

A system of costing has been introduced in the Workshops and Area Maintenance Sections and, while differing from normal costing methods, is considered by the department to be adequate for its particular needs. The efficiency of the system is under Audit examination.

Internal audit remains unsatisfactory.

Again, the word "unsatisfactory" is used. The report further reads—

It is evident that insufficient trained staff is engaged on this aspect of control.

Let us go back over the report and see what it means to the taxpayers of Australia.

**Senator Hannaford.**—To what page is the honorable senator referring?

**Senator BENN.**—I am referring to page 77 of the Auditor-General's report. I know I must assist the honorable senator. He is so dense, and is quite unable to follow what I am talking about.

**Senator Hannaford.**—Thank you. I am much obliged.

**Senator BENN.**—I direct the attention of the committee to the following passage which I read earlier:—

There are, however, still some stores which are not under satisfactory accounting control.

If they are not under satisfactory control, the form of control is left to one's imagination. Again we note the "rock 'n roll" methods employed by the department. I am referring to these matters to-night because they are of interest to the broadcast listeners of the Commonwealth. Now they have an idea how the expenditure of £190,000,000 by the Commonwealth Government is taken in its stride. The wastage of 1,200 blankets is a mere bagatelle. Recently, I referred to the syphoning off of 39,000 gallons of petrol. Just imagine 39,000 gallons of petrol going to waste in 1955-56. However, that was related to another department. After the Auditor-General points out the shortcoming of the Department of Supply, he says—

... the department has arranged to conduct a complete stocktaking of these items at an early date.

Of course, it does not do so as a matter of duty.

**Senator Hannaford.**—The quantity of petrol involved was not 39,000 gallons, but 29,000 gallons.

**Senator BENN.**—The department has arranged to conduct a stocktaking as an act of grace. There is no such thing as doing it as a matter of compulsion or because it is its duty to do so. Again I direct attention to the following words in the Auditor-General's Report:—

Internal Audit remains unsatisfactory.

He did not say "Internal audit is unsatisfactory". It was not something that he discovered in the last financial year. He discovered it two or three years ago and directed attention to it. I made use of this chamber to publicize the shortcoming, but the position still remains unsatisfactory. Is

it not something that can be corrected? These are just ordinary things. As I stand here, I am looking at the Minister for Repatriation (Senator Cooper), who is in charge of this section of the proposed votes. One does not read such comments about the affairs of the Department of Repatriation. He would go mad if they were to occur in his department; but evidently one Minister, or several Ministers responsible for the defence departments can allow these things to go on from year to year without feeling any discomfort about it. I am not asking the Minister for Repatriation to offer an explanation of these things, because I know there is no explanation that can be offered. I just ask the people of Australia to make their own deductions about these matters. Apparently, the responsible Ministers do not care two hoots about how the goods are cared for and about how much money is wasted as long as they can go from one set of estimates to another in the following year.

**Senator COOPER** (Queensland—Minister for Repatriation) [8.9].—I should like to clear up one or two matters that have been brought to my notice. Senator Laught asked about the provision of £7,900 for the nutrition of children. That sum represents the cost to the States of the distribution of milk which is met by the Commonwealth and the States on a fifty-fifty basis. The total amounts to be paid to the States are as follows: New South Wales £1,500, Queensland £1,300, Victoria £1,500, South Australia £1,000, Western Australia £1,000, and Tasmania £1,600. The main part that is played by the Commonwealth Government in child nutrition is the provision of free milk. The estimated cost to the National Welfare Fund of free milk to be distributed to school children in 1956-57 is £2,670,000.

The honorable senator referred to control of foot and mouth disease, for which only the small sum of £1,300 is provided. I am informed that the amount is practically all spent on disinfectants for immigrants' belongings. Many countries now have a quarantine system under which these belongings are treated before they are shipped to Australia, so that disinfection on arrival is not necessary and our costs in this connexion are considerably reduced.

Senator Ashley mentioned a specific case in which a claim was made on a medical

benefits fund without success. Some organizations regard chronic illnesses in a different light from pre-existing ailments. If a contributor has been paying into a fund for two years, practically all medical benefits organizations will accept claims in respect of pre-existing ailments, but as I have already said, a chronic illness is placed in an entirely different category. Each fund considers these matters in accordance with its own rules. Entitlement to benefits is assessed on the facts of each case, and in accordance with the rules of the organization concerned. However, if Senator Ashley can provide me with details of the case he mentioned, I will pass them on to the Minister for Health (Dr. Donald Cameron) and ask him to examine them. I will ask the Minister for Health to ascertain whether the claimant in this case has been unfairly treated, and whether anything can be done to assist him.

Senator Benn referred to an item in the Auditor-General's report relating to blankets that were handed to the Department of Supply for storage. I am informed by the department that, although it is a storage authority, it does not hold itself responsible for the preservation of goods stored on behalf of clients. In the case in question, the department advised the client of the condition in which the blankets had been received, and it then considered that further action to remedy any defects in the goods was the responsibility of the client. When the blankets were brought to the department they were infested with germs, but nothing was done to clean or disinfect them. If the Department of Supply were to accept responsibility for the condition of goods stored, it would need to employ many extra storemen and technically qualified persons to carry out detailed inspections and prescribe preventative treatment. The Auditor-General has discussed with the Treasurer (Sir Arthur Fadden) the general question of responsibility for goods placed in store with the Department of Supply, and a decision is awaited.

It is easy for honorable senators to say that the department should do this or that, but if I were intending to store goods, especially blankets which, to a certain extent, are perishable or liable to infestation, I should take good care to have them well packed and disinfected and in a condition not likely to be affected by storage.

**Senator Sheehan.**—If the Department of Supply was not to blame in this case, some other department was.

**Senator COOPER.**—That may be so, but the honorable senator made his charge against the Department of Supply. Senator Ashley referred to drugs that had been removed from the list of pharmaceutical benefits. I am informed that amendments to the list are recommended by the Pharmaceutical Benefits Advisory Committee, which meets in the various States. All new drugs produced are brought to the notice of the committee and examined. Under the act, no drug or medicinal preparation may be prescribed as a pharmaceutical benefit without the committee's recommendation. From time to time, this committee investigates the desirability of retaining certain drugs on the list of pharmaceutical benefits. Drugs are removed from the list only after careful examination, and in many cases they are replaced by new drugs. Deletions from the list may also be considered to be necessary.

**Senator CRITCHLEY** (South Australia) [8.16].—I direct the attention of the Minister to Division 240, which deals with War Service Homes. Item 6 of sub-division B, "General Expenses", provides a vote of £15,100 this year for payments to the Department of Supply for the hire of motor vehicles. Last year, this item involved an expenditure of £14,357. I ask the Minister whether it is not possible for this important department to be supplied with vehicles of its own. This seems to be an extraordinary large amount to be spent on hire.

I direct attention also to applications for war service homes. At the outset, I record my appreciation of the courtesy and consideration I have received from the officers of the War Service Homes Division in Adelaide. They operate under an act that is most difficult to administer because of lack of funds. Many ex-servicemen have applied for war service homes finance, and in some cases a wait of years has been involved before their applications have been approved. Despite the fact that their applications have been approved, if these applicants wish to commence building their homes promptly they are compelled to seek temporary finance elsewhere at high rates of interest until their loan is made available by the War Service Homes Division. It is not uncommon for twelve months to elapse

after applications have been approved before the loan is actually made available. That is most undesirable, especially if an applicant should happen to be a married man with a young family. In such cases it is essential that everything possible be done to avoid unnecessary expense.

I know that in South Australia many applicants have had to seek temporary finance at high rates of interest from outside sources in order that they may be enabled to move into their homes as soon as they are ready. I have been instrumental in helping some of them to obtain temporary finance pending the making available of their loans by the War Service Homes Division. This year we are asked to provide £768,100 for administration and salaries, less an amount of £113,500, which it is estimated will remain unexpended. Last year the amount estimated to remain unexpended was £159,382. I venture the opinion that if that £159,382 had been made available to those applicants whose loans had been approved, many ex-servicemen would have been saved the extra financial burden they are now carrying through having to arrange for temporary finance elsewhere. I sincerely hope that the Minister will be able to tell us that the £113,500 which it is estimated will remain unexpended for the year 1956-57 will be used in the way I have suggested. In any event, I look forward with confidence to his being able to tell us that in future approved applicants will no longer have to undergo the present lengthy waiting period.

**Senator HENDRICKSON** (Victoria) [8.24].—I wish to refer to the proposed vote for the Postmaster-General's Department. The proposed expenditure of £87,122,000 is a colossal amount for any one department. I direct attention to the fact that it is not proposed to expend any of this money on the provision of amenities for the employees of the Postal Department. Although these people earn the revenue for the department, no provision is made for reasonable amenities for them. I have emphasized many times that they are working under the worst conditions affecting any employees in the Public Service.

I notice that £274,000 is earmarked for rental buildings. Prior to the outbreak of World War II., many suburbs which are now flourishing were almost non-existent.

In those earlier days, certain premises were rented by the Postal Department for post office purposes. Since then the suburbs have developed tremendously with the result that the old private buildings which were rented in the early days are not now adequate for the service required. During the last few years I have had the opportunity to travel throughout Victoria and to see for myself the deplorable conditions under which mail sorters and letter carriers are required to work. I do not blame this Government entirely for this state of affairs; I blame previous governments which have not seen fit to provide the facilities necessary for these employees.

Recently, the postal employees decided to work strictly to the regulations governing their employment. Some people said that they went on strike. They were not on strike at all; they were simply directing the attention of the people of Australia to the most undesirable conditions under which they are required to work and demonstrating to them how unsatisfactory the service would be if employees worked strictly according to regulations. The regulations are not couched in terms calculated to safeguard the interests of the employees; they are drafted in such a way as to provide safeguards for the department, and, in the interests of the public, the employees are violating those regulations every day. In most instances where premises have been rented for use as post offices, letter carriers are required to sort and prepare mails for delivery under what can be described only as deplorable conditions. In the first place, we know that it is part of their work to deliver mails in all weathers, wet or fine, but only too often we find that upon returning wet through after delivering the first mail in the rain the letter carriers have no means of drying their clothes. The majority of the Australian people sympathize with our postal workers, and I urge that a part of the proposed expenditure of £87,000,000 be devoted to the provision of reasonable facilities for these employees.

Linemen are in a similar position. I admit that it is part of their job to work on the lines in all weathers, but some provision should be made for their comfort. For instance, facilities should be provided to enable them to change into dry clothes after working in the rain. At the present time, they must either change in the street or

travel home in wet clothes. It should be possible to allocate a proportion of this proposed huge expenditure for the provision of reasonable amenities for these employees. The Government should see to it that the central administration makes some of this money available for that purpose.

Recently, the Senate dealt with a bill to authorize further increases in charges to the public for postage and telephone services. We found it impossible to obtain from the Minister in charge information about the profits made or the losses incurred in the operation of the telephone services, the mail services or the bulk postage services. I point out to honorable senators that there has been no increase in the cost of transport of bulk postage in Australia, and yet the charges for the ordinary postal facilities available to private citizens have been increased enormously.

Another matter that I wish to bring before the committee is the adverse criticism of the administration of telephone services that has appeared in the press from time to time. I have made certain inquiries about this matter, and as the result of those inquiries I believe that it is the duty of the Minister to deal with the matter in the chamber to-night. It has been stated that certain postal officers are prepared to accept bribes to provide telephones for people associated with starting-price bookmakers in the various States of the Commonwealth. On behalf of the Postal Department, I take this opportunity of definitely denying all such charges. I say that nobody can obtain a telephone service unless sufficient of the right kind of cable is available and unless there is a vacancy on the telephone frame at the relevant exchange.

In connexion with the cancellation of telephone services at the request of the police authorities that has taken place recently in Victoria, I point out that there is no obligation on telephone technicians or on the telephone or works branches of the Postal Department to ascertain for what purpose a telephone is to be used. It is the duty of the officers of the department to install telephones wherever they are required, if the facilities are available to allow them to be installed. If, after installation, telephones are used for an illegal purpose, that is a matter for the police of the States and has nothing at all to do with the officers of the Postal Department.

Through the foresight of Labour governments between 1941 and 1949 it has been possible for this Government to provide many telephone services which otherwise could not have been provided. Among those were the telephones which, at the instance of the police authorities, have been disconnected in Victoria. However, although there are ample cable and exchange facilities available, not 2 per cent. of the telephones that were disconnected have been re-allocated to other people. Therefore, it will be seen that it is quite wrong for the press or for anybody else to state that postal employees are prepared to sacrifice the rights of ordinary citizens in the interests of those who want to use telephones for an illegal purpose. Moreover, because of an agreement between the Commonwealth and State authorities the Postal Department is losing hundreds of thousands of pounds in revenue that would be gained if telephones had not been disconnected at the instance of State authorities.

During the 1930's, non-Labour governments placed all profits made by the Postal Department into the Consolidated Revenue Fund. That action starved the Postal Department of money, and prevented it from carrying out necessary extensions of its activities. In those days this Parliament voted money for the erection of new post offices, telephone exchanges and the provision of amenities for the workers, but that money was not used for those purposes, because all the profits of the Postal Department in those days were taken away from the department and used for general governmental purposes. Therefore, if there has been a shortage of telephones and other postal facilities in the Commonwealth, blame for that state of affairs cannot be laid on the employees of the Postal Department; it must rest with those governments which were not prepared to allow the Postal Department to use its profits to extend its services.

Much has been said during this debate about the important matter of defence, but when World War II. broke out we were unable to provide telephones even for essential war industries. The Postal Department is a very important part of our defence organization, and every effort should be made to ensure that its facilities are made available to all those who want

them, and are made capable of sudden expansion. At present hundreds of post offices and telephone exchanges are required, but the Government is not making sufficient money available to carry out these important defence works. At the present time men are being dismissed from government projects such as aircraft production and establishments under the administration of the Department of Supply, but I warn the Government and the Department of Supply that if we are to have strong defences we must have adequate postal facilities and telephone services. Therefore, the people who are being dismissed should be employed on the construction of more post offices and telephone exchanges and also on the laying of underground cable. If that were done we should have no future trouble with our postal services. This is a most important matter, and I hope and trust that the Government will see the wisdom of the suggestions that I have made to-night. I emphasize that we must not leave the Postal Department in the position in which it was found by a Labour government in 1941.

I reiterate that no officer of the Postal Department, whether he belongs to the central administration or is employed in one of the States, is to blame in any way at all for the mismanagement that has occurred in the department. Those difficulties are all due to the activities of past non-Labour governments which were not prepared to provide the necessary money to make adequate postal facilities available. I remember in the 1920's when the late Senator Gibson was Postmaster-General, money was being wasted in the Postal Department. We paid dearly for that later. However, to-day we have a most efficient staff of engineers, technicians and other workers in the Postal Department who can make all the necessary services available if they are given the chance to do so. I believe that the Government should consider making more money available to build new post offices first of all, because one thing that a soldier depends upon in time of war is his mail from home. Also the Government must provide proper telephone and telegraph communications. If the money is not made available for those services now it will be too late if we are faced with another situation similar to that which faced us in 1939.

Senator McMANUS (Victoria) [8.40].—  
One phase of the activities of the Australian

Broadcasting Control Board, provision for which may be found in Division 268 of the schedule under "Broadcasting and Television Services", is the supervision of licences for radio stations. I desire to refer particularly to the fact that one of the stations listed under the control of the Australian Broadcasting Control Board, Radio Station 3KZ, Melbourne, has not been operated, as far as I can ascertain, in the whole period of its existence, by the persons to whom the licence was originally granted, but was leased almost as soon as the licence was granted, and has been operated ever since under the lease.

I desire to make the point that either the board or the Government should take the stand that the grant of a radio licence envisages that the persons who receive the licence shall undertake the responsibility for operating the station. Even if, in the initial stages, due to some difficulties that may be encountered, it is necessary to lease the station, after a reasonable period of time the board should take action to insist that those holding the licence shall actually operate the station.

This licence was originally granted in the early 'thirties to a group of people who applied for it in the interests of the trade union movement and the Labour movement of Victoria. At the time, due to the depression, the unions and the Labour movement had very small funds, and they were compelled to lease the station to the Val Morgan Advertising Service. It was the intention of the men who, on behalf of the trade union movement and the Labour movement obtained that licence, that within a reasonable period they should take it over and operate it on behalf of the Labour movement and the trade union movement. Efforts have been made by the trade union movement and the Labour movement since that date to obtain the licence to operate it themselves, but they have been frustrated because of a peculiar trust under which the particular body, the Industrial Printing and Publicity Company, which operates the licence, operates in Victoria. That company is the successor of an old propagandist body that did great work for the Labour movement in the early 1900's. When that body went out of existence, it handed over its property to a trust company which, it supposed, was going to be operated in the interests of the trade unions and the Labour

movement, but by the circumstances in which the body allocated the trust, the sole control in that company, and now of that licence, is in the hands practically of two men, Mr. M. B. Duffy and Mr. J. V. Stout, the secretary of the Trades Hall Council, each of whom has steadfastly resisted any attempt on behalf of the trade union movement and the Labour movement to get back the licence, and each of whom has insisted year after year in leasing the station to a private company under terms which have been very adverse from the point of view of the trade union movement and the Labour movement. The situation has been reached that, after large sums for equipment and other purposes have been taken out of the earnings of the radio station, the Labour movement and the trade union movement, which supposedly own the licence, received in one year only £8,000 out of a profit of £22,000, the remaining £14,000 going to the company, which represents private enterprise and has no association with the people who were originally granted the licence.

When efforts have been made, as they have been over the years, to obtain the reversion of the licence, in the interests of the trade union movement and the Labour movement, they have been frustrated because the peculiar form of trust operated by two men has prevented the Labour movement and the trade union movement from getting back their own station. That position has persisted in spite of the efforts of men like Mr. Clarey, Mr. Calwell, Mr. Lovegrove and Senator Kennelly, who were voted on to the board supposed to control the company, to take back the lease. They have been frustrated by the efforts of other people who, for some reason that cannot be ascertained, persist in saying that the Labour movement cannot run its own radio station—an amazing statement from people who believe in the socialization of the means of production, distribution and exchange. They have frustrated the efforts of Mr. Clarey, Mr. Calwell, Mr. Lovegrove, Senator Kennelly and Mr. John Cain, the ex-Premier of Victoria, whom I have heard express the utmost resentment at the way in which this radio station has been taken from the control of the Labour movement. That position, of course, comes about because, after 25 years, the licence is not in the hands of the people to whom it was originally granted. After 25 years, the

radio station is still being operated under lease by a private company. I know myself that this position has caused great concern to the persons controlling radio stations in the interests of the trade union and Labour movements in other States. I can recall that, some three years ago, the Victorian Executive of the Labour party made arrangements with the New South Wales Labour and trade union movements, which are able very effectively to control radio stations, to send representatives to Victoria to discuss proposals for taking over this radio station and operating it entirely in the interests of the Labour movement and the trade union movement. Mr. Bob King, of the Sydney Labour Council, and Mr. Shortell, the manager of their station, came over and assured us that if this radio station were put into proper hands it would be possible, because the Labour movement and the trade union movement would have an all-Australian network, to make available out of the profits very considerable sums of money for the purposes of the trade union movement and the Labour movement. But every effort that has been made to achieve that very desirable result has been frustrated because the persons who, through this peculiar trust, have control of the radio station, have insisted on handing it over year after year to private enterprise, and because the lease is approved year after year, with the result that the great bulk of the profits from the station, which was intended for one purpose, and should be used for that purpose, is now being applied for purposes outside the Labour movement.

Now, it may be said that if the Labour movement cannot settle this matter itself, why should others interest themselves in it? I shall simply say this: It is regrettable that when, in certain States, unions like the Australian Workers Union are able to control their own radio stations, and the council of the Australian Labour party in New South Wales is able very effectively to control radio stations, persons associated with the Labour movement and the trade union movement in Victoria insist on handing over their particular radio station to private enterprise. To those who ask, "What can be done?" I say this: It is wrong that a radio station should be permitted to operate under lease for a period

of some 25 years, and it is most desirable that the board should insist that, in view of the lengthy period that that licence has been leased, it should now revert to the persons to whom it was originally granted. The board should insist that, in Victoria, the Labour movement and the trade union movement take over the licence that was originally granted to them and operate it themselves, so that all the profits accruing from it may be used for the purposes of the Labour movement and the trade union movement.

**Senator ANDERSON** (New South Wales) [8.49].—Although, under the method that has been adopted for considering the Estimates, an honorable senator may traverse a fairly wide range of subjects, I wish to confine my remarks to the proposed vote for the Department of Health. I wish to refer to a number of isolated matters, and also to certain matters that I have raised in previous years when the Estimates have been before this chamber. I do not make any excuses for doing so because I know the need for assistance is even greater than before. Division 222 of the proposed vote for the Department of Health is a most fascinating division in that it provides funds for many phases of health work including the World Health Organization, the Australian Red Cross and various overseas medical associations.

I note that an amount of £170,000 is provided for medical research. Even though that proposed vote represents a small increase, it is still an incredibly small amount to spend on medical research, and I should like the Minister for Repatriation (Senator Cooper) to inform me whether other provision is made for this purpose in another proposed vote. The need for medical research is most urgent to-day, even when one considers cancer research alone. Obviously, the sum of £170,000 is only a drop in the bucket. It is possible that work is being done in the States and, perhaps, the answer to my question is that the Commonwealth is making contributions to the States under some other proposed vote. If that is so, the Minister should inform the Senate during this debate.

I now wish to refer to national fitness. The Minister may recall that during the last sessional period I asked a question on this matter. A sum has been set aside for the

Commonwealth Council for National Fitness. I refer the Minister to the question I asked on this subject in May last. In addition to seeking the names of the various members of the council, who were the representatives of the various States and of the Senate and the amount granted to the council, I asked how often the council met. The answer I received from the Minister, which is recorded in "Hansard", was—

There have been no meetings of the council during the last twelve months. The council last met in September 1954.

The Senate is discussing proposed votes and it is true that in the scheme of things there must be fluctuations between anticipated and actual expenditure. Nevertheless, the Senate has a serious obligation to peruse very carefully all proposed votes. We are providing the sum of £72,500 for the Commonwealth Council for National Fitness and yet, on the Minister's own say-so, that council has not met very often. I ask him whether any alteration has taken place in the management of the council since I asked my previous question. At that time he indicated that only one meeting had been held since 1954.

Before I come to the item which I usually raise each year I desire to refer to the Commonwealth Serum Laboratories. On one or two occasions I have read in the press dramatic stories of individuals—in one case a child—having been bitten by a funnel-web spider. In the case of the child the Sydney press featured a front page story of how the child was rushed to the Royal North Shore Hospital and received a special anti-spider injection. The whole burden of the story was that that particular hospital is the only one in the City of Sydney that has the necessary antidote for the bite of that particular spider. I ask the Minister whether it is the function of the Commonwealth Serum Laboratories to manufacture this type of serum. If it is, the laboratories have a glorious chance to distribute the serum to other hospitals. To me it is a fantastic story—I have read it twice during the last twelve months—that people who have been bitten by spiders have, by the grace of God, been able to get to the Royal North Shore Hospital before the poison has taken effect. When we think in terms of a city of 1,500,000 people, with a colossal volume of traffic, and the harbour bridge to be crossed in

order to reach the Royal North Shore Hospital, it would be extremely unfortunate if a person living on the other side of the harbour were bitten by one of these spiders. If there is any substance in the story published in the press—I make that qualification—and the Royal North Shore Hospital is the only hospital which possesses this serum, obviously all the major hospitals in the big capital cities should be supplied with the serum.

I return to the subject of medical research. Each year, during the few years I have been in the Senate, I have stated a case for medical research into the care and treatment of the subnormal child. Only £170,000 is proposed for medical research and yet we have these unfortunate children in this land who, through no fault of their own, have been born with this affliction. Medical research into the problem of the subnormal child is being conducted in other parts of the world. I know that subnormal children's associations in the various States are doing a magnificent job. With Mr. Fitzgerald who was, at that time, a member in another place, I made representations to the Commonwealth Government for a special grant for these associations to help them in the magnificent work they are doing. Unfortunately, we did not succeed. I know that, in the scheme of things, there are numerous worthy organizations doing a magnificent job in welfare work and, of course, the Government cannot give to all. However, I suggest that the case of the subnormal child is one that cries out for Government help. I may have said this before; but every parent, when he sees a subnormal child, should say, "There but for the grace of God, go I". So far, medical science can offer no explanation for this type of subnormality. On the score of national fitness, we owe it to the nation to conduct a great amount of medical research to see if we can find some of the answers to the problem in relation to children who are bordering on the line between low or retarded mentality and subnormality. It is a tremendously big question. My good friend, Senator Agnes Robertson, has been assisting certain organizations which are performing work in connexion with this problem. I have done the same, but there are many children whose minds will always be immature. The fear of their parents is that they will have no one to help them

when the parents are dead. They ask themselves whether their children will be put into a mental institution. There is a case for medical research along the lines that are being followed in the United Kingdom to find medical answers to the problem and to reduce, if possible, the incidence of subnormality so that comfort and hope will be given to the parents and, perhaps, to the children themselves.

I notice that a substantial vote is to be set aside for the World Health Organization. I have had the privilege of talking with the senior officers of that organization in Geneva. They are doing magnificent work for world health, but we have our own problems, and while I do not criticize the vote for the World Health Organization, I suggest that we should look at our own health problems and ascertain that any financial help we give is properly allocated and applied.

Senator McKENNA (Tasmania—Leader of the Opposition) [9.4].—Having regard to the fact that we are dealing, in a limited time, with eight different departments, and that the debate will conclude to-night, I regret that I am under an obligation to divert the trend of the discussion. I do so without apologies but with regret. I do this because I wish to direct attention to a matter which is of vast importance, not only to Australia, but to all mankind. In this connexion, I apply my remarks to the vote for the Department of Supply which totals £15,132,000. It is the department that is concerned with the atomic tests that are being conducted in Australia by the Australian Government in conjunction with the Government of the United Kingdom. I direct attention particularly to atomic explosions, and I wish to state at once the outlook of the Australian Labour party towards this matter. At the conference of the Labour party in 1955, the views of the party were laid down plainly in these words—

The development of atomic weapons has reached such dimensions that the people of the world are now faced with the stark and terrifying spectacle of a possible atomic world war, causing a danger to the very fabric of the earth, its atmosphere, and all its inhabitants, which is so real that distinguished scientists refer to the prospect with a sense of "desperation". This desperation is partly due to the vacillation and delay in arranging high level political talks aiming at the effective prevention of the use of atomic and hydrogen bombs by any nation, whether for purposes of war or experimental purposes.

Two vastly important and cheering things have taken place since that pronouncement was made. The first stems from the historic "Atoms for Peace" speech made by Mr. Eisenhower in December, 1953, to the United Nations. He suggested the setting up by the United Nations of an international atomic agency which would concern itself with stockpiling atomic energy and using it for peaceful purposes; to promote agriculture and for use in medicine and, above all, to provide energy for the peoples of the world, particularly the nations that lack industrial power.

That speech attracted world-wide attention. It was adopted unanimously by the United Nations, which set up a committee representative of twelve sponsoring nations to draw up a statute or charter for the new proposed international atomic energy agency. Australia had the honour of being a member of the twelve sponsoring nations, and Russia was also included. Russia was the main stumbling block until a year ago in that it insisted that the activities of the new atomic energy agency should come under the purview of the Security Council. That meant that the power of veto would apply, and could be used by Russia or any other of the great powers to whom the veto is available. I am happy to say that the difficulty has been overcome completely and that, in April last, the twelve nations unanimously agreed upon a charter and presented it to the United Nations. A debate on that charter was initiated only last month by the meeting of the United Nations at which 81 nations were represented. It bids fair to be accepted with very slight modification if any.

The important thing is that that agency will not be responsible to the Security Council. It will report to the General Assembly where the veto does not apply. That is a very important step forward on the road to dealing with an atomic agency at a world control level. The link is to be with the General Assembly and not with the Security Council to which the agency is invited to report when appropriate. Those words are not defined, but the primary responsibility is to the General Assembly and not to the Security Council where the veto operates.

The proposed charter provides for an international staff of inspectors with the

right of entry into the various countries using atomic energy. They are to see that the energy that is supplied from the central fund is being used for peaceful purposes and is not, in any way, being diverted to military purposes. Sanctions and powers are then vested in the controlling agency in the event of any misuse of the energy entrusted to a nation.

**Senator Gorton.**—What sort of sanctions?

**Senator McKenna.**—The removal of the stockpile, for one thing, would be a very clear economic sanction.

**Senator Gorton.**—Who could enforce that sanction?

**Senator McKenna.**—That might well come back to the Security Council. If it became a matter of military action, undoubtedly it should go to the Security Council. That would happen in the event of any act of a military nature. Complete inspectorial and policing provisions are included in the agreement. That is a very hopeful sign. The second sign of a hopeful nature is the fact that, in quite recent times, not only has Russia indicated its willingness to discuss the cessation of nuclear tests apart from all other considerations of disarmament, but the United Kingdom also, for the first time, has expressed its willingness, through its Prime Minister, to discuss nuclear disarmament and the abandonment of nuclear tests, again divorced from the general question of disarmament. The United States of America also has intimated that it is prepared to have talks and discussions about the cessation of nuclear tests with appropriate safeguards. That is a very proper qualification. What we of the Opposition are concerned about is that the ground seems to be ready for a discussion that might give good results. Yet, nobody is moving actively at this moment to ensure that the great powers, above all those controlling atomic energy within their own boundaries, should be brought together to have these very fine public expressions reduced to practical terms.

There does seem to be a real prospect of the nations of the world getting together on the question of the abandonment of nuclear tests. One cannot, in reason, expect any one nation that has atomic power at its disposal to abandon tests or stockpiling, yet some country must eventually

move and take the first step to halt this mad race in the stockpiling of atomic weapons for military purposes, and to abolish tests. I do not deny that the tests have had some use—first, from all the scientific and practical angles, for purposes connected with peace, and, secondly, from the viewpoint of determining the effects of radiation and fall-out and all the side effects of nuclear explosions. Many lessons can be learned from them.

It seems that if an agreement could be reached between the various nations not to hold any more tests, they could be policed with the very greatest of ease, because I understand that instruments are available which can detect any such explosion in any part of the world. If there were an agreement and proper safeguards, a breach of the agreement would be readily detectable, and whatever sanctions were necessary could be put into force. But the main thing in the eyes of the Opposition is that a move should be made in this direction. I move—

That the House of Representatives be requested to reduce the vote—Department of Supply, £15,132,000—by £1.

As an instruction to the Government—

That it should take the initiative in bring together the great nations for the purpose of making an agreement immediately to abandon atomic tests with a view to obtaining a firmer agreement under which they can be banned altogether.

In recent weeks, there have been some four atomic explosions in Australia at Maralinga. Those tests have been conducted in conjunction with the United Kingdom. I regret very much that the explosions took place on Australian soil and that Australia has been exposed to whatever dangers are inherent in such explosions in our own country.

**Senator Kendall.**—That is better than having Russian bombs dropped on us.

**Senator McKenna.**—Infinitely better, but I point to the risk that is inherent in such explosions. First, if it is completely local, it might do local damage. The mere fact that an explosion was postponed day after day for approximately a fortnight indicates that perfect and completely predictable conditions must obtain in order to carry away the dangerous elements in the atomic cloud before the explosion dare be released. It is perfectly clear that there is danger

and that, if there were an unpredictable element in the weather, grave danger could be caused. I think everybody will recall the grave anxiety that was felt in Australia following the first explosion as the atomic cloud began to drift back towards the eastern seaboard of Australia.

**Senator Pearson.**—Does the honorable senator say that the tests should be discontinued before there is any international agreement?

**Senator McKenna.**—If the honorable senator had been listening to me, he would have heard me indicate that nobody could expect any one nation unilaterally to discontinue them while other nations were continuing them.

**Senator Pearson.**—The honorable senator said he was sorry that they took place in Australia.

**Senator McKenna.**—I am sorry that they were held in Australia, or have been held anywhere else. I can understand why they take place, but I object to their taking place in this country.

**Senator Laught.**—Where does the honorable senator think they should take place?

**Senator McKenna.**—Some other place could be found. An uninhabited island could be found.

**Senator Kendall.**—Does the honorable senator suggest that they could be held outside London?

**Senator McKenna.**—The honorable senator is being facetious when he suggests that I might think that London would be a more appropriate place. They could be held in an area where no damage would be possible. We certainly deplore the fact that these tests have taken place in Australia, and we say very strongly that we hope there will be no more of them.

We invite the Government, rather than proceeding with an activity of this kind, to concentrate its very best energies upon urging the great nations to proceed immediately to the question of nuclear disarmament and the abandonment of atomic tests. That is not unreasonable. Australia might be a small country, but, during the term of office of both this Government and the Labour Government up to 1949, it played

a very disproportionate part in the affairs of the world. It was Australia's action that led to United Nations intervention to halt the war between Holland and the Indonesians, with an enormous saving of life. I know from my own personal knowledge that that stemmed from Australia's immediate initiative, which is indicative of what can be done if somebody moves with a will. I do not anticipate that all the nations would bow the behest of Australia, but somebody must make them realize—and world opinion is tending most strongly to this—that atomic explosions must be halted as a prelude to the banning of atomic bombs altogether for warlike purposes. Australia could play a noble role in the interests of not only its own people but also of all humanity by moving in this direction.

I trust that the Government will see the spirit in which the Opposition puts forward its proposal. We are aware of the realities of life, and do not expect anybody to abandon tests and the stock-piling of atomic bombs while another nation, possibly with hostile intent, is free to go ahead.

**Senator Scott.**—We must not explode them in Australia?

**Senator McKenna.**—We do not want them in Australia. Find another place. It is not for me to suggest where that place is, but I suggest that they should be held at a place where there can be no possibility of danger to life. If explosions are conducted in Australia, it is inevitable that there should be danger to the Australian people. That is abundantly clear from the precautions that have been taken at Maralinga in recent weeks. After all is said and done, this is the most important aspect of disarmament. Russia has given a unilateral lead in the matter of disarmament, apart from nuclear explosions.

**Senator Kendall.**—Just before the American elections!

**Senator McKenna.**—It has indicated that it reduced its armed forces in 1955 by 640,000 personnel, and, correspondingly, its equipment and expenditure.

Government senators interjecting,

**Senator McKenna.**—Let me qualify my statement later. It has announced that, by 1st May, 1957, it will reduce its armed

forces by 1,200,000 personnel, with appropriate reductions in armaments and expenditure. Having regard to the enormous size of its total forces, they might not be significant contributions. They might be made with an eye on the American elections and other aspects of the world situation, but at least let us give that country credit for the announcement and the gesture, and be fair enough to acknowledge that it has been done unilaterally.

**The TEMPORARY CHAIRMAN (Senator Wood).**—Order! The honorable senator's time has expired.

**Senator COOPER** (Queensland—Minister for Repatriation) [9.19].—I should like to reply to one or two questions that have been raised. Senator Critchley referred to the item "Payment to Department of Supply for hire of motor vehicles, £15,100" under the heading, General Expenses, in Division 240.—War Service Homes Division. Most vehicles that are used in the Commonwealth service are rented by the various departments from the Department of Supply. It is considered that to obtain transport from a centralized depot equipped with facilities for maintenance is much better than for each department or division to have its own transport and be responsible for its maintenance. The War Service Homes Division merely rents vehicles from the Department of Supply.

The honorable senator referred to the waiting time of applicants for war service homes. Honorable senators are all aware of this waiting period, and in some States it has been considerable, but there is a heavy demand for homes and insufficient finance and materials to meet that demand. Honorable senators are aware, too, that the general building programmes of the Government and of private enterprise are also heavy. Ex-servicemen receive preference in the building of homes, but owing to high costs the division has to carry a heavy burden. Ex-servicemen's organizations realize that the Government is doing everything possible to meet the demands. In each of the last two years, £30,000,000 has been allocated for war service homes, and the same amount has been ear-marked this year for that purpose. An ex-serviceman who, of necessity, has to obtain a home may raise finance in the free market

If that is so, what ought the Australian Government do to arrive at the end that the Leader of the Opposition says he wants to reach? I suggest that the record of the present Australian Government and, indeed, previous Australian governments, has been very good, indeed, in this respect. This Government has consistently supported in the United Nations all the proposals made by the Government of the United Kingdom and by the Government of the United States of America for the atomic disarmament, and for the reduction or elimination of atomic stockpiles. It is consistently said that this can only become a reality if there is a world-wide and water-tight system of inspection and control to ensure that agreements entered into to ban atomic weapons are, in fact, kept, because there is nothing worse than thinking that the solution to this matter is an agreement to ban atomic weapons; that is not the solution at all. The solution is an enforceable agreement, an agreement which can be supervised to see that it, in fact, works. That cannot be done unless the Soviet Union can send to England, or to the United States, its men to see that the agreement is being kept, and unless we can send to the Soviet Union our men to see that the agreement is being kept. That has been submitted to vote after vote in the United Nations, and supported by the Australian Government. The last instance of it that I remember was President Eisenhower's "open skies" proposal—a suggestion that the Soviet Union should allow inspection from the air throughout its territory, and that the United States and Great Britain should allow inspection by the Soviet Union from the air to ensure that agreements on atomic disarmament were kept. Just as consistently, that proposal has been rejected by the Soviet Union.

While I do believe that eventually it is essential that an enforceable agreement, or an agreement providing for the right of inspection, should be reached between the nations of the world before every country has atomic and hydrogen bombs—not only the giants, but everybody else—if the agreement is to bear any relation to reality, if it is to be of any use to humanity, it must be an agreement that everybody can see is, in fact, being kept. It would be quite impossible to point to any instance in which this Government has not supported such a

proposal, and I am quite certain that, on all occasions in the future, it will continue to support such proposals. So, there seems to be little need for a reduction of this proposed vote as an instruction to the Government to support proposals of this kind.

Another matter to which I desire to advert is the danger of thinking that atomic tests alone are a menace to the world. Atomic tests, and even hydrogen bomb tests, which are of infinitely greater magnitude than atomic tests, according to the best scientific evidence available and according to councils of scientists set up by Great Britain and the United States of America, would, if they continued at their present rate for the next 30 years, add an amount of radio-activity to ordinary human life of something like one-twentieth of that which every year enters into human life from background activity, from medical X-rays and from the other everyday uses of radio-active substances. I do not wish to minimize the seriousness of this matter. I believe that any addition to the amount of radio-activity, particularly of strontium, in the air and the upper atmosphere is a bad addition, but on the other hand to keep the matter in balance, as I have previously said, if tests were to be continued at their present rate for the next 30 years only a small fraction of radio-activity would be added to that which every day comes into our lives in normal ways.

Senator O'Byrne.—How does the honorable senator know?

Senator GORTON.—I do not know, because I am not a scientist, but I believe the report of the committee set up by the Government of Great Britain, a copy of which is available for Senator O'Byrne to read, and I believe the report of the committee set up by the Government of the United States of America, a copy of which also is available for him to read. The reports are not distorted and convey the truth as far as it is possible for the scientists who comprise those committees to find the truth. I am prepared to accept the word of those scientists before I accept the word of my friend from Tasmania who has the temerity to question not me but them in their official reports. They have not guessed at this matter but have measured reactions in stations all over the world. The point is that it would be very dangerous if we were to accept the implied belief of the Leader

of the Opposition that the wiping out of tests would be a solution to this problem. If the scientists are right, and I believe they are, the only thing that would happen—

**The TEMPORARY CHAIRMAN (Senator Anderson).**—Order! The honorable senator's time has expired.

**Senator McKENNA (Tasmania—Leader of the Opposition)** [10.3].—Senator Gorton has presented to the Senate my argument in his own words. I would not have put it that way myself. However, I have little fault to find with his presentation of the argument, except in one particular. I did not say it would be easy to stop atomic explosions; I said it would be easy to police and detect them. When the honorable senator challenges me to say what sanction could be applied in the event of a breach of any agreement, I face that challenge immediately and say to him that the same sanction would be available in those circumstances that has prevented war during the last five years. Only one element has prevented war during that period and that is the fact that the democracies have possessed atomic power in at least an equal degree with Russia, and almost certainly to a very much greater extent. That has been the great deterrent against war in the world.

Each of the powers was afraid to move knowing that its likely opponent was already armed with atomic weapons. Let me carry that argument right to the point where the honorable senator challenges me. I have argued for an agreement between the great powers to discontinue these experiments and ban the use of atomic power in time of war. Assuming that that were a term of the agreement—if in the event of a breach of the agreement and tests being undertaken by one of the great powers all the other great powers would be freed from their obligations under the agreement—we would get back to the very situation that operates to-day where the great powers are frightened to go to war. That does not involve military action by the Security Council and it does not even necessarily involve intervention by the United Nations. If it were a simple term of the agreement that a breach on the part of one of the contracting parties enabled all the others to disregard their obligation under the contract, in my view that would operate as a deterrent.

**Senator Vincent.**—How would it be known that a nation had breached the agreement?

**Senator McKENNA.**—I accept the word of the scientists that no atomic explosion can take place in any part of the world to-day that cannot be detected and pinpointed on their instruments. I assumed that was common ground and that I would not need to argue it. I see Senator Gorton nodding his head in concurrence. I should be surprised if anybody denied that proposition. Scientists know when an atomic explosion takes place.

I am presenting the argument to the Senate in response to the challenge that was put to me as to how I would police an agreement. The only thing that occurs to me at the moment is the solution that I have put to the Senate. If any honorable senator has a better solution, such as invoking the military might of United Nations through the Security Council, he can put it forward, but I do not think that it is practicable as long as a right of veto is available to the nation most likely to breach the agreement. The General Assembly of the United Nations can do no more than bring the weight of world opinion to bear on the situation. That is not a miserable contribution, because it can have a very powerful influence and effect. I say to the honorable senator that we could get back to the position that has been demonstrated so adequately during the last few years when there were all the elements of imminent war which has been halted only by one consideration, namely the horrifying effect of atomic war. That has halted war and again it could be the factor that would halt war if a breach of the agreement I have suggested were to occur. One of the parties would not be likely to proceed with an atomic experiment if he knew that instantly the fact would be known to the world, and the other nations would then be free to embark upon like experiments, and so recommence the old race for nuclear power for military purposes.

I am not prepared to think that the situation is hopeless, and I have argued to the Senate earlier to-night that the time appears to be completely ripe to make a move. Nothing but good could come out of a session now between the Great Powers directed to the one purpose only—if we could only get that far—of halting these tests. Although

I have no scientific knowledge at all, I at least read comments, and the differing comments of the scientists; and the fear that is in my mind, and I believe in the minds of a great many people in this world, is that if at different points, in an unco-ordinated way, atomic explosions are to take place, it may well be that a chain reaction could be set up that could destroy the very world. Unco-ordinated explosions of that kind, taking place without pre-arrangement as to locality, time or anything else, might bring that about. It is sheer madness; and people with any sanity and any humanity in them must, in these modern times, regard the great international challenge of the day to be the halting of all atomic tests, whether by way of explosions or accumulation of bombs for warlike purposes. That is an excellent trend that is evident in the United Nations now.

I want to take Senator Gorton to task for his reply to an interjection that was made by Senator O'Byrne, a member of the Opposition from Tasmania. Senator O'Byrne asked why Great Britain did not explode the atomic bombs in England. That question brought from Senator Gorton an allegation that it was un-British, and that Senator O'Byrne was un-British. No greater untruth has been uttered in this Senate. Senator O'Byrne participated in the very earliest stage of the Battle for Britain, and was shot down during that battle. I assure Senator Gorton that the question was quite intelligent, and was directed to demonstrating that the bombs were not exploded in Great Britain because they would kill half the population, as it is a thickly populated country. Senator O'Byrne made the point very powerfully that there is danger to human life from atomic explosions. I say to Senator Gorton that it was unworthy of him to direct that attack against Senator O'Byrne, of all people.

Senator Gorton.—I rise to make a personal explanation. The answer that I gave to an interjection by Senator O'Byrne has been misrepresented, to an extent, by the Leader of the Opposition (Senator McKenna). I am not in the habit of arguing *ad hominem*. I do not consider that the answer that I gave to him amounted to a statement that he, as a man, was anti-British, because I do not believe that he is anti-British; but I

do believe that an interjection of that sort—Why does not England explode its atomic bombs at home instead of in the deserts of Australia?—is against British interests.

Senator O'Byrne.—Such a bomb would kill too many people in England.

Senator Gorton.—Of course it would. For that reason, the explosion cannot take place there, but it is not clear for that reason—and this is where my attitude was misrepresented—that just because there are many people closely settled in the British Isles within the radius of a possible explosion—

The TEMPORARY CHAIRMAN.—Order! As Senator Gorton has risen to make a personal explanation, he must not introduce new matter into the debate.

Senator Gorton.—I was misunderstood because it is not clear that an explosion should not take place in the middle of the Australian desert. Those who argue against tests of that sort taking place in an Australian desert are, in fact, arguing against the interests of Great Britain. Great Britain wishes these tests to take place and, to that extent, the arguments against the tests are anti-British. I did not attack the man when I addressed myself to Senator O'Byrne. I attacked the arguments, and I still believe that they are anti-British.

Senator O'Byrne.—I rise to make a personal explanation. I have no reason to doubt the sincerity of Senator Gorton, but he intimated that I was un-British because I said that the atomic tests should have taken place in Great Britain. If the tests take place in Australia, they are just as great a danger to human life here as they would be in a thickly populated country such as Great Britain. The atomic fall-out—

The TEMPORARY CHAIRMAN.—Order! As I have already ruled, the honorable senator cannot introduce new matter when making a personal explanation.

Senator O'Byrne.—I object strongly to Senator Gorton's statement that I am un-British or anti-British. I believe in the British Commonwealth of Nations just as much as he does. I am as good an Australian as he is, and I object to his aspersions. I am glad, however, that he has explained that he was not speaking against me personally, but against my argument.

**Senator LAUGHT** (South Australia) [10.15].—I invite the attention of the committee to a matter that is entirely unconnected with the discussion that has been very well developed. I refer to Division 248—Australian War Memorial. It is time that somebody said a word in this chamber about the Australian War Memorial in Canberra. Officers of that institution deserve commendation. A remarkable atmosphere has been created in that memorial. It contains priceless works of art, mementos and curios and fine paintings. I am pleased that the Government proposes to increase the vote for the war memorial this year because it is a continuing thing. Every time one visits the memorial, one sees additions and improvements. I hope that ex-service organizations will make a pilgrimage to Canberra with the Australian War Memorial at the end of it.

I commend the Australian War Memorial authorities for their co-operation with a committee that has been formed in South Australia to display the Vickers Vimy aircraft in which Sir Ross Smith and Sir Keith Smith flew from England to Australia. This aeroplane can no longer be housed in the Australian War Memorial at Canberra, and it is fitting that it should be appropriately housed and displayed in South Australia where Sir Keith Smith and Sir Ross Smith were born and educated and enlisted for World War I. I thank the authorities of the Australian War Memorial and the committee responsible for providing data and exhibits associated with those two intrepid airmen. I hope that the transfer of that aircraft to South Australia will give as much pleasure to the rising generation as it has given to many thousands of visitors to Canberra during the past twenty years. I commend the Government for maintaining at the memorial the splendid traditions associated with Australia's efforts in two world wars.

**Senator McMANUS** (Victoria) [10.19].—I am sorry that Senator Kennelly has left the chamber, and because he is absent I shall not spend much time in replying to certain remarks he made. I believe that he is going to engage in some homework in connexion with remarks that I made, and the little that I shall add can be read by him in "Hansard". Senator Kennelly said that I was employed by radio station 3KZ for some five years. He, as a director of that station, should know that I was

appointed as a commentator by the Melbourne Trades Hall Council. I was employed by the Melbourne Trades Hall Council for some years, and, when that appointment was terminated, I was employed as a commentator by the Victorian branch of the Australian Labour party. Radio station 3KZ, which Senator Kennelly said employed me, wrote to me during my term as a commentator, when some one outside took exception to certain remarks that I had made, and informed me that they were going to instruct their lawyer to make it perfectly clear that I was employed not by the station, but by the Melbourne Trades Hall Council.

Senator Kennelly also said that I attacked a station owned by the Labour party. He is a director. I was on the executive some years ago when it received a letter from the Trades Hall Council saying that it would allow the executive to appoint a director, and we appointed Senator Kennelly.

**Senator Kennelly**.—No, you did not.

**Senator McMANUS**.—We appointed Senator Kennelly. I was at the executive officers' meeting when he was appointed. Some time later, after he had ceased to be a member, the executive wrote to him and, under the impression that it had the right to appoint a director, asked him to make way for a man who was a member of the executive. He declined, and made it perfectly clear that the station was not owned by the Labour party; and the directors of the company have always made it perfectly clear that the station is not owned by the Labour party. I am at a loss to understand how, when the directors have always made it perfectly clear that the station is not owned by the Labour party, Senator Kennelly can come before this committee and say that it is.

The only other matter to which I wish to refer is the motion that has been submitted by the Leader of the Opposition (Senator McKenna). I have the utmost sympathy with every effort that is made to prevent the manufacture or the explosion of atomic bombs, but I would not, in any circumstances, accept the situation that this country, whether a Labour or a non-Labour government has been in office, has not made it clear at all times that it is opposed to that form of warfare and that, provided other countries will agree to prevent it, we

too will do so. It seems to me that, if this motion were agreed to, the committee would appear to agree that up to date Australia has not made it perfectly clear that it is both opposed to atomic warfare and engages in atomic experiments only in self-defence. In those circumstances, I am not prepared to support the motion.

**Senator O'BYRNE** (Tasmania) [10.23].—If Senator McManus thinks that he can make this chamber a forum for his miserable, threadbare linen washing, he has the wrong idea. We do not want to hear about Victorian politics.

Senator Wright interjecting,

**Senator O'BYRNE**.—I ask Senator Wright not to put his oar in, either. He is making a big enough mess of things in Hobart already. If he wants to reduce this chamber to the same level as that to which he is reducing the legal fraternity—

**The CHAIRMAN** (Senator the Hon. A. D. Reid).—Order!

**Senator O'BYRNE**.—Then let me say that the Minister for Repatriation (Senator Cooper) is a most disarming Minister. One cannot fight him, because he represents the happy medium. Although he replies to various questions that are raised, I do not think the message comes through, because he is such a nice man.

Let me refer to what is happening in relation to the War Service Homes Division. Ex-servicemen were young men when they went to the last war, but now that they have a wife and children, they feel they have a responsibility to get a home together. Accordingly, they apply in the normal way to the War Service Homes Division. Their application is held for a certain period of time, and then they are furnished with a notification, in the form of a letter, which states that they have some hope of obtaining a home through the division, but does not say specifically that they will get a home. I should like the Minister to direct the division to tell the applicants that they have a chance of getting a home within fifteen months, eighteen months, or two years, as the case may be. Then, they could go along to financial organizations and say, "Here is a guarantee from the War Service Homes Division. It has not the money available at the moment, but its word is its bond". Both the Commonwealth Bank and the hire-purchase organizations will lend

money provided such a specific assurance is forthcoming from the War Service Homes Division. I should like the Minister to examine this matter and, if the Government is not able to make the money available to the division, to give, in effect, a letter of credit.

The War Service Homes Division is in a cleft stick; it is not getting the money from the Treasury, yet it has a great reputation. Many ex-servicemen are disappointed because the traditional attitude of the division has changed in the present critical economic period. I ask the Minister to transmit a little of his disarming kindness to the division, and to assure ex-servicemen who are trying to get a home together that the word of the division is its bond. If it were able to write to the applicants and assure them that the finance would be available within a certain period of time, they would be able to go ahead, obtain the finance and build their homes. The reputation of the division is at the highest level, but, because of its indefinite policy during the last twelve months or so, it is losing prestige. Although the Government is allowing the profiteers, the hire-purchase companies, and the other money-grabbing merchants to get more than their share, the main thing is to get people housed and to honour the promises that were given to the servicemen that, after the war, they would be able to get a home for themselves and their families.

I refer, now, to atomic and thermonuclear bomb tests. Senator Gorton referred to my loyalty. I had a few words to say about that earlier, but, apparently, I was out of order. Although this chamber is not supposed to be a forum for testing loyalties one against the other, I should like to match my loyalty against his at any time. I like to feel that I am an Australian, and that, as a man who has been honoured by having been elected to represent his fellow men, I am protecting their interests, the interests of Australia, and the interests of the British Commonwealth as a unit in what, I hope, is a world family. The utter stupidity of people who think that we can gain anything from war just appals me. It just proves that they do not know anything about the 1939-45 war, which ended eleven years ago, or about what the old bombs could do, let alone what these new bombs can do.

I want to tell Senator Gorton that as long as he thinks along the lines of the old regular army boy, he is out of date. He has in mind the lad who starts as an Army cadet and gradually works his way to commissioned rank. He expects that if war comes he will rise to the position of a senior officer, and eventually retire on a handsome pension. I remind the honorable senator that those days are over because the world is now in the thermo-nuclear era, and imminent destruction is facing all civilization. I am no scientist, and as Senator McKenna pointed out earlier, there are no scientists on this side. There may be good scientists, neutral scientists, Menzies' scientists, biased, screened, or propaganda scientists, but those who have a basic belief in the continuation of the human species are not certain that these thermo-nuclear tests will not destroy the fabric of the earth.

I ask Senator Gorton, and also the Minister, whether they can provide me with specific proof that thermo-nuclear tests will not have that effect. The mushroom cloud following the explosion, containing radioactive particles, rises up beyond the immediate atmosphere of the earth into the ionosphere and the stratosphere, and subsequently can rain down radio-active particles that will destroy the leaves of the trees, the micro-organisms of the earth and eventually animals and humans. If they drop into the sea they will make the waters radio-active and destroy the fish. A thermo-nuclear war is not necessary to cause widespread destruction of this kind; these tests are sufficient. Why are these tests conducted? It is solely that one nation might be able to defeat and even annihilate another. Who is the other nation? Australia is only a small section of the world, and the world is only a minute portion of the universe. The British Empire ruled the seas for an infinitesimally small era in history, but because it was once mistress of the sea it seems to think that it has a prerogative to make a bigger and better bomb so that it may destroy other nations.

Senator Gorton, and those who share his support of thermo-nuclear tests for the purpose of defeating other peoples, are among the most mistaken persons in the world. My leader has moved for the entire banning of thermo-nuclear tests because only evil can come out of them. They are destructive, and nothing of positive good

can result from them. Some of our fellows may throw out their chests, whether they have any hair on them or not, and say, "We are better than you are". I know of no more animal-like bragging than for one man to say to another, "I am better than you are". Whether we censure the Government or not, if we can get enough people on the face of this earth to object to this negative approach to peace by building stockpiles of atomic weapons which, if used, can only result in mutual destruction, we shall be doing something of a positive nature. As long as a nation follows the path of thermo-nuclear preparation for war it is on the road to destruction.

I do not subscribe to Senator Gorton's philosophy; it is only fit for small-minded people. If we have enough common sense to work for the survival of the human race and rise above petty, stupid, narrow nationalism we shall do something to lift mankind from an animal level towards the divine level. That is the highest objective for which we can strive. Destruction by means of atomic weapons is only an expression of the animal side of human nature. As temporary representatives of our fellowmen in this Parliament, we should strain every fibre in our beings to oppose thermo-nuclear tests, which must inevitably bring about the destruction of mankind. The purpose of the motion submitted by the Leader of the Opposition is to end these tests, and I hope that it will succeed.

Nature has a way of casting off the things it does not want, and of sustaining those that are of value. Of all things in the universe the most important is the continuation of the human species and the upward development of man's mind until it becomes more like the mind of his Maker. As long as we subscribe to this little "dog-bite-dog", "beat-your-neighbour", "catch-a-point-here-and-there" attitude and beat down great principles, we are on the track to ruin. If we are such fools as to spend time in trying to produce a more powerful bomb to defeat nations located across a geographical boundary, we are only adding a little more to the power that will bring about our own destruction.

I am glad to have had this opportunity to tell the committee that the whole tenor of this debate dealing with expenditure on thermo-nuclear weapons has been negative.

Unless the nation is prepared to spend every penny to divert the use of atomic power to the conservation of water to irrigate our fields, to the reforestation of our lands or to some positive, productive purpose, we are following the way that leads to destruction.

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

Senator MATTNER (South Australia) [10.39].—Honorable senators will concede that the study of the development of atomic energy has been general. All the great nations have done an enormous amount of research in this matter. It is safe to say that when the English-speaking nations, particularly Great Britain and the United States of America have conducted atomic tests, all the world has been notified as to where, when and under what conditions the explosions would take place. I think we all agree that is correct. That being so, there is one point of agreement between us. The Leader of the Opposition (Senator McKenna) said that with modern scientific instruments one nation knows when any other nation explodes an atomic bomb, and I believe him. I think he went so far as to say that it would know in what part of the world the bomb was exploded. I ask him and Senator O'Byrne whether Russia at any time since the last war has notified the rest of the world of its intention to explode such a bomb. Has that country notified the countries adjacent to where the bomb was in fact exploded that it intended to explode it? Did it take steps to ensure that the people of those countries would be protected from radioactivity? Why did Russia explode its bombs in the vicinity of Norway, Sweden and Turkey? To-night we were asked why a bomb was not exploded in Great Britain.

Senator Hendrickson.—Why was one not exploded there?

Senator MATTNER.—I have always given the Opposition credit for having brains and knowledge. The justifiable complaint of the countries adjacent to where Russia exploded its bombs is that they were never notified of its intention to explode them; and I have yet to be convinced that Russia has not within its boundaries more suitable places in which to explode atomic bombs, places in which this could be done with far less risk of subjecting people to

the dangers of radioactivity. If the British nations did not continue with their experiments, if another war broke out and we had none of those weapons, the cry that we do nothing to defend Australia would be increased one hundredfold.

I regret that a remark made by Senator Gorton was misunderstood by Senator O'Byrne. Both those honorable senators had brilliant careers in the Air Force. As I understood him, Senator Gorton had no intention of reflecting upon Senator O'Byrne, and I am convinced that no other honorable senator believed he had any such intention. It is unfortunate that Senator O'Byrne misunderstood him, but I emphasize that both honorable senators had equally gallant careers in the Air Force. Finally, what really annoys me is the fact that the Opposition is all too ready to belittle everything done by Great Britain and to uphold everything done by Russia.

Senator ASHLEY (New South Wales) [10.46].—We have heard much about radioactivity, thermo-nuclear bombs and bombs that shed particles that are dangerous to human life. I should like the Minister for Repatriation (Senator Cooper) to shed a few particles of information on the Senate. I have asked for information relating to the Government's commitments for defence services. There is provision in the proposed votes for an expenditure of £190,000,000 upon our defence services, and the Minister for Defence (Sir Philip McBride) has stated that there is also provision for the expenditure of a further £150,000,000, making a grand total of £340,000,000. I am wondering whether the £15,132,000 provided for defence services within the control of the Department of Supply is included in that grand total. I read in the press that the Minister for Defence admitted that the munitions filling factory at St. Mary's has cost over £10,000,000 to date. Originally, it was estimated to cost £23,000,000. What the final cost will be, I do not know, but I assume that the £10,000,000 mentioned by the Minister for Defence is included in the £150,000,000 to which I have referred. Can the Minister for Repatriation tell us where the balance is to be expended? Is it to be spent on the Air Force, the Navy, the Army, or on the erection of new buildings?

I come now to the provision of £37,123,000 for the Postmaster-General's

Department. One of the most lucrative sections of this department is the telephone branch. In his report for the year 1952-53, the Postmaster-General stated that 10s. 10d. in every £1 of the department's revenue is earned by the telephone branch and that of every £1 expended 10s. was spent on that branch. So, in that year the telephone branch showed a profit of 10d. in the £1. In the financial year 1953-54, the annual report of the Postmaster-General discloses that of each £1 of revenue 11s. 1d. was received from telephone services and that 10s. 2d. was spent on such services. In 1954-55, 11s. 3d. was received from and 10s. 6d. was spent on telephone services. Therefore, it is quite evident that the Postal Department is overcapitalized, and that something should be done to overcome the lag in telephone installations.

The Government has suggested that there has been a continuous improvement in the installation of telephones, but the figures show that that is not so. In 1952-53, there were 59,739 applicants for telephones. In 1953-54 that number had increased to 65,190, and in 1954-55 to 67,630. Therefore, honorable senators will notice that the number of outstanding applications is increasing, and until the Government provides the department with the funds necessary for the installation of telephones to meet the outstanding applications the position will continue to deteriorate.

When I was Postmaster-General I made a suggestion to the then government which I shall now make to this Government. It is that the automatic telephone system should be extended to remote country districts in order to connect them with country towns so that the people living in the outback can have the advantages of direct telephonic communication with all parts of Australia as are enjoyed by the people in the cities. I ask the Government to overcome the lag in telephone installations as quickly as possible, because the figures that I have disclosed show that the telephone service is very profitable and provides about half the revenue of the Postal Department.

Senator COOPER (Queensland—Minister for Repatriation) [10.54].—Senator O'Byrne mentioned war service homes, and said that letters sent to applicants for loans were not sufficiently clear and definite to enable applicants to raise credit on the letter for the period between the making of the application and receipt of the loan. I

understand that the letter sent out in respect of existing houses states that the property has been inspected and is satisfactory to the division, and that it will be taken over when the time arrives for the applicant to receive his loan. That has always been accepted in my own State of Queensland as a guarantee that the War Service Homes Division will make money available, and finance has been obtained on that assurance. That, of course, applies only to homes that are already erected, and not to the building of new houses. The War Service Homes Division cannot take over a house before it is completed, and consequently, in such a case it cannot say that the finance will be available. The house has to be completed and inspected and found to be up to standard, before the division can give any notification that finance will be provided.

The CHAIRMAN.—Order! The time allotted for consideration of the proposed votes at present before the Chair has expired.

Question put—

That the House of Representatives be requested to reduce the vote (Senator McKenna's amendment) by £1.

The committee divided.

(The Chairman—Senator the Hon. A. D. Reid.)

Ayes ..	..	..	23
Noes ..	..	..	31
Majority ..	..	..	8

AYES.

Armstrong, J. I.	Kennelly, P. J.
Arnold, J. J.	McKenna, N. E.
Ashley, W. P.	Nicholls, T. M.
Benn, A. M.	O'Byrne, J. H.
Brown, G.	O'Flaherty, S. W.
Byrne, C. B.	Poke, A. G.
Cameron, D.	Ryan, J. V.
Cooke, J. A.	Sheehan, J. M.
Courtice, B.	Toohey, J. P.
Grant, D. M.	Willesee, D. R.
Harris, J.	Teller:
Hendrickson, A.	Critchley, J. O.

NOES.

Anderson, K. M.	Paltridge, S. D.
Buttfield, N. E.	Pearson, R. W.
Cole, G. R.	Reid, A. D.
Cooper, W. J.	Robertson, A. R.
Gorton, J. G.	Scott, M. F.
Hannaford, D. C.	Seward, H. S.
Hannan, G. C.	Spooner, W. H.
Henty, N. H. D.	Vincent, V. S.
Kendall, R.	Wade, H. W.
Laught, K. A.	Wardlaw, R.
McCallum, J. A.	Wedgwood, I. E.
McManus, F. P.	Wood, I. A. C.
McMullin, A. M.	Wordsworth, R. H.
Maher, E. B.	Wright, R. C.
Mattner, E. W.	Teller:
O'Sullivan, N.	Rankin, Annabelle

Question so resolved in the negative.

Proposed votes agreed to.

Progress reported.

**CONSTITUTION REVIEW  
COMMITTEE.**

Motion (by Senator Spooner)—by leave  
—proposed—

That Senator O'Sullivan be appointed to fill the vacancy on the Joint Committee appointed to examine problems of constitutional change; that Senator O'Sullivan be the chairman of the Joint Committee; that these resolutions be communicated to the House of Representatives by message.

Senator McKENNA (Tasmania—Leader of the Opposition) [11.3].—I welcome the motion. I congratulate the projected appointee, and I should like to say but two things to him: I should like him to call a meeting of the Constitution Review Committee whilst we are at Canberra, before the recess, if for no other purpose than to arrange the sittings of the committee during the recess. Once we disperse, it might be very difficult to arrange sittings. Therefore, I should be very grateful if the proposed appointee, our new chairman, will consider my request. I also ask Senator O'Sullivan to appoint his deputy at the very first opportunity, so that in case anything

should happen to him in the near future, the committee can continue to function. The Senate will remember the circumstances on the last occasion.

Senator McCallum.—I thought that the Leader of the Opposition meant something else!

Senator McKENNA.—I assure Senator McCallum that I meant something quite pleasant.

Senator O'SULLIVAN (Queensland—Vice-President of the Executive Council and Attorney-General) [11.5].—I thank the Leader of the Opposition (Senator McKenna) for his kindly words of congratulation, and I give him a definite assurance that a meeting of the committee will be held before the Parliament rises for the recess, so that we may make arrangements for meetings during that period. As for anything happening to me, I am quite sure that Senator McKenna hopes for the best.

Question resolved in the affirmative.

Senate adjourned at 11.5 p.m.

Thursday, 25th October, 1956.

The PRESIDENT (Senator the Hon. A. M. McMullin) took the chair at 11 a.m., and read prayers.

#### CHINESE CLASSICAL THEATRE COMPANY.

Senator GRANT.—Will the Leader of the Government advise the Senate whether the decision to ban the Chinese Classical Theatre Company performing in Melbourne during the Olympic Games originated in the Cabinet or resulted from overtures made to the Cabinet by a foreign power, and if so, what power made those overtures?

Senator O'SULLIVAN.—I am not in a position to answer the honorable senator's question in detail, but the decision was made by Cabinet after full consideration of all the circumstances involved.

#### FREE MILK FOR SCHOOL CHILDREN.

Senator ROBERTSON.—Has the attention of the Minister representing the Minister for Health been directed to a paragraph in to-day's "Sydney Morning Herald" stating that the children attending the eastern districts school for sub-normal children were not receiving free milk under the Commonwealth Government's scheme of supplying free milk to schoolchildren? Will the Minister institute inquiries into this matter so that this and similar schools, wherever established, may be included in the distribution of free milk granted by the Commonwealth Government to the schoolchildren of Australia?

Senator COOPER.—I have not seen the report which the honorable senator has mentioned, but I shall bring it to the notice of the Minister for Health and ask him to have inquiries made and let me have a report which I shall pass on to the honorable senator as soon as possible.

#### HOSPITAL AND MEDICAL BENEFITS.

Senator KENNELLY asked the Minister representing the Minister for Health, upon notice—

1. What are the names of the various registered societies administering hospital and medical benefits under the Government's health scheme?

2. Is there any variation in the fees charged to members of the public for comparable insurance coverage, and if so, what?

3. In regard to each registered body, what are the numbers of (a) persons insured; (b) claims for payment lodged, (c) claims wholly rejected and (d) claims rejected in part?

Senator COOPER.—The Minister for Health has now furnished the following reply:—

1. There are 207 organizations registered under the National Health Act, eighty-three organizations are registered for medical benefits purposes and 124 for hospital benefits purposes. The names of the registered organizations were published in "Gazette" No. 2, dated 12th January, 1956. Minor variations have occurred since that date and I propose to supply an up-to-date list to the honorable senator.

2. There is practically no variation in the contributions payable to the various organizations open to the general public for comparable insurance coverage.

3. (a) Persons were insured for medical benefits purposes as at the 30th June, 1956, numbered 4,806,023, whilst those insured for hospital benefits purposes numbered 5,499,314.

(b) For the year ended 30th June, 1956, claims dealt with and for which Commonwealth benefit was paid covered 12,026,698 medical services. For the same year, hospital benefit claims dealt with for which Commonwealth additional hospital benefit was paid covered 8,115,470 days.

(c) The number of claims rejected in full was negligible.

(d) For the year ended 30th June, 1956, there were 458,543 medical services which attracted Commonwealth benefit but no fund benefit or a reduced fund benefit was paid owing to waiting periods, pre-existing ailments or maximum benefits provisions. In the same year there were 1,232,399 days for which hospital fund benefit was reduced or not paid because of waiting periods, pre-existing ailments or chronic conditions. In all these instances Commonwealth additional hospital benefit was paid.

#### PUBLIC WORKS COMMITTEE.

The PRESIDENT (Senator the Hon. A. M. McMullin).—I have to inform the Senate that I have received a letter from Senator Henty resigning his position as a member of the Public Works Committee.

Motion (by Senator O'Sullivan)—by leave—agreed to—

That Senator Anderson be appointed a member of the Parliamentary Standing Committee on Public Works in place of Senator Henty, resigned.

#### FOREIGN AFFAIRS COMMITTEE.

Motion (by Senator O'Sullivan)—by leave—agreed to—

That until such time as the two vacancies for members of the Senate existing on the Joint Committee on Foreign Affairs are filled by members of

the Opposition, Senators Robertson and Vincent be members of the committee.

That the foregoing resolution be communicated to the House of Representatives by message.

### INTERNATIONAL LABOUR CONFERENCE.

**Senator SPOONER.**—On behalf of the Minister for Labour and National Service (Mr. Harold Holt) and the Acting Minister for External Affairs (Sir Philip McBride), I lay on the table the following papers:—

International Labour Organization—Thirty-ninth Session, Geneva, June, 1956—Report of the Australian Government, Employers' and Workers' Delegates.

In the interests of economy, I do not propose to move that the reports be printed, but copies will be available to honorable senators from the parliamentary officers. Following recent practice, at a later date I shall inform the Senate of the action taken or proposed to be taken with reference to the recommendations adopted by the conference.

### STATES GRANTS (SPECIAL FINANCIAL ASSISTANCE) BILL 1956.

Bill received from the House of Representatives.

Standing Orders suspended.

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

#### Second Reading.

**Senator SPOONER** (New South Wales—Minister for National Development) [11.12].—I move—

That the bill be now read a second time.

The purpose of this bill is to authorize the payment to the States in 1956-57 of a special financial assistance grant of approximately £20,450,000 to supplement the amount payable under the formula embodied in the States Grant (Tax Reimbursement) Act 1946-48.

In each of the last seven years the Commonwealth has supplemented the amounts payable to the States under the tax reimbursement formula. Last year, the formula grant amounted to £141,652,000. In addition, the States received a special financial assistance grant of £15,348,000 which included a special allocation of

£2 million to New South Wales in recognition of the severe flood damage in that State in 1954-55. The total payment for 1955-56 was, therefore, £157,000,000. The precise amount payable in 1956-57 under the tax reimbursement formula will not be known until the Statistician completes his calculations later in the year, but it is estimated that the formula grant will amount to about £153,600,000. Unless, therefore, the Commonwealth makes a supplementary payment again this year, the States would receive about £3,400,000 less than the total tax reimbursement grant which they received last year.

This matter was discussed at a meeting of Commonwealth and State Ministers which was held in Canberra last June. At that meeting the Commonwealth offered to make a supplementary grant sufficient to bring the total amount available for distribution among all States in 1956-57 to £173,000,000. As the amount payable under the formula is estimated at £153,600,000, this offer involves the payment of a supplementary grant of about £19,400,000 to be distributed among the States in the same way as the formula grant.

In the course of this meeting the Acting Premier of Victoria asked the Commonwealth to provide some further financial assistance for Victoria in view of the special financial difficulties which faced that State in 1956-57. Among the factors which he mentioned as contributing to Victoria's financial difficulties were the need for Victoria to assist the dried vine-fruit industry in that State and Victoria's comparatively adverse position in 1956-57 under the formula used in distributing tax reimbursement grants. The Acting Prime Minister agreed, with the concurrence of the Premiers of the other States, to consider this request. The Government subsequently decided to pay Victoria a further £1,050,000 in 1956-57 thus bringing the supplementary grant to about £20,450,000 and the total payment to £174,050,000 in 1956-57. The total payment to the States in 1956-57 would, on this basis, be £17,050,000 greater than in 1955-56, and the supplementary grant would be about £20,450,000 in 1956-57 compared with £15,348,000 in 1955-56.

With the concurrence of the Senate, I shall have incorporated in "Hansard" the

following table in which the estimated payments to each State in 1956-57, as authorized by this legislation, are compared with the payments made last year:—

	Estimated Tax Grants 1956-57.			Total.
	Tax Grants 1955-56.	Formula Grant.	Special Financial Assistance Grant.	
	£'000.	£'000.	£'000.	£'000.
New South Wales ..	61,336	58,240	7,356	65,596
Victoria ..	39,467	39,740	6,069	45,809
Queensland ..	24,655	24,320	3,072	27,392
South Australia ..	13,877	13,810	1,744	15,554
Western Australia ..	12,313	12,110	1,530	13,640
Tasmania ..	5,352	5,380	679	6,059
Total ..	157,000	153,600	20,450	174,050

Debate (on motion by Senator Kennelly) adjourned.

### REPATRIATION (FAR EAST STRATEGIC RESERVE) BILL 1956.

Motion (by Senator Cooper) agreed to—

That leave be given to bring in a bill for an act to provide Benefits for certain Members of the Defence Force who have served in Malaya with, or in connexion with, the British Commonwealth Far East Strategic Reserve, and for purposes connected therewith.

Bill presented, and read a first time.

Standing Orders suspended.

#### Second Reading.

Senator COOPER (Queensland—Minister for Repatriation) [11.9].—I move—

That the bill be now read a second time.

Stated briefly, the purpose of this bill is to provide a scheme of pensions and other associated repatriation benefits in respect of members of the Australian forces who are serving in Malaya as part of, or in connexion with, the British Commonwealth Far East Strategic Reserve, and who suffer an incapacity or die during or as a result of that service. The basis of eligibility for pension and the classes of persons who will be eligible for pension as dependants of a member are, broadly, the same as those found in the Repatriation Act, but some variations have been made, having regard to the nature of the service these members of the forces are performing and their present conditions of service.

This bill deals with members of the Commonwealth Defence Force who serve

in Malaya or Singapore as part of the Australian contingent of the British Commonwealth Far East Strategic Reserve or who are serving in those areas in connexion with that strategic reserve. It makes provision for the payment of pensions and for the provision, by way of regulation, of other benefits for members of the defence force who serve on Malayan service.

The conditions of service which qualify a member, and his dependants, for those benefits follow closely those which were inserted in the Repatriation Act in 1950 in respect of service in the Korea and Malaya operations. This means that the service which will qualify a member, or his dependants in respect of him, will be his period of service with, or in connexion with, the strategic reserve, commencing from the time he leaves the last port of call in Australia, if he were in Australia when allotted for that service, or from the time he was so allotted, if he happened to be outside Australia at the time of the allotment, and terminating when he returns to Australia, or arrives in some area outside Australia, after having been allotted from service in Malaya to service in that area outside Australia. The rates of pension which will apply in cases of death and incapacity will be the rates of war pension applicable to a "member of the forces" or a dependant, as the case may be, under the Repatriation Act.

The provisions of the Repatriation Act were designed to meet the conditions of service in a full scale war where most of the serving members of the forces were volunteers who had volunteered to serve in connexion with that particular war only. The circumstances under which the members of the forces, dealt with in this bill, are serving, are entirely different. All personnel serving with, or in connexion with, the strategic reserve are members of the permanent forces. They are persons who have chosen service in the forces as a career and who have enlisted for various terms of years. Normally, their service is performed under peace-time conditions, including rates of pay and general conditions which are comparable with those offering in civilian occupations.

In the case of the strategic reserve, however, its members have, in their anti-bandit operations in Malaya, been exposed to an additional operational risk. Although that

risk is not so great as it was in either of the two world wars or in Korea, the Government felt that it merited the provision of a scheme of pensions based on that for war pensions under the Repatriation Act. Accordingly, clause six of this bill provides that, with certain minor exceptions which I will explain later, the provisions relating to the payment of war pensions under the Repatriation Act will, with such modifications as to time and place of service as are necessary, apply to the members of the Australian Contingent to the strategic reserve.

At this juncture, I should like to point out that these members already have the cover of the provisions of the Commonwealth Employees' Compensation Act. The basic principle of this bill is therefore that, eligibility for pension should stem from an occurrence (including the contracting of a disease) that happened during a member's Malayan service. Accordingly, the provisions of sub-sections (3.) and (4.) of section 37 of the Repatriation Act, which gave to members who had served in a theatre of war, an entitlement for pulmonary tuberculosis not attributable to their war service, are not being extended in respect of service with the strategic reserve. In respect of Malayan service, incapacity or death from tuberculosis will, of course, be pensionable if it is attributable to that service.

In relation to pensions payable to de facto wives, responsibility will only be accepted where the relationship upon which the claim is based subsisted at the time the member commenced his Malayan service. Likewise, a pension will only be paid to the illegitimate child of a male member of the forces if the child has been born before or within nine months of the commencement of the member's Malayan service. The procedures for determining claims for pensions under this bill will be exactly the same as those which apply under the Repatriation Act. The Repatriation Commission will administer the new act and the Repatriation Boards and the Entitlement and Assessment Appeal Tribunals will have jurisdiction in determining claims.

Division 5 of Part III of the Repatriation Act is not being extended in this bill and, accordingly, service pensions will not be payable in respect of Malayan service. The bill contains a provision in clause 13

enabling the Governor-General to make regulations including regulations for the granting of assistance and benefits to members of the forces and their dependants. Regulations will be made covering such matters as the provision of medical treatment, the payment of medical sustenance, the provision of benefits under the soldiers' children education scheme and under the disabled members' and widows' training scheme. Such provisions will follow the similar ones already in operation under the repatriation regulations.

To sum up, this bill provides that members of the Australian forces who serve with, or in connexion with, the strategic reserve in Malaya, and the dependants of these members, will receive pensions in respect of death or incapacity attributable to that service at rates equivalent to those payable to war pensioners under the Repatriation Act. It also provides for the making of regulations to confer such other benefits as are appropriate. Any further information which may be required concerning the details of the bill can be given at the committee stage.

The passage of this bill calls for a number of consequential amendments to be made to other acts. Bills which are to follow this bill will amend the Broadcasting and Television Act, the Commonwealth Employees' Compensation Act, the Estate Duty Assessment Act, the National Health Act, the Re-establishment and Employment Act, the Repatriation Act and the Social Services Act. A consequential amendment of the Income Tax and Social Services Contribution Assessment Act is to be dealt with separately. The Broadcasting and Television Bill (No. 3) will amend the Broadcasting and Television Act to provide for a broadcast listener's licence or a television viewer's licence to be available to certain pensioners under the Repatriation (Far East Strategic Reserve) Bill at the same concession rates as apply to similar classes of war pensioners under the Repatriation Act.

The Commonwealth Employees' Compensation Act is to be amended to provide that compensation will not be payable under that Act in respect of injuries or disease for which pensions will be payable under the Repatriation (Far East Strategic Reserve) Bill. A similar provision already exists in that act in relation to war pensions payable under the Repatriation Act.

The Estate Duty Assessment Bill will amend section nine of the Estate Duty Assessment Act to extend the concessional deduction applicable to members of the forces who died as a result of service in the 1939-1945 War or the Korea or Malaya war-like operations to which the Repatriation Act applies to members who die as a result of "Malayan service" to which this bill applies.

The National Health Bill will amend the National Health Act to provide that Commonwealth benefit under that act for medical expenses will not be payable where medical services are rendered free of charge under the provisions of this bill. So that a pension payable under the provisions of this bill will not be taken into account as income in determining the rate of a business re-establishment allowance under section 101 of the Re-establishment and Employment Act, the Re-establishment and Employment Bill will amend that section to include a reference to a pension payable under this bill. There are three consequential amendments to the Repatriation Act. The Repatriation Bill (No. 2) will amend sections 50, 83 and 86 of the Repatriation Act.

Section 50 provides that where a child is in receipt of a pension by virtue of being a child of a member of the forces and also becomes eligible for a pension by virtue of being a child of another member of the forces, for example, by adoption, only one pension is payable. The proposed amendment of that section is to ensure that it will apply in relation to a member of the forces as defined in the Repatriation (Far East Strategic Reserve) Act. The proposed amendment of section 83 will exclude from "income", for the purpose of the provisions of the Repatriation Act relating to service pensions, an attendant's allowance payable to a member of the forces under the Repatriation (Far East Strategic Reserve) Act. Section 86 includes a provision dis-entitling a widow to receive both a war pension in respect of her husband's death and a service pension. The proposed amendment of that section will provide that a pension under the Repatriation (Far East Strategic Reserve) Act will be treated as a "war pension" for the purposes of that provision.

Finally, the Social Services Bill (No. 2) will amend sections 6, 28, 81, 106 and

143A of the Social Services Act. The general effect of these amendments is to extend the meaning of the expressions "member of the Forces", "Repatriation Act", and "War pension" wherever occurring in the Social Services Act to include respectively members of the forces as defined in this bill, the Repatriation (Far East Strategic Reserve) Act 1956, and pensions to be granted under the last mentioned act. Any further details of this bill or the consequential bills which may be required can be explained at the committee stage. This bill confers substantial benefits on members of the forces, and I commend it to the Senate.

Debate (on motion by Senator Critchley) adjourned.

#### BROADCASTING AND TELEVISION BILL (No. 3) 1956.

Motion (by Senator Cooper) agreed to—

That leave be given to bring in a bill for an act to amend the Law relating to Broadcasting and Television in consequence of the enactment of the Repatriation (Far East Strategic Reserve) Act 1956.

Bill presented, and read a first time.

Standing Orders suspended.

#### Second Reading.

Motion (by Senator Cooper) agreed to—

That the bill be now read a second time.

Bill read a second time and committed pro forma: progress reported.

#### COMMONWEALTH EMPLOYEES' COMPENSATION BILL 1956.

Motion (by Senator Cooper) agreed to—

That leave be given to bring in a bill for an act to amend section four A of the Commonwealth Employees' Compensation Act 1930-1954 in consequence of the enactment of the Repatriation (Far East Strategic Reserve) Act 1956.

Bill presented, and read a first time.

Standing Orders suspended.

#### ESTATE DUTY ASSESSMENT BILL 1956.

Motion (by Senator Cooper) agreed to—

That leave be given to bring in a bill for an act to amend section nine of the Estate Duty Assessment Act 1914-1953 in consequence of the enactment of the Repatriation (Far East Strategic Reserve) Act 1956.

Bill presented, and read a first time.

Standing Orders suspended.

**NATIONAL HEALTH BILL (No. 2) 1956.**

Motion (by Senator Cooper) agreed to—

That leave be given to bring in a bill for an act to amend section twenty of the National Health Act 1953-1955, as amended by the National Health Act 1956, in consequence of the enactment of the Repatriation (Far East Strategic Reserve) Act 1956.

Bill presented, and read a first time.

Standing Orders suspended.

**RE-ESTABLISHMENT AND EMPLOYMENT BILL 1956.**

Motion (by Senator Cooper) agreed to—

That leave be given to bring in a bill for an act to amend section one hundred and one of the Re-establishment and Employment Act 1945-1955 in consequence of the enactment of the Repatriation (Far East Strategic Reserve) Act 1956.

Bill presented, and read a first time.

Standing Orders suspended.

**REPATRIATION BILL (No. 2) 1956.**

Motion (by Senator Cooper) agreed to—

That leave be given to bring in a bill for an act to amend the Repatriation Act 1920-1955, as amended by the Repatriation Act 1956, in consequence of the enactment of the Repatriation (Far East Strategic Reserve) Act 1956.

Bill presented, and read a first time.

Standing Orders suspended.

**SOCIAL SERVICES BILL (No. 2) 1956.**

Motion (by Senator Cooper) agreed to—

That leave be given to bring in a bill for an act to amend the Social Services Act 1947-1955, as amended by the Social Services Act 1956, in consequence of the enactment of the Repatriation (Far East Strategic Reserve) Act 1956.

Bill presented, and read a first time.

Standing Orders suspended.

**WAR SERVICE HOMES BILL 1956.**

Motion (by Senator Spooner) agreed to—

That leave be given to bring in a bill for an act to amend the War Service Homes Act 1918-1955.

Bill presented, and read a first time.

Standing Orders suspended.

**Second Reading.**

Senator SPOONER (New South Wales—Minister for National Development) [11.45].—I move—

That the bill be now read a second time.

This bill revises certain eligibility provisions of the War Service Homes Act as part of the Government's decision to adjust

repatriation and other benefits with respect to service in Korea and Malaya. This results from changes which took place in the organization of Australian Defence Units serving overseas in Malaya and Korea.

The opportunity has also been taken to adjust the eligibility provisions of the act to include persons who, during the 1939-45 war served on the high seas in various types of ships, but who, because of some legal technicalities, do not fall within the existing eligibility provisions of the act.

After the despatch of Australian forces to serve in connexion with the warlike operations taking place in Korea and Malaya, the War Service Homes Act was amended in December, 1951, to include persons who were allotted for duty in connexion with those operations and actually proceeded overseas.

When hostilities ceased in Korea after the signing of an armistice on 27th July, 1953, the majority of the Australian forces were withdrawn from that area. As operational areas in fact no longer exist in Korea, the provision in the act concerning service in that area becomes a dead letter. This amending bill has the effect of omitting service in an operational area in Korea, as qualifying a serviceman for war service homes benefits.

In view of the Government's decision to re-organize the forces serving in Malaya as the Australian component of the strategic reserve in Malaya, it was necessary for special conditions to be drawn up covering such operational service. Repatriation benefits arising from such service will now be governed by the provisions of the Repatriation (Far East Strategic Reserve) Act 1956.

In order to establish a uniform policy for all classes of service benefits, it was decided to amend the War Services Homes Act. The amendment provides that war service homes benefits will be available to those persons or their dependants if they become entitled to a repatriation benefit in consequence of death or incapacity. This is the main purpose of this bill.

I now refer to the other more or less minor amendments to the War Service Homes Act dealt with by this bill. The act as it stands at present provides that in addition to members of the forces, members of ships' crews who had sea-going service

in ships trading between ports on the Australian coast, Australian ports and any other ports during World War II. were eligible persons within the meaning of the act.

A small number of applications has been received from persons who had service in various types of ships during the last war, such as members of the crews of troop transports, hospital ships, canteen workers on Royal Australian Navy ships and so on, who could not qualify for war service homes benefits as they did not legally fall within the definition of "eligible person" in the act. When these cases were examined, the Government considered that the nature of their service justified them receiving the benefits of the act equally with members of the naval forces and merchant marine already provided for, and the amendments in this bill adjust these anomalies.

I desire to make it clear that, in effect, these amendments do not extend the provisions of the War Service Homes Act to new categories of persons, but merely overcome technical discrepancies affecting certain persons who served on the high seas under equally hazardous conditions as did the classes of sea-going personnel already covered by the act. Indeed, it is mentioned that some of the classes of persons who will now be included served at battle stations on Royal Australian Navy ships and, in several instances, served in ships that were sunk as a result of enemy action.

Debate (on motion by Senator Critchley) adjourned.

#### APPROPRIATION BILL 1956-57.

In committee: Consideration resumed from 24th October (vide page 895)—

Senator SPOONER (New South Wales—Minister for National Development) [11.51].

—I move—

That the time allotted for the consideration of the following votes be extended, as follows:—

Department of Territories, £234,000;

Northern Territory, £3,735,000;

Norfolk Island, £36,000;

Papua and New Guinea, £9,370,400;

Cocos (Keeling) Islands, £22,600;

—until 12.45 p.m. this day.

Department of the Interior, £4,334,000;

Miscellaneous Services, Department of the Interior, £90,000;

—until 3.45 p.m. this day.

When the schedule was prepared, I thought that the Senate was meeting at 10 o'clock, and not at 11 o'clock, this morning.

In the schedule before the committee, the time fixed for consideration of items up to and including the Cocos (Keeling) Islands expires in 10 minutes. We propose to allow until 12.45 p.m. for the first group, and until 3.45 p.m. for the second group. If the Deputy-Leader of the Opposition (Senator Kennelly) wants any further time for these votes, I am prepared to meet him.

Senator Kennelly.—The proposed re-arrangement is satisfactory.

Question resolved in the affirmative.

Department of Territories.

Proposed Vote, £234,000.

Northern Territory.

Proposed Vote, £3,735,000.

Norfolk Island.

Proposed Vote, £36,000.

Papua and New Guinea.

Proposed Vote, £9,370,400.

Cocos (Keeling) Islands.

Proposed Vote, £22,600.

Ordered to be considered together.

Senator MAHER (Queensland) [11.53].—

I propose to direct my remarks to the proposed vote for the Territory of Papua and New Guinea. A recent statement by the Minister for Territories (Mr. Hasluck) showed that the value of exports from the Territory had increased from £12,886,000 in 1954-55 to £13,258,000 in the fiscal year ended 30th June, last. It is pleasing to note that there has been an increase in the value of exports from Papua and New Guinea, despite the declining gold yield and the fall in values of tropical products on world markets. In view of this tendency, we should consider very closely any proposals to increase the tax burden on the Australian people by the increase of administrative staffs in Papua and New Guinea. Recently, the Minister for Territories announced his intention to recruit more than 400 persons for administrative services in the Territory. These public officers might be necessary up there, but I have not seen any case made for such a substantial increase. As I said, they might be necessary, but we do not want to reach the point where the Public Service of New Guinea, which is largely maintained by the Australian taxpayers, becomes top heavy and out of balance with those persons who are engaged in the production of real wealth in the Territory.

Only a limited number of people are engaged on the plantations and in the various business enterprises, and an empire of public servants would be a mighty big burden for them and the Australian Government to bear. I sound that warning. I am pleased to note that the production of tropical products such as coffee, cocoa and coconut products has increased, even though the value has declined. Speaking generally, the Territory appears to be gradually progressing, but it seems to me that the appointment of more than 400 new public servants is not quite related to the number of people who are engaged in producing the real wealth.

I had the pleasure of visiting the Territory three or four years ago as a member of a parliamentary delegation. What impressed me, in both Papua and New Guinea, was the need for the Administration and the Australian Government to concentrate on teaching English in the various schools. It was a great thrill to me and to members of the delegation generally to go into the hills and to come across little schools a long way from the coast, with the Australian ensign flying from the masthead, and to discover that in a number of them in which there were masters who had been mission-trained and who could speak English fluently, there was quite a number of young boys too, who could speak English fluently. But in other schools even the teachers could not make themselves understood freely in English, with the result that the children attending those schools were not getting the benefit of training in that subject. Pidgin English is the lingua franca in the Territory and most of the several hundreds of tribes that speak their own dialects can communicate with each other through the medium of pidgin English; but it is an undesirable and babyish kind of language, and if we are to preserve New Guinea and to bring it closer to Australia, it is highly important that we should train the native youth to speak English so that we can understand them and they can understand us better than they can by speaking pidgin English, which is not thoroughly understood by many Australian citizens in the Territory and others who visit there from time to time.

One of the weaknesses of the education system that struck me during my visit was

the fact that only the native boys attend the schools, where they are established, and that the girls are not sent to them. We were informed that that was because of the orders of the luluais, the chiefs of the villages or settlements. One luluai, when asked why he gave such a ruling, claimed that it was proper for the boys to be educated and to be taught English so that they could mix freely with the Australians who are pioneering the development of the Territory. But he held that there was no necessity for the girls to be educated, that under their tribal customs they were reserved for the domestic chores and work in the gardens, and for marriage. He did not see that the girls could gain any benefit from attending school, but thought that for them to do so would only help to unsettle them.

I think there is room there for compromise with the luluais. The compromise could be that, if they did not want the girls to be educated in the three Rs, at least they could have them taught English. I regard that as being most important, because it could happen that in all these little schools there might be only a negligible number of boys who are sufficiently capable to be able to rise to the secondary schools and finally be usefully employed either by the Administration or in some other direction. The great bulk of the boys attending these schools will ultimately marry the native girls and slip back into the jungle. As the girls are unable to speak English, very obviously the native boys who have learned English will drift back into the use of the local dialect, and I am afraid that in that way English might be forgotten. If that were to happen, we would be losing something that is useful to us and vital to the future development of the Territory.

As Australia progresses and as we build our nationhood, it is highly important that we should have the goodwill of all the natives of the Territory. I see no better way of doing that than by bringing them close to us so that they can understand us and we can understand them, so that native men and women can speak to the Australian men and women in the English language, and so we may be enabled to get down to good businesslike co-operation in matters of development. Of course, it is of paramount importance in the question of defence; I repeat that the one thing that impressed me

during my visit to the Territory was the need to concentrate our educational efforts on making English a high priority subject and to try to come to some understanding with the luluais in the various villages and settlements to allow the girls to go to school to learn English at least. If that were done, I have no doubt that by degrees pidgin English and the native dialects would disappear and we would build Papua and New Guinea into an English-speaking territory, very friendly and co-operating with us in all important matters.

I have received a letter from Mr. Downs, who is a very fine officer in the Administration and at present is president of the Highland Farmers and Settlers Association. Mr. Downs was a very distinguished Australian officer during the war against the Japanese in New Guinea and he is now the Administration's district officer at Goroka, in the highlands of the Territory. I met him on the occasion of my visit. He has sent to me a copy of a charter that was adopted unanimously at the annual general meeting of the Highland Farmers and Settlers Association held at Goroka on 29th July. The letter reads—

I am enclosing for your information and any use in the public interest which you may care to make, a copy of the Charter adopted unanimously by members of our Association at their fourth Annual General Meeting held at Goroka, in the Territory of New Guinea, on 29th July 1955.

This Charter, in its aims and beliefs, is a clear indication of the sense of responsibility and humanity which has gradually grown up amongst our members, and I feel that you may share our pride that it is possible for us to compromise self-interest to a degree which enables us not only to recognize the natural ambitions of a dependant people, but to actively strive to assist them.

It is our hope that you will help the cause of reason and justice which we are committed to support, by doing all that you can to explain to others in Australia and elsewhere what we are trying to do.

Perhaps the charter is a little too long to read, but it is important. I do not know whether to have it incorporated in "Hansard" would be contrary to the Standing Orders, but I wish it could be so incorporated. It is a worth-while document. It states, among other things—

We believe that it is our duty and function to provide those skills and services which the Highland people are not yet able to achieve without direct assistance. By collecting, purchasing and marketing the produce of all who lack the means of transportation and disposal, we can create the

beginnings of a sound economy for the Highland people. We look forward to the day when they themselves can gradually provide their own transportation and find their own markets by ambition, incentive and imitation.

We believe that it is important for the highland people to realize that we and they have been thrown together at a time and place which makes us partners in the development of a country only recently released from the handicap of tribal war. We place no limitations upon the future progress of the highland people.

We accept without qualification the fact that all land is owned by the highland people until they themselves choose to dispose of their land. We believe that it is they alone who should have the right of accepting us as individual settlers. In those cases where the Administration can clearly establish the fact that despite the desire of the owners of land to sell their land, there is real danger of future land shortage for such owners, we agree that no action should be taken by the Government to purchase any land vital to future generations of highland people.

We are strongly opposed to the speculative acquisition of land, and we are opposed to unnecessary interference and obstruction of the right of men to buy and sell what they desire or own in circumstances which do not prejudice the development of the country.

We believe that the social organization of the highland people and their traditional customs must not be damaged or changed until such time as they themselves by natural processes of development, desire to make changes which will better adjust them to their contact with Western civilization.

Sincere in our desire to see the highland people advance and progress without restraint, we declare that we will oppose with all the means at our command any attempt to obstruct our own economic and social status in the community.

The members of the association make the qualification that they want to preserve their own rights. They are Australians who pioneered that territory, and are developing it. They are blazing the trail and opening up the furrows; they are promoting the development and prosperity of the native races. This is an important work that calls for recognition by the local administration and the Australian Government.

**The CHAIRMAN (Senator the Hon. A. D. Reid).**—Order! The honorable senator's time has expired.

**Senator KENNELLY (Victoria) [12.8].**—Yesterday, the debate on the Estimates was, in parts, interesting. Possibly it was the fault of honorable senators who spoke often or at length that little time was left to the Minister to reply, even if he wanted to. Some Ministers are willing to reply, but perhaps their advisers do not wish them to do so. I hope that in the remaining

time allotted for the debate on the Estimates the Ministers will have adequate opportunity to reply to questions raised by honorable senators.

In the Estimates for the Northern Territory, Division 273, General Services, under the heading of "Aboriginal Affairs" there is provided £28,650 for educational services. Last year, the vote was £62,100, of which £33,578 was spent. In subdivision D, Other Services, there is item 8—"Municipal Expenditure—£45,800". Last year, the vote for this was £61,200, of which £60,293 was spent. I am not certain whether Alice Springs now has local government. There was considerable agitation in that centre for the appointment of a municipal council similar to those operating in other parts of Australia and if that has been established it may account for the reduced vote for municipal expenditure this year.

Item 16 under the same heading is "Air-mail Service—Subsidy—£22,800". Last year, the vote was £20,800, of which £20,200 was spent. Will the Minister say what air services are subsidized from this vote? Perhaps we may learn how much Australian National Airways Proprietary Limited is receiving from this vote.

I am particularly interested in item 24, "Assistance to and development of mining industry—£11,000". Last year, the vote was £16,000, but nothing was spent. Is there any reason why it was not spent last year? Australia is fortunate to have within its boundaries, and in the Northern Territory in particular, rich deposits of minerals. I am not overlooking the grazing and agricultural industries in the Northern Territory, and the extensive rice fields near the northern coast.

Surely the Minister can give some explanation of the three items to which I have referred. I hope that some semblance of an answer will be given to these and other questions that may be raised. It is understandable that an answer cannot always be given on the spot, but I hope that the Minister will give some assurance that a reply will be forthcoming in due course.

**Senator SCOTT (Western Australia)** [12.12].—The total amount provided in the Northern Territory Estimates is £3,735,000. I have visited the Territory twice within the last few years and have seen something of the enormous development that has taken place. The people living there have a different outlook and seem to have

received new life. In 1952, the Government amended the taxation law to allow settlers, and particularly pastoralists, in the Northern Territory to have the benefit of total taxation concessions if they applied their profits to structural improvements of a fixed nature on their properties. The pastoralists are taking advantage of this concession, and water supplies are being installed, new houses built for employees and extensive fencing programmes undertaken. On many of the properties horse paddocks and bullock paddocks are being fenced. In many cases, the station owners have applied their entire profits to these purposes and have been able to obtain taxation concessions on the full amount. Activity of this sort has been going on for almost three years. I do not think that that concession gave the same incentive as the one now in operation. Probably, it was because the owners of pastoral properties there believed that the concession would not be extended beyond the five years, and, for that reason, instead of ploughing back profits into the properties, decided to get all they could out of them and took the money south.

**Senator Kennelly.**—But the honorable senator must agree that the only concession enjoyed by the ordinary worker in those areas is the zone allowance, although I frankly confess that the present Administration is not entirely to blame for that. It was in operation before this Government attained office.

**Senator SCOTT.**—That is so, but Senator Kennelly says he has been in these areas. If he has been, he must agree that the people of the Northern Territory have a new outlook. I simply referred to pastoral properties in passing. If the American venture to sow 1,000,000 acres to rice near the Adelaide River is successful, more people will go to the Northern Territory for work, the population of the area will be increased and more revenue will accrue to the Commonwealth. The recent Suez Canal dispute has had an adverse effect on buffalo hunters of the Northern Territory, who are interested in exporting hides. They have now lost their market in the Middle East, and as the price now offered for a buffalo hide is very low, none of them is shooting buffalo. While travelling by air from Darwin to the uranium fields at Alligator River, last year, I noticed vast

herds of buffalo running on the plains. I had the impression that these beasts were of little value apart from their hides, that their meat was not suitable for human consumption; but I was told that there is no better meat than buffalo beef, provided the beast is killed before it is too old. If that is so, I suggest that the Minister might consider putting in train experiments in the crossing of buffalo with other beasts with a view to ascertaining whether the meat from the progeny would be suitable for consumption in Australia and overseas. I realize it is a big question, but it seems a pity that thousands of buffalo should be roaming in the area unmolested if something could be done to utilize their beef.

Within the last four or five years, large deposits of uranium have been discovered in the Northern Territory. This has been responsible for the growth of a new town at Batchelor, some 50-odd miles from Darwin, where approximately 1,000 people are now living. It is interesting, also, to read, in the report of the Australian Atomic Energy Commission, that Rum Jungle is developing because of the production by Consolidated Zinc Proprietary Limited of uranium oxide which is being exported and thus helping to maintain Australia's overseas balances. I shall ask for information on these matters shortly.

Whilst I congratulate the Minister and the Department of Territories for the work that has been done in the development of the Northern Territory, I direct attention to the provision for Commonwealth hostels in respect of loss on operations. In 1955-56, the vote was £42,000, of which £41,849 was expended. This year, the amount being provided is £35,300. Evidently, it is expected that the losses will be less than those of last year. When Commonwealth-owned hostels are established in those areas, they should be made to meet running costs at least. I should like to know how many people are living in these hostels, how many hostels the Commonwealth is operating and whether it is the Government's intention to continue with the present system of expecting losses.

I come now to the proposed vote for general services in the Northern Territory. The sum of £295,000 is being sought for electric supply—generation, distribution and maintenance; and the sum of £95,000 is

being sought for town water supplies—running and maintenance. I should like to know whether these figures represent anticipated losses, whether any charges are made to consumers of electricity and water in Darwin and, if so, whether those charges are sufficient to meet those costs. I should be glad if the Minister could give the Senate that information when he replies.

**Senator HARRIS** (Western Australia) [12.23].—I wish to refer to the provision of £9,370,000 for Papua and New Guinea. When I visited these areas, I was very impressed with the work being done there. It seems to me that great opportunities exist for any Australian who cares to engage in farming, coffee-growing, or cocoa-growing in the Territory of Papua and New Guinea. I agree with everything that Senator Maher has said about these areas and I should like to see the Government embark upon a strenuous drive for the development of that Territory. I believe that if roads and other essentials of civilization were constructed quickly, people from Australia would be induced to settle in Papua and New Guinea. If that Territory were populated by Australians, it would become the most important defence outpost for this country. I wish to pay tribute to the patrol officers throughout the Territory because of the methods that they adopt to organize native labour for road-making. Honorable senators would be amazed to see how the natives cut roads into the sides of mountains—I emphasize mountains, and not hills. The patrol officers and the natives are doing a marvellous job of road-making. The natives use only picks, shovels and pointed sticks for the digging, and they use baskets to move the earth and other material from one place to another. No machinery of any description is used, and if they can do such a good job with primitive tools they could do a much better job with modern machinery.

Time and time again I have seen press reports that they Snowy Mountains Hydro-electric Authority has sold earth-moving equipment, and I suggest that the Government could secure such equipment and send it to the highlands of New Guinea and Papua. If that were done I suggest that it would be no time before there was an adequate road system in the Territory. The earth-moving equipment could also be used

for other works to develop that area. If all that were done I have no doubt that many more Australians would want to go to the Territory and settle there.

I have received a number of letters from people in Western Australia who are interested in cocoa and coffee growing. They want to know the potentialities of Papua and New Guinea. I referred the matter to the Minister for Territories (Mr. Hasluck), and he furnished me with all the information that I required. I have sent that to the people who have inquired about this matter. I congratulate the Administrator of the Territory for the excellent job that he is doing, and suggest that if he were supplied with sufficient money to carry out the projects that he has in mind the Territory would develop wonderfully within a very short space of time. The proposed vote will be more than the amount voted last year for this Territory, but I should like to see much more money expended, so that the natives could be trained and the Territory developed. If that were done, Australia would profit in many ways, and particularly in regard to defence.

**Senator COOPER** (Queensland)—Minister for Repatriation) [12.28].—Senator Kennelly asked a question with regard to Division 273, sub-division C, item 4, educational services for aborigines. The estimate under this heading is £28,650 and the amount voted in 1955-56 was £62,100. I understand that £16,785 will be spent on government schools, £10,751 on schools on pastoral properties and 1,114 on mission schools. The Northern Territory Administration has taken over the responsibility for this education from the Commonwealth Office of Education. Salaries amounting to £34,000 payable to teachers, and general expenses associated with them, are now provided under sections A and C of Division 273, so that actual expenditure on native education in 1956-57 will be £62,650.

An amount of £48,800 is provided, under Division 273d, for municipal expenditure including street lighting, street cleaning, undertaking services, maintenance of drains and public utilities and traffic signs, and so on. At Darwin, the total expenditure will be £27,232, at Alice Springs £15,570, at Tennant Creek £1,674 and at Katherine £1,324. The total expenditure will be £45,800. The reason for the decrease is that the parks and reserves section

expenditure which amounted to £23,400 in 1955-56 has been transferred to item 18 this year. There are two separate subsidies for the air mail service, £19,500 for the Northern Territory Administration's proportion of a subsidy to Connellan Airways for internal air services provided in the Northern Territory, the remainder being paid by the Department of Civil Aviation and the Postmaster-General's Department. So far as the Northern Territory Administration is concerned, the purpose of the grant is to assist internal air services which attract population to isolated areas, stimulate important industries such as mining and pastoral industries, and result in administration and governmental convenience in inspections, survey and research. The Northern Territory Administration's proportion of a subsidy to the MacRobertson-Miller Aviation Company for a fortnightly air service to mission stations and to one government aboriginal settlement in Arnhem Land is £2,500. This service ensures a regular supply of mail and light freight to the areas. Those two subsidies total £22,000.

The Northern Territory Development Ordinance provides for repayable advances to be made to miners engaged on developmental mining, and to prospectors. In addition, subsidies are granted to miners in respect of developmental ore crushings and for the purpose of assisting miners in the cartage of such ore from outlying mines to the battery. These subsidies are payable on a sliding scale depending on the value of the ore and the distance involved in cartage. The provision of £11,000 is allocated as follows:—Advances to mining generally, £5,000; subsidies for ore-crushing, £2,000; subsidies for ore-cartage, £2,000; and advances on tin concentrates, £2,000. The expenditure on this item during 1955-56 was nil, but mining activities in the Territory continue to increase and it is anticipated that applications for assistance will be made. Crushing at Tennant Creek battery will cause payments in respect of subsidy on cartage and crushing of developmental ores. Renewed activity in tin-mining may result in considerable advances being made.

**Senator Kennelly.**—I thank the Minister for that information.

**Senator COOPER.**—I was very glad to be able to supply it to the honorable senator. Reference was made by Senator Maher to the growth of the administrative staff in Papua and New Guinea. The proposed financial provision for the Territory in this financial year is £9,250,000, compared with £2,018,673 in 1946-47. This increase reflects the substantial progress that has been made in reorganizing the Administration, improving its strength and efficiency, and raising the capacity of the building and construction industries. The output of these industries, in terms of capital works, has risen from £1,190,000 in 1952-53 to an estimated capacity of £3,500,000 in 1956-57. This covers the provision of houses, hospitals, offices, workshops, roads, wharfs and communications. The increase in capacity of the construction industries has been assisted by the greater use of resources from within the Territory—labour from the growing force of skilled and semi-skilled native labour, and timber from the forests of the Territory. Credit is rightly due to the Administration for its energy and initiative in this regard.

The staff of the Administration increased from 447 in 1946, to 1,130 in 1949, and 2,206 in 1956. It is planned to recruit 339 additional personnel for the service during 1956-57, made up of 120 professional and technical staff, 68 administrative and clerical staff, 49 general staff, and 102 cadets in the various professional fields. The system of cadet training that has been in operation for some years is being continued. The replacement of wastage is expected to involve a further 115 appointments. The service has been placed on a sound organizational basis, provision being made for such matters as superannuation, arbitration, territorial allowance, liberal leave conditions with fare allowances, education allowance, child endowment, and an appeal system in respect of promotions.

I come now to the question of trade. Total trade has increased in value from £5,320,000 in 1938-39 to £33,101,000 in 1955-56. In the same period, the value of exports has increased from £3,464,000 to £13,258,000.

Senator Maher also referred to primary production in the Territory. The production of copra and coco-nut oil production is one of the main industries of the Territory. The local production of rice and

meat is increasing, and stud cattle are being exported. A high priority is given to agricultural extension work to improve land use methods and farming systems of the native population, in order to increase production by improving soil fertility. Cash cropping of coco-nuts, cocoa, coffee, peanuts and passionfruit is increasing in the native economy. During 1955-56, further cocoa plantings were made by the natives, particularly in the Gazelle Peninsula of New Britain, where nearly 2,000,000 trees have been established. The production of cocoa in the Madang area is increasing, and the indigenous people have been encouraged to increase the production of rice.

It is true, as Senator Maher said, that pidgin English is the general language in many parts of the Territory, but I have been informed that the transition stage has now been entered. The Administration is endeavouring to introduce English as the general language as soon as possible but, as pidgin English has been spoken in the Territory for many years, the transition may not be completed as quickly as is desirable.

Native education is shared by the Administration and the missions. The missions, with more than 150,000 pupils, are responsible for almost all the elementary education, while the Administration's schools, catering for 8,300 pupils, are mostly conducted at higher levels than elementary education. The missions are assisted in their educational work by grants-in-aid, which are accepted by all denominations. These grants totalled £105,000 in 1955-56, and are expected to aggregate £123,000 in 1956-57. In order to provide more facilities for education, the Administration has concentrated much of its effort on the training of native teachers. At the beginning of 1956, the number employed was 326. There are now 227 in training, the most of whom will commence teaching in 1957.

In 1956, 21 additional scholarships were granted to native pupils for secondary education in Australia. The total is now 56. One girl gained the Victorian Leaving Certificate at the end of 1955, and the other students are progressing satisfactorily.

Land administration is considered to be one of the instruments by which a balance can be kept between the rate of advancement of the native people and the rate of

development of resources. Land is purchased by the Administration from native owners for settlement only when the Administration is satisfied that the owners do not need the land and are willing to sell it. The Administration must also be satisfied that any proposed non-native settlement is consistent with the established policy for native advancement. Before land is made available, it is surveyed to determine its best use. It is then offered on leasehold, by public advertisement, in blocks of suitable size for economic development, having regard to the particular land use.

In the use and cultivation of land, first consideration is given to the general advancement of the natives by teaching them how to use the land, and by the establishment of schools, hospitals and the like, in order to bring the natives of Papua and New Guinea more into line with the civilized communities of the world.

Senator ROBERTSON (Western Australia) [12.44].—When I visited the Territories under discussion, I was very impressed with the manner in which they were being administered. However, when I had the privilege of visiting Norfolk Island with a parliamentary delegation, I discovered that social services benefits are not provided for the residents by the Commonwealth. The population of Norfolk Island can be described as an ageing population, and accident cases are not provided for. I notice that the proposed vote for Norfolk Island this year has been increased to £36,000. I should like the Minister for Repatriation (Senator Cooper) to inform me whether it is envisaged that Commonwealth social services benefits shall be provided for the people of Norfolk Island.

The CHAIRMAN.—Order! The time allotted for the consideration of the proposed votes has expired.

Proposed votes agreed to.

Sitting suspended from 12.45 to 2.15 p.m.

Department of the Interior.

Proposed Vote, £4,334,000.

Miscellaneous Services—Department of the Interior.

Proposed Vote, £20,000.

Ordered to be considered together.

Senator KENNELLY (Victoria) [2.15].—I should like to say a few words on the Department of the Interior. All honorable

senators recognize the importance of that department, because it administers the electoral system under which our fate as members of this chamber is determined. Some time ago, I raised the subject of voting. Irrespective of the party to which we belong, the number of informal votes cast at the last general election must have perturbed all honorable senators. At the recent election in Tasmania, the number of informal votes cast represented 4 per cent. of the total votes. The method of election in that State, although in some respects similar, differs from the method of election for the Senate in that a voter is required to mark only three squares, although six candidates have to be elected for each division, and 30 in the State House. A vote is regarded as formal in Tasmania as long as three squares are marked.

Let us consider the farcical position which could arise in voting for the Senate following a double dissolution. Each of the two main parties would nominate six candidates. Depending on the time when the election is held, there could be six candidates from the splinter group. That would make a total of eighteen candidates. Then, there could be six candidates from the Communist party, which would bring the total to 24. On one or two occasions, the social credit party has nominated candidates; so, the total could reach 30. Then, as a rule, three or four ungrouped candidates are nominated, which would mean that the names of 33 candidates could appear on the ballot-paper. Under the present system, if 33 candidates were nominated, a vote would be declared informal if a voter did not mark each of 32 squares on the ballot-paper. I am not blaming the present Government for this state of affairs, because, possibly, the system was introduced during the term of a previous government; but the position is that, following a double dissolution, if 33 candidates were nominated, a voter would have to mark the squares on the ballot-paper from one to 32 in order to cast a valid vote. Double dissolutions do not occur frequently, but at ordinary elections the ballot-paper would contain about half that number of names. To say that, when seventeen or eighteen candidates are nominated, a voter must mark every square except one in order to cast a valid vote, is to make the position tremendously difficult; and, in these modern

times, such a procedure makes us look very foolish.

As I have said, in the election held in Tasmania a week or so ago, 4 per cent. of the total votes cast were informal, compared with 12.5 per cent. informal votes cast at the Senate election in December last. Irrespective of what party is successful, the method of voting should be made sufficiently simple to ensure that the wish of a greater percentage of the people is expressed. I understand that the Minister for the Interior (Mr. Fairhall) is giving some thought to this matter. I read that he intends to get opinions from certain organizations. As one who has played an administrative part in one such organization, I do not know that the organization has any request to make. I am very concerned about the matter because I think the present state of affairs is wrong.

I do not want to make a long speech about this matter, but I emphasize that conditions at polling booths are far from what they should be. Although Victoria is possibly better off for electricity services in country areas than are most of the other States, I know that in Victoria many polling booths are lighted by a kerosene lamp hung in the middle of the hall. The back of the polling box generally faces the light and, in addition, nine times out of ten the point of the pencil is broken and is unusable. I am pointing out what I consider to be practical difficulties. I hope that what I have read, concerning the Minister's intention to make inquiries, is true, and that any person desiring to offer evidence will be allowed to do so. The people, who in the main govern this country, should be given the necessary facilities and have the method of voting simplified so that they know for whom they are voting.

That brings me to another point. What is wrong with indicating on the ballot-paper, the names of the political parties to which the respective candidates belong, particularly in the case of Senate voting? People would then be able to follow the cards that are distributed outside the booths. I have read that some people desire to do away with canvassing outside booths. I hope it is retained because it provides a lot of fun and sport. It enables one to make friends with people on the opposite side who are

working just as hard for their candidates as I might be working for mine. If we are always scratching our backs and priding ourselves on our democracy, at least we should introduce a system which would enable democracy to work.

The third matter about which I find fault is the system of postal voting. I know which party introduced it, but if I think a thing is wrong I am prepared to say so. I think the present system is fantastic, and I have learned a lot about postal voting in elections over a long period of years.

**Senator Wright.**—The honorable senator has not had very pleasant experiences.

**Senator KENNELLY.**—I do not think my experiences have been any better or worse than those of any one else, but I believe that the only practical method of postal voting is that which is at present adopted in New South Wales.

**Senator Anderson.**—Shame on the honorable senator. That system disfranchises thousands.

**Senator KENNELLY.**—It does not disfranchise any one; it gives the participants of all parties equal rights in the filling in and posting of forms. It does not mean that people should post the ballot-paper that the voter has marked. For that reason, I believe that besides the voter concerned, only officials should handle a ballot-paper. I have always advised persons who vote by post to post the ballot-paper themselves, and to use ink in marking their papers.

I have had long experience of elections, and it was fantastic that in Victoria at the last general election informal votes for Senate candidates totalled 13.5 per cent. of the total votes cast. They were cast mainly by persons who wanted to vote. The percentage of those who wish to record an informal vote deliberately is infinitesimal. Generally, they have the sort of mind that makes them write funny things across a ballot-paper, some of them not altogether complimentary to the candidates.

If it is true that the Minister for the Interior (Mr. Fairhall) is inquiring into this matter, and is prepared to accept suggestions, I think that those of us who are vitally concerned should give their advice. Irrespective of how we might feel a month

after the election, we have to look five years and eleven months ahead to the next poll. I believe that the people should be allowed to elect the government they want, and they should be able to distinguish between the candidates for the various parties. They should not be forced to vote for eighteen or nineteen candidates to make a ballot-paper formal. If we are to follow the Hare-Clark system—which I have heard described as the "March hare" system—let us follow Tasmania's example. In Tasmania, if there are five candidates to be elected, a vote is formal if it is cast for three of them. I suggest that when there are six candidates to be elected, the voter should be allowed to vote for four, and if there are ten, to vote for six. The elector should be able to vote for more if he desires, but the voting should be optional preferential voting. I know that it will be argued that the voters should have to vote for at least the number of candidates to be elected. I believe that they should be allowed to vote for one panel and that the candidates should be shown in party groups. All of us must be concerned with the number of informal votes that are cast. We should take nothing away from the electors, but we should not compel a person to mark a figure against every candidate on the card.

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

**Senator LAUGHT** (South Australia) [2.30].—I wish to speak on Division 71—Department of the Interior, and the provision for rents of buildings. In particular, I wish to refer to Commonwealth buildings in Adelaide. From time to time, I have mentioned this matter and I shall refer now in some detail to a reply that was given to me by the Minister then representing the Minister for the Interior in this chamber on 14th June last. My question was related to buildings owned and rented by the Commonwealth Government in Adelaide. The Minister stated in reply to my question upon notice—

In reply to the honorable senator's question, the Minister for the Interior advises that he regards the position in Adelaide as most unsatisfactory, and he is at the present moment reviewing the ownership and occupation of properties in Adelaide by government departments and properties purchased in recent years for the erection of government buildings.

I raise this matter now to ascertain whether any progress has been made since 14th June because the matter is of great importance to South Australia. Apart from a repatriation building which was erected about 25 years ago, no important building has been erected or acquired by the Commonwealth Government in Adelaide since the colonial days of 1869 when the general post office was erected. The Commonwealth Public Works Committee has not visited Adelaide for at least fifteen years. Only yesterday, a report reached the Parliament from that committee in connexion with a building to be erected in North Ryde, Sydney. From time to time, the Public Works Committee goes to Darwin and other States. I believe that it is going to Western Australia next month.

**Senator Robertson.**—That is good.

**Senator LAUGHT.**—It might be very good for Western Australia, but it would be far better if the committee would visit South Australia. The committee cannot do so unless the Minister for the Interior (Mr. Fairhall) directs, and I ask him to consider an early visit by the committee to South Australia. In the reply I received to my question in June, the Minister said—

The aim will be to consolidate government activities and to reduce the number of government-held properties. A site at the corner of Currie and Topham streets was acquired some years ago for the erection of a Commonwealth building, but it has not been possible to proceed with this project.

I should like to know whether it has been possible, in the intervening months, to revise the position in regard to that matter. The Minister also stated—

Another site in Currie-street, about 100 yards west of that referred to above, is held for the erection of a taxation building for which preliminary plans have been prepared by the Department of Works. These plans indicate that after providing for all taxation branches now located in the savings bank building, the Adelaide railway station and Balfour's building, Rundle-street a considerable area would be available for other Commonwealth purposes.

Again, I should like to know whether any further thinking or planning has been advanced in connexion with the construction of that important taxation building. The Minister also said—

In addition to the above sites, the Postmaster-General's Department has land in Weymouth-street which it has indicated could be made available for the erection of a building for the joint use of that department and for general Commonwealth purposes.

I should like to know whether there is anything further to report on that aspect of the matter. The reply continues—

As for the dispersed nature of the freehold properties of the Commonwealth in Adelaide, some of these were acquired for the Postmaster-General's Department and were selected to provide postal and telephone facilities for the public and, consequently, their location is important.

Then, the Minister was good enough to say—

I understand that the Postmaster-General's Department is investigating the possibility of securing land outside the City of Adelaide on which some of its activities could be concentrated, thus freeing city properties for other purposes.

I raise this matter under the head "Rent of Buildings" because, while all this disorganization exists in Adelaide, considerable rentals will be paid by the Commonwealth. Possibly, the Minister can bring me up to date on the figures I am about to quote, but when looking through the reports of the House of Representatives I noticed that on 9th May in reply to a question asked by an Opposition member, it was stated that £93,263 a year was being paid for rented premises in Adelaide.

What I want to stress is that the Commonwealth departments in Adelaide are very widely dispersed. The expenditure of approximately £93,000 in rents is bad enough, but the dispersed nature of the rented buildings in that city emphasizes the tremendous urgency of the need for the Department of the Interior to really get going on the provision of proper accommodation for Commonwealth departments. Reading at random, I note that part of the Department of Air is accommodated in the Masonic Chambers, which is away down North-terrace about half a mile from the centre of the city. The Department of the Interior is housed on the western side of the city in Richard's Building, for which an annual rental of £22,754 is paid. The federal members are dispersed. Some of them are in the Bank of New South Wales building and others in the Colonial Mutual Life building, for which considerable rentals are paid. The State Savings Bank building houses a part of the Attorney-General's Department. Small as that department is in South Australia, it is housed in four different buildings spread over the City of Adelaide. If one did not realize that such a state of affairs really existed

in Adelaide, it would seem fantastic. An amazing aspect of it is that the income tax office is on the top floor of the railway station, which is in North-terrace. Another amazing thing is that this state of affairs is being perpetuated in buildings now being built. I refer to the Da Costa building in Grenfell-street, on the ninth floor of which the Commonwealth Statistician's office is to be located.

I feel that the attention of the Parliament should again be focussed on the unsatisfactory position in relation to Commonwealth buildings in South Australia. Perhaps some of my colleagues could speak about the position in the capital cities of the States that they represent but, having listened as a member of Parliament for five years to reports of what is being done in the other capitals, I feel that similar things are not being done in the capital of the State that I represent. I feel also that it is high time that the Commonwealth reconsidered certain purchases of buildings that have been made during the last ten years. As an example, I refer to the biscuit factory in Grote-street, which I understand was purchased for £130,000 but has not yet been used. If it is not to be used, it could be sold and the money used for consolidating in a more convenient area. I am not criticizing the Commonwealth for buying such buildings, because possibly at the time it was thought to be good business; but if the Government is really serious about the provision of Commonwealth buildings in Adelaide, it should sell some of the buildings that possibly are "surplus to establishment".

Adelaide lends itself to excellent planning, because the streets are reasonably wide and are at right angles to each other. I am not blaming this Government, but over the years it seems to have been traditional for the Commonwealth to fail to grasp the importance of providing good Commonwealth buildings in that city. In some Arabic cities in which I happened to be during the last war I noticed that the public buildings were the really good buildings; and it seems a pity that in the State capitals of Australia, particularly in Adelaide, the Commonwealth has not erected public buildings of which one could be proud. I feel that our civil servants would work much better in proper accommodation. What is more important, members of the public who have to transact

important business with federal departments would get more consideration if the buildings were logically grouped. Consequently, the annual expenditure of £800,000 for rental throughout Australia, and by now possibly £100,000 in Adelaide, should be examined. I think it could be reduced in Adelaide if adequate and proper Commonwealth buildings were provided in that city.

**Senator ANDERSON** (New South Wales) [2.43].—I shall deal, first of all, with matters raised by Senator Kennelly in regard to the proposed vote for the Department of the Interior. I completely agree with many of the points he made. There is no doubt that the case he made, especially in regard to the method of Senate voting and proportional representation, was a strong case. I think, as he does, that it is the height of absurdity to expect people to cast a preference vote by quoting a number that could be anywhere between ten and infinity. But if I may say so, I think he spoilt a good case when he referred to postal voting in New South Wales. It is not my intention to develop that argument, because I have something else to say. Let me summarize it by saying that the system of postal voting in New South Wales is one of the most wicked things that I can think of, because, in effect, it has disfranchised thousands and thousands of people. The essence of our democratic way of life is that every man and woman over the age of 21 years should have the opportunity to exercise a free and untrammelled vote. The institution of electoral visitor votes in lieu of postal votes would mean—and I leave the matter here as being one example of just how silly it would be—that, if anything happened to a person during the week preceding the election, that person would be disfranchised. I agree with him on many points. I agree with him that some revision of the system is necessary, but I believe that he spoilt a good case when he suggested that we should introduce into the Commonwealth sphere a system of postal voting similar to that in operation for elections for the New South Wales Parliament.

Now I turn to civil defence. I regret that in my remarks on this subject I shall be somewhat critical of the Government, but I feel bound to say that I regard the proposed vote for civil defence as being completely and absolutely inadequate. It is

true that the world has passed from what is now called a hot war to a cold war, but I believe that the proposed appropriation of the paltry sum of £70,000 for civil defence purposes this year shows a lack of appreciation of the urgency and importance of civil defence.

Civil defence is a part of any complete defence plan. Field Marshal Lord Montgomery has gone on record as saying that, without civil defence, all other defence preparations are likely to be valueless. Some years ago, I saw the devastation that could be wrought on a city by conventional bombs dropped in what would be regarded now as a minor air raid. I saw the damage that 65 Japanese aircraft inflicted on the city of Singapore with conventional bombs. I saw human remains shovelled from the wreckage of buildings in the same way as inanimate objects would be handled, and I know from personal experience what a demoralizing effect that had on fighting troops stationed in the target area.

Last year, £234,000 was appropriated for civil defence purposes and actual expenditure amounted to £88,782. It is proposed that the appropriation this year shall be £70,000. That is an amazingly small appropriation in view of the complexity of our defence problems. This is a vast continent, with the principal cities separated by great distances, and each State has problems different from those of the other States. We all pray that there will not be another war. It is argued by some people that, if there were another war, Australia would not be regarded as of sufficient importance to warrant an atomic attack, and that our role would be to serve as a base and a source of supply of food for our allies. But I suggest that that argument ignores some of the principles of war. Sir Winston Churchill said recently that because nuclear weapons could inflict such fearful damage, it might well be that in a war the great Powers would be reluctant to use them in the main areas. The argument would be, "What is the use of using atomic weapons on the enemy's cities if our cities will be paid back in kind?" But nuclear weapons could be used in, so to speak, fringe attacks. No less an authority than Sir Winston Churchill has suggested that that is the way in which nuclear weapons would be used. If so, Australia would be very vulnerable to attack and the need for

civil defence preparations would be more urgent than ever.

I understand that the Government has established a civil defence school and that it is the intention to train there a number of people who will constitute a cadre. They will go out amongst the civil population and train other people in civil defence. In a question asked in this chamber the other day, it was suggested that some parliamentarians be invited to attend the school. That is an excellent idea. I am certain that not many of the honorable senators sitting here now understand the principles of civil defence. If we were to hold a quiz and ask honorable senators what they would be expected to do in the event of a nuclear attack, or even in the event of an attack by conventional weapons, they would have to admit that they would not know what to do.

**Senator Hannaford.**—We could get into our Anderson shelters.

**Senator ANDERSON.**—I should have a fair idea what to do, because during the last few days I have taken the trouble to study the subject. Every man, woman and child in Australia should be given a basic training in civil defence. As a child is taught the principles of Archimedes, so he should be taught the principles of civil defence. In the event of nuclear attack, those who had been taught the principles of civil defence would live and those who had not been so taught would die.

I speak with some feeling on this subject because I have seen something of the inhumanity of air attack on cities. I feel very strongly about the need for civil defence. In my view, we cannot afford to depend upon a hope that the world is entering an era of peace. We all pray that it is doing so, but we must be sensible and take out insurance against war. Even the most healthy and robust man insures against death by accident. Surely the time has come when we should insure this nation against accident. I say that a sum of £70,000 is absolutely inadequate for civil defence purposes. If we appropriated a sum six or seven times as great, it still would be inadequate. Every child should be taught in school the elements of civil defence. As Senator Light says, civil defence lessons should be regarded in the same light as

swimming lessons. But we cannot do those things with only £70,000. That is not something they can learn overnight; they must have a period of training. If countries like Great Britain and the United States of America believe it wise to take action along the lines I have suggested, then it is equally wise that we also do so. If big cities like New York, with a population of some millions, can arrange a complete mass civil defence practice at a busy hour of the day, surely we in Australia must look upon this matter as being worthy of a greater vote than £70,000.

I do not wish to be misunderstood. I am a man of peace. God knows, I have reason to be. I do not want to contemplate all that has gone before. I want to think that we intend to do the sensible and sane thing to preserve our heritage, this country, for our children. I shudder to think that we are to go blithely on without making adequate preparation against the day when something evil, something over which we have no control and for which we are not responsible, might happen. Because Australia is a great citadel, because it is a great primary producing country and is on the fringe, it might well be more vulnerable than the great cities in the heart of countries controlled by the great powers. The Government might give further consideration to this vital matter of civil defence and make further provision for it by bringing down a supplementary budget.

**Senator KENNELLY (Victoria) [2.57].**—Although I realize that this is my second speech, I direct your attention to the time, Mr. Chairman, and, in view of the speech just delivered by Senator Anderson, would ask that the committee be given an additional twelve minutes for the consideration of these proposed votes.

I desire to refer to the question of rental buildings. This year there is an appreciable increase in the amount to be provided for this purpose. Whereas it was £615,000 last year the Government is asking for the huge sum of £800,000 this year. I congratulate the Public Works Committee upon the commencement of the big block of Commonwealth buildings in Melbourne. I thank it for having the corner at Lonsdale-street truncated so that one may drive in that locality with greater safety. Now that the construction of buildings for the Olympic

Games has been completed and many building tradesmen are out of work, some impetus should be given to the building of Commonwealth offices. The Commonwealth has available the necessary money, and it should push on with the construction of these offices and so eliminate the necessity for voting huge sums for the rental of buildings.

I point out that as chairman of a parks committee I am the legal owner of premises which the Commonwealth Government is renting. Later, I shall ascertain from the Minister the amounts being paid for individual buildings because, at the moment, I am not sure that I am getting all I am entitled to get by way of rental; and that belief is strengthened when I see such a huge sum as £800,000 set down as the amount required for the rental of buildings. Here, although it might be unusual to mention the names of departmental officers, I intend to mention the name of one who has shown great kindness, courtesy and consideration to me in connexion with matters relating to the 46½ acres in Albert Park still being rented by the Commonwealth. He is Mr. Doolan with whom I have agreed upon a plan under which a certain proportion of the area is to revert to us each year. It is essential that we be sympathetic towards the Department of the Army, but when the fight is on no punches will be pulled. I realize that the department cannot find accommodation for 3,000 or 4,000 employees overnight, but it is wrong that we should continue to spend these huge sums each year by way of rent. I was hoping that when portion of the new block of Commonwealth offices bounded by Spring, Exhibition, Latrobe and Lonsdale streets in Melbourne was completed the Government would make certain other offices available to the State.

**Senator Henty.**—Is the honorable senator referring to the Treasury offices?

**Senator KENNELLY.**—Yes. If that were done, it would have the advantage of grouping all relevant offices together.

If Australian tradesmen are engaged on other work and, therefore, are not available for the construction of Commonwealth offices, the Government should let contracts abroad for their construction. This job should be done. It is fantastic to think that we are allocating £800,000 a year for

the rental of buildings. I can see nothing wrong in this, or any other, Government employing firms such as the Utah construction organization to erect public offices. I agree with Senator Laught that we should provide decent office accommodation in each capital city, because, whether we like it or not, and irrespective of which party sits on the right of the Chair, governments will have a greater share in the activities of the nation as the years go by, and this will necessitate the provision of greater office accommodation. Having in mind the time it takes to construct even sections of certain buildings, I hope that, in about two years' time, we shall see some decrease in this huge amount which is being sought for the payment of rentals. It is bad business to pay rent, and we have an obligation to be as careful with the money of the nation as we are with our own.

**Senator BROWN (Queensland) [3.04].**—I listened to you, Mr. Temporary Chairman—

**The TEMPORARY CHAIRMAN (Senator Anderson).**—Order! Senator Anderson was speaking ahead of himself. If the honorable senator wishes to speak on matters relating to civil defence, he must wait until the next item is under discussion.

**Senator BROWN.**—Does that mean that you made a mistake?

**The TEMPORARY CHAIRMAN.**—The Chair does not make mistakes.

**Senator BROWN.**—I am now speaking to you, Mr. Temporary Chairman, as Senator Anderson. Senator Anderson spoke on civil defence. Am I right in believing that he should not have done so?

**The TEMPORARY CHAIRMAN.**—Yes. Discussion of the provision for civil defence should not have been permitted at that juncture. Civil defence will come before the committee in approximately half an hour.

**Senator ROBERTSON (Western Australia) [3.5].**—I wish to draw attention to one or two matters in Division 65, Miscellaneous Services. Before doing so, I wish heartily to agree with you, Mr. Temporary Chairman, in what you said about civil defence.

**The TEMPORARY CHAIRMAN.**—Order! We are not dealing with civil defence at present.

**Senator ROBERTSON.**—Very well, I shall proceed with my remarks concerning the Department of the Interior. During the last week, I have been much disturbed to learn that there is no provision in the Estimates for the erection of pre-school play centres although three committees of citizens in Canberra have been encouraged by officers of the pre-school section of the department to raise funds for these children's play centres. The number of children who could be expected to use the centres is more than a thousand. The committees have been operating in O'Connor and Deakin—

**The TEMPORARY CHAIRMAN.**—Order! I am sorry to interrupt the honourable senator, but if she is dealing with the Australian Capital Territory I am afraid that she will have to postpone her remarks for a time. That matter is not yet before the committee.

**Senator ROBERTSON.**—I thank you, Mr. Temporary Chairman, and I shall speak on this matter later.

**Senator SCOTT (Western Australia [3.7].)**—I refer to Division 65, Department of the Interior, Miscellaneous Services, and to the item that provides for the payment of £1,000 to the State of Western Australia for the eradication of Argentine ants—the same amount as was voted last year. When I first entered the Senate, I heard a discussion on Argentine ants in the early hours of one morning. That discussion arose out of the fact that Argentine ants had only recently been found in Western Australia. These ants have been a considerable nuisance in Perth, and the Perth City Council has spent, in conjunction with the Western Australian Government, large sums of money on trying to eradicate them. The ants are very hard to control, and once they get into a property a considerable expenditure of time and money is necessary to get rid of them. There were so many in Perth that the State Government had to make special sums of money available for their eradication. The Commonwealth has donated the very small sum of £1,000 towards the fight against the Argentine ant.

**Senator Byrne.**—How are they eradicated?

**Senator SCOTT.**—Their haunts are sprayed with poison. I understand that

D.D.T. is one of the poisons used. Argentine ants breed so quickly and are so voracious that after they have infested a house for a time they will mount from the ground floor to the third story, and eat any piece of meat that may be left lying about there. The ants get into refrigerators and safes, and it is impossible to keep them out of anything.

**Senator Hannaford.**—Is the Argentine ant a big bull ant?

**Senator SCOTT.**—No, it is a very small ant, but I suggest that £1,000 will not go very far towards eradicating the ants from Western Australia. I realize that this money is only a donation because of the Commonwealth's interest in the matter. The Perth City Council and the present State Government, as well as its predecessor, spent much time and money in destroying the ants. At present, the Argentine ant infestation has been reduced to manageable proportions, and if the Commonwealth could give the State a little more financial assistance they could be completely eradicated.

I now wish to speak about office accommodation in Western Australia for members and senators of the Parliament. In all States of the Commonwealth except Western Australia, members and senators have very satisfactory office accommodation. Most of them have private offices, and some have ante-rooms to their offices. When I was first elected to the Senate, I found that Western Australian members and senators were given quite inadequate office accommodation on the second floor of the Commonwealth Bank building in Perth.

**Senator Vincent.**—I have not yet an office to myself.

**Senator SCOTT.**—Perhaps Senator Vincent has not earned one. I suggest that this is a serious matter, and when I first raised it the Parliamentary Under-Secretary to the then Minister for the Interior informed me that I was to share an office with Senator Vincent and the late Senator Piesse. He said that we should have that office for only twelve months, and that then the whole floor of the Commonwealth Bank building would be reconstructed and a private office made available to each of us. Two or three years after that time, a single office became vacant and I was fortunate enough to get it. However,

the same privilege. I hope the Minister will see that this privilege is granted to honorable senators and honorable members. In this matter, they should at least have the same privileges as private secretaries, heads of departments and various other officers enjoy.

Senator Vincent.—Those officers do not have a nice new medallion.

Senator HENDRICKSON.—One might as well have a white rabbit to show, because taxi drivers do not look at the medallion; and if they did they would not understand what it meant. The same applies to tram and bus drivers. Honorable senators are not permitted to enjoy free travel in buses, trams or taxis in Melbourne. I do not wish to see this privilege taken from those who already enjoy it. My motto is that anything I have I hold until it is taken from me by force. The medallion is made for people like Senator Vincent, though, perhaps, he should carry something much heavier. The medallion is so bulky that it wears a hole in one's pocket. I believe that honorable senators and honorable members are entitled to at least the same transport privileges as are enjoyed by departmental officers in the Public Service. I venture to say that the officers who are advising the Minister will be met by cars when they return to Melbourne, or Sydney, or wherever their head office is situated. There is nothing wrong with that at all. Any executive officer coming to Canberra or travelling interstate should be provided with transport, but members of the Parliament should be afforded the same facilities and not be forced to use trams, trains or some other form of transport in order to reach their homes.

I trust that the Minister and the Cabinet will give consideration to bringing the control of all transport facilities of this kind under the administration of one Minister, whether they be provided in Canberra or in any other city. Secondly, the provision of transport for members of the Parliament is not an amenity but a necessity. It is not something that should be considered by the amenities committee; the Minister should take up this matter with Cabinet on behalf of all members of the Parliament. Transport should be made available to members of the Parliament to and from aerodromes or railway stations.

Senator PALTRIDGE (Western Australia Minister for Shipping and Transport and Minister for Civil Aviation) [3.32].—I desire to reply briefly to some of the points that have been made during the debate. Senator Kennelly mentioned the desirability of effecting some sort of reform in the method of election for the Senate. He spoke with understandable feeling. Of course, he knows that the matter is being considered by the Minister for the Interior (Mr. Fairhall), who has invited suggestions and ideas from members of the public and interested organizations. As a result of the consideration he intends to give to this matter, alterations will no doubt be effected. Briefly, I express the hope that if political parties intend to submit ideas, they will have less difficulty in reaching unanimity than has the party to which I belong. Within my party there seem to be as many ideas as to how the Senate elections should be conducted, as—

Senator Hannaford.—As a dog has fleas.

Senator PALTRIDGE.—Yes, as a dog has fleas. Senator Laught spoke of the condition of Commonwealth buildings in Adelaide. I shall see that his remarks are brought to the notice of the Minister, more particularly in view of the fact that I am aware of the attention which Senator Laught has given to this matter. He has asked me, as representative of the Minister for the Interior in this chamber, a number of questions on the subject. I shall also refer to the Minister for the Interior the proposition that the Public Works Committee pay a visit to Adelaide.

Senator Kennelly referred to the rental of buildings. I am informed that rental payments this year will amount to £800,000. Very little new accommodation has been rented, especially in Melbourne; the increased expenditure is due almost entirely to a re-appraisal of rentals. As to the position at Albert Park, I am quite aware, as is every other honorable senator, of Senator Kennelly's intense interest in this matter. Historians record that Queen Mary said that when she died the word "Calais" would be written across her heart. I frequently think that when Senator Kennelly dies the words "Albert Park" will be written across his heart.

Senator Scott spoke with some feeling of the proposed vote of £1,000 for the eradication of Argentine ants in Western Australia. I simply point out that this propo-

vote is not intended to finance a campaign for the destruction of Argentine ants to the last ant. It is a contribution made by the Commonwealth Government, as a property owner in Perth, to the campaign that is being waged with some success in that city.

As for the federal offices, I have had as much reason as any one to notice the inadequacy of the accommodation. I have not yet given up hope that when the new repatriation building is completed the situation will be relieved considerably.

Senator Ashley asked a question about the News and Information Bureau. The increase to which he directed attention has occurred largely in the film division. There is no increase in respect of either salaries or general expenses. I have been advised that the film division will cost more because the bureau is responsible for the production of films approved by the Minister on the recommendation of the Australian National Film Board. In 1956-57, 55 reels of such films are to be completed. The production of colour films and films in the new cinemascope technique will be responsible for increased expenditure. An increased provision is sought for the production of special purpose films for South and South-East Asia, as requested by the Department of External Affairs. Each film will be produced in the language of the area concerned. It is expected that the total expenditure on production will be £72,000, of which £12,000 should be recovered from other departments sponsoring the films. In addition to the speeding up of the production programme, I am informed that there has been a substantial increase in the cost of film itself.

Senator Hendrickson directed attention to Division 65—Administrative, and to the item, "Motor Vehicles—upkeep and hire including use of private vehicles for departmental purposes—£40,000". That vote has nothing to do with the transportation of Ministers or members of the Parliament. It is designed to cover departmental expenditure on exclusively departmental transport. Senator Hendrickson referred to the fact that the provision is below the amount of £47,333 expended last year on this item. Because of close and continuous supervision, it is not expected that expenditure will be so great in this financial year.

**Senator HARRIS** (Western Australia) [3.40].—I should like some information on

Division 71—Rent of Buildings. The first item under that heading provides for £39,000 for the Prime Minister's Department, compared with actual expenditure last year of £18,988. Under the same heading, provision is made for the Department of the Treasury amounting to £342,000 compared with actual expenditure last year of £173,226. That is a big increase, and I should like some information on the reason for the increased vote for both items. I should also like to know why £24,100 is being sought for rents for the Department of National Development, compared with actual expenditure last year of £13,033.

**Senator NICHOLLS** (South Australia) [3.41].—I wish to refer to Division 220—Department of the Interior, and to the item, "Commonwealth elections and referenda—£25,000". Actual expenditure on this item last year was £300,456. That is to be expected as a federal election was held in that financial year, and if we were getting value for the money expended every one would be more or less satisfied. However, when we consider the large number of informal votes that were cast at the federal elections last year, particularly for the Senate, the position is anything but satisfactory. About 166,000 informal votes were cast in the Senate election in New South Wales. The returns in Victoria, with a smaller population, were much worse. More than 184,000 informal votes were recorded. The informal votes in South Australia totalled approximately 40,000 or 9 per cent. of the actual votes cast. The proportion was 10 per cent. in Western Australia and 12 per cent. in Tasmania. Queensland had the best record with only 4 per cent. of informal votes, and if we could get the other States to that basis, it would be a marked improvement.

It is easy to understand why persons vote informally at Senate elections when we consider the number of voting systems that are in operation in Australia. In Tasmania, there is a Hare-Clark system, which is a form of proportional representation. In Queensland, in the State jurisdiction, first past the post is elected. In the Senate we have proportional representation, but we have preferential voting for the House of Representatives. In municipal elections, the voter generally places a cross beside the name of a particular candidate and that is also virtually a system of first past the post.

If all the persons responsible for the voting systems could be got together, it would be difficult to get them to agree to a standard system for Australia because they are all more or less married to their particular systems, but such an achievement would be well worth seeking. Many persons go to the polls on voting day merely to get their names crossed off the roll. They do not care what happens to their ballot-papers afterwards. Sometimes they do not put a mark on the paper. Others vote right across the ballot-paper, and that is a formal vote, though not a thoughtful one. Many people desire to cast an intelligent vote, but are so confused by the large number of voting systems that they do not know whether they are coming or going.

The Government should initiate an intensive and vigorous campaign to educate the people in the proper way to vote, particularly at Senate elections. The last redistribution of electorates was anything but satisfactory. The Australian Labour party must obtain about 54 per cent. of the votes recorded to win 51 per cent. of the seats. That system is anything but democratic. The Government should examine the situation, and introduce a system for the redistribution of electorates on a democratic basis.

**The CHAIRMAN.**—Order! The time allotted for the consideration of the proposed votes has expired.

Proposed votes agreed to.

Australian Capital Territory.

Proposed Vote, £2,716,000.

Department of Air.

Proposed Vote, £53,750,000.

Civil Defence.

Proposed Vote, £70,000.

Reconditioning of Marine Salvage Vessels.

Proposed Vote, £18,000.

Construction of Jetty for Handling of Explosives.

Proposed Vote, £185,000.

Department of Civil Aviation.

Proposed Vote, £8,747,000.

Department of Primary Industry.

Proposed Vote, £1,506,000.

Miscellaneous Services—Department of Primary Industry.

Proposed Vote, £685,000.

(Ordered to be considered together.)

**Senator KENNELLY** (Victoria) [3:46].—With respect, I direct attention to the fact that twelve minutes of the time allotted for the consideration of the preceding group of proposed votes was occupied by references to a matter that did not come within that group. I trust that, if an extra period of twelve minutes is needed for a proper consideration of this group of proposed votes, it will be granted. I should like the Minister for Civil Aviation (Senator Paltridge) to concur in my suggestion because, although a motion relating to the allotment of time for the preceding group was agreed to, I do not think we agreed to an allotted time for this group.

**Senator VINCENT** (Western Australia) [3:47].—I refer to the proposed vote for the Department of Civil Aviation. I take advantage of this opportunity to congratulate the Minister for Civil Aviation (Senator Paltridge) upon having been allotted that portfolio. I wish to refer to the air navigation regulations, particularly regulations 264 and 265. Very briefly, those regulations relate to the suspension or cancellation of an air pilot's licence and the method of appeal against that cancellation. Regulation 264 refers to the suspension or cancellation of a licence, and gives that power entirely to the Director-General of Civil Aviation. The relevant part of the regulation reads—

(1.) Any licence . . . may be suspended or cancelled . . . by the Director-General whenever he is satisfied that such action is necessary or desirable in order to ensure compliance with the provisions of the Convention and of these Regulations, or in the interests of public safety.

Clause 3 of the regulation reads—

Where any person is convicted of an offence against these Regulations, the Director-General may suspend or cancel any licence or certificate issued to that person.

It will be noted that the Director-General has absolute power in relation to that matter.

Regulation 265 gives an aggrieved person a right of appeal, and it is in relation to that right of appeal I now wish to address the committee. The relevant parts of the regulation read—

If the holder of the licence or certificate is aggrieved by the Director-General's decision

... he may . . . have the question . . . referred for consideration by an Appeal Board consisting of—

- (a) an officer of the Department of Civil Aviation nominated by the Minister . . . . .
- (b) an officer of the Attorney-General's Department . . . . .
- (c) a person having knowledge and experience of air navigation who shall be nominated by the Minister . . . . .

It will be observed that an appeal from a decision of the Director-General is to a board consisting entirely of officials of the Department of Civil Aviation and the Attorney-General's Department, and a nominee of the Minister.

I wish to stress, in the first place, the importance of the cancellation of a pilot's licence. It goes to the very root of a man's livelihood, because once his licence is cancelled he has to get a job as a clerk. Very few courts of law deal with more serious questions. The second point I make is that the right of appeal against the cancellation of a licence is to the department itself. The appeal is from Caesar to Caesar. The significance of this rather terrible creation—and I use the word advisedly—was recently brought to light in Western Australia when Captain James Woods was deprived of his pilot's licence by the Director-General of Civil Aviation. He appealed, and won his appeal.

I now propose to read to the committee a few passages from the transcript of evidence which I think are rather illuminating. When counsel for Captain Woods opened his address at the hearing of the appeal, he said—

Before the Director-General begins, I feel I would not be carrying out my duty to my client if I did not indicate now that we have some misgivings as to the constitution of the Board. I make this submission with some reluctance, but nevertheless in a sense of duty both to my client and generally. I do not make these observations with any idea of criticising any member of the Board personally.

The Board must be aware that the procedure laid down by the Air Navigation Regulations as to the constitution of this Board has already been criticised in the report of the joint committee on the department and I refer now to the Joint Committee on Public Accounts the 24th report on the Department of Civil Aviation, and particularly pages 11 and 12 of that report.

He continued—

The Board will appreciate that that criticism is not directed towards any individual but to the constitution of the Board nominated, as it is, by

the Director-General and as far as you personally are concerned, Sir, as Chairman, on the recommendation of the Solicitor-General. My point is that Captain Woods is submitting before this Board that what the Director-General has done is wrong and that his action was unjustified, and we think it unfortunate that Captain Woods's only right of appeal should be to a board appointed by the Director-General, or by the Minister on the recommendation of the Director-General, and that one member of it should be a member of the department from whose decision Captain Woods is appealing and that the Chairman should be a member of the Commonwealth Crown Law Department, which is not necessarily so under these regulations. We think it is unfortunate that that should be so because one of the complaints made against Captain Woods is that he has in times past been prosecuted for breaches of the regulations. It is well known that those prosecutions were conducted by the Commonwealth Crown Law Department and that in those proceedings the Commonwealth Deputy Crown Solicitor in Western Australia and the Deputy-Director of Air Navigation were, in essence, in the relationship of solicitor and client, and so we are now faced with the position that the client is appealing to a Board the Chairman of which is its solicitor.

Counsel for Woods concluded with these words—

I personally feel it is my duty to my client to point out that the procedure is by no means satisfactory, and although justice may well be done it will certainly not manifestly appear to be done, and that is important in itself.

I think that counsel for Captain Woods took a good point, and I am taking the same point to-day. The remarks of the chairman of the board, who agreed entirely with counsel for Captain Woods, are very interesting. He said, at page 117 of the transcript—

I can appreciate that the one answer to your point may well be that the Governor-General in his wisdom has anticipated the possibility that the Director-General may be wrong and has given emphasis to that by the provision in the regulation for a Board of Review constituted in a fashion which, unfortunately, makes no appeal to you and, in fact, very little to me either.

Those were the words of the chairman of the board. A board of review constituted in that fashion made very little appeal to him. The chairman was the nominee of the department—Mr. W. J. Roberts, of the Attorney-General's Department. Incidentally, Captain Woods won his appeal. However, I am not on my feet to stress the significance of this regulation in relation to the success or failure of Captain Wood's appeal. I am on my feet to plead with the new Minister to have a look at a regulation which, I believe, is opposed to all the principles of what we call British justice. I

mention in passing that this case was taken up with the previous Minister by a colleague of mine. Let me read the relevant portion of the letter that he received. It is as follows:—

In Australia, however, we have set up an independent board of review which has absolute power to vary the decisions of the licensing authority and has in fact done so on several occasions, including the decision relating to Captain Woods, which it reduced from cancellation to a suspension of four months. The Australian system is something of a model in Commonwealth aviation because of its vigilant observance of the principles of natural justice through an independent appeal tribunal.

That makes me smile. The Minister had the audacity to say that this was an independent appeal tribunal! The letter went on—

It protects public safety by having persons on such panels who have special technical qualifications for assessing the safety factors involved.

I do not believe for a moment that the Minister wrote that letter. It was written, of course, by a departmental official. I regret that a Minister should have signed his name to such a deliberate misrepresentation of the position. Under this regulation, there is no such thing as an independent board of review. The appeal is from Caesar to Caesar. It is an appeal from the Director-General of Civil Aviation to officials and nominees of the Director-General of Civil Aviation. Only in Russia would that be regarded as an appeal to an independent board of review. I feel that, with a new Minister in charge of this very efficient department, something will be done to rectify what I regard as a very grave departure from the principles of British justice. It would be a very simple matter to alter the regulation so that justice would not only be done, but would manifestly appear to be done.

Senator BENN (Queensland) [4.0].—I shall discuss the proposed vote for the Australian Capital Territory which, this year, is £2,716,000. I have observed that honorable senators have discussed matters stemming from administrative actions of the various departments, and have not confined their remarks to the sums for which the Government is asking for the departments. It is fortunate that there is in the Commonwealth sphere an authority known as the Auditor-General. His function is to

examine the accounts of all departments and then to inform the Parliament how those departments have carried on their work—what they have done in respect of book-keeping, stores accounting, looking after the goods in their custody and so forth. I believe that the people of Australia are fortunate to have an Auditor-General who furnishes reports to the Parliament.

We are the custodians of the interests of the citizens of the Commonwealth. The persons who spend the money are public servants. They will not tell us of their own volition how and why they have spent money. They will not tell us whether the money has been spent wisely and whether they have employed, so to speak, good housekeeping practices throughout the year. We do not expect them to tell us those things, but the Auditor-General can instruct his inspection officers to examine departmental records exhaustively and furnish reports to him, so that he, in turn, can furnish reports to us.

I feel it to be my duty to tell the Parliament what the Auditor-General had to say about some of the instrumentalities of the Department of the Interior in the Australian Capital Territory. I shall read first what the Auditor-General had to say in his last annual report under the heading "Electricity Supply". Having set out the financial situation of the Canberra electricity undertaking, he stated—

The unsatisfactory nature of the departmental accounting for the electricity undertaking has been mentioned in the two preceding Annual Reports which cover the period since the undertaking was transferred from the Department of Works. To date, no apparent effort has been made by the department to improve accounting procedures and the stock-taking of assets carried out in conjunction with the handover has yet to be finalised. Acquisitions since the handover have not been recorded in a register of assets. The accounting generally does not disclose the true results of trading operations and the financial statements for the years 1953-54 and 1954-55 are not, in the form prepared, acceptable for Audit examination. At the date of this Report financial statements for the year 1955-56 had not been completed.

In 1954, an investigation of the undertaking by an officer of the State Electricity Commission of Victoria was arranged by the Minister. The conclusions and recommendations of the investigator were in substantial agreement with Audit observations on accounting matters.

The department indicated its intention to review the accounts procedure when the electricity supply section is moved to new offices. This was to have occurred in 1955, but has not eventuated.

No report of the activities of a department could be more damning than that. The Auditor-General said that the unsatisfactory nature of the departmental accounting for the electricity undertaking had been mentioned in his two preceding annual reports. The fact that it was so mentioned is evidence that somebody, long before this, should have undertaken to put the matter in order. I wager that if the Minister in charge of the Senate now were appointed to the office of Minister for the Interior, the very first thing that he would undertake to do would be to put this undertaking on a sound financial basis. That is, he would have proper accounting methods employed the very next day, and if the responsible officer did not undertake to do it, he would dismiss him. I cannot emphasize too strongly this statement by the Auditor-General—

The unsatisfactory nature of the departmental accounting for the electricity undertaking, has been mentioned in the two preceding annual reports.

I should like to keep repeating that for half an hour, because it shows that there is within the department a laxity which evidently it is unable to overcome, and that the department is quite happy merely to wallow along in a state of inefficiency. This is not money belonging to any one individual or head of a department; it is public money, yet the department is not prepared to introduce proper accounting methods! The Auditor-General goes on to say—

To date, no apparent effort has been made by the department to improve accounting procedures.

If the effort is not apparent, it is obvious that no effort has been made at all. Nothing whatever has been done! Perhaps the Minister believes he has an explanation to offer, but this is something which cannot be explained. I said the other day that the Senate should have authority to bring before it the officers who are responsible for this state of affairs, that it should have authority to question them and, if it finds them guilty of inefficiency, to pass them into some other form of employment. For instance, there are gardens to be weeded and other jobs of that type to which these men could be transferred by the department. If the officers who are receiving high salaries are inefficient, it is time they were

transferred to some other work. The Auditor-General continues—

Acquisitions since the handover have not been recorded in a register of assets.

He was referring to the handing over by the Department of Works of the electric supply undertaking to the Department of the Interior. I have no doubt that this undertaking has been acquired because it is an electric supply undertaking and the acquisition of plant, land and other things must be undertaken. Although acquisitions must be made, there is no register of assets! Why, it is possible that in the near future this department will be re-acquiring property which it had acquired two years ago! It has no record of what it has acquired. That is unforgivable. Why, the conductor of a suburban hot pie stall in any of our cities would have a register of assets and would know what property he owned; but here there is no register of assets. It is symbolical of the general inefficiency complained of by the Auditor-General all through his report. The Auditor-General continues—

The financial statements . . . are not, in the form prepared, acceptable for audit examination.

This is the third year since the Auditor-General made his original complaint, and the accounts still are not, to use the Auditor-General's words, "in the form prepared, acceptable for audit examination". In other words, the Auditor-General is saying that the accounts have been so carelessly looked after that his department is not prepared to accept them for audit purposes. In effect, he is saying to the department, "Go back over your work and try to get your accounts into such a condition that we can audit them". To read the Auditor-General's report on this department, one would think that he was referring to some fishing club that was being conducted by illiterate persons. He goes on further to say—

The conclusions and recommendations of the investigator—

That is the investigator who was brought up from the Victorian State Electricity Commission—

were in substantial agreement with audit observations on accounting matters.

We in this Parliament accept the Auditor-General and his officers as the highest

authorities on accounting, and this officer who was brought from Victoria to examine the affairs of the electricity authority in Canberra arrived at the same conclusions as did the Auditor-General. Who is out of step? No doubt it is the authority charged with the responsibility of administering this electricity undertaking. In concluding his remarks on the electricity supply, the Auditor-General said—

The department indicated its intention to review the accounts procedure when the electricity supply section is moved to new offices.

That is not good enough. The department merely "indicated" its intention. In other words, it adopted the attitude that if it suited it, if it was convenient, it would review the accounts procedure. It is a pity this Parliament has not power to instruct the department to do these things in order to dispel entirely the general inefficiency which seems to be hanging over the whole of the affairs of the electricity supply in the Australian Capital Territory and put them on a proper basis. If this were an isolated case, and even though it may have spread over two or three years, we might perhaps have adopted the view that steps are now being taken, or will be taken, and that next year everything will be in order, but the inefficiency seems to be persistent.

Dealing with forestry, the Auditor-General said—

Expenditure relating to forestry in the Australian Capital Territory is recorded within the Australian Capital Territory Forestry Trust Account. The Trust Account was established under section 62A of the Audit Act as from 1st July, 1955. An amount of £22,605 was transferred from the Interior Services Trust Account to the credit of the new trust account. This action conflicts with section 62A of the Audit Act, 1904-1955, and, following audit representations, the amount was provided under Capital Works and Services, Division 58, Item 11 of the Additional Estimates.

That was a serious error. Are we to overlook it? I admit that it has been corrected since, but when was it corrected? Was it done after the Auditor-General's examination was made, or was it discovered by the person who should be administering the affairs of this department? To take moneys out of one fund and use them for the purposes of another is bad financial practice and something that this Parliament cannot endorse; but, unfortunately, we cannot

apply the remedy. The Auditor-General continues—

The unavailability of financial statements of forestry activities was mentioned in last year's report. It has been represented to the department by my officers that prudent accounting for trading ventures such as this requires a yearly matching of true costs of operation against revenue properly creditable; a statement of invested costs and liabilities; and that this practice affords a necessary complement to the physical control of the venture.

The Department's attitude is that such financial statements in relation to this forestry activity are not required by law, are of no value to the operating forester, and absorb time which the accounts staff could well use on other and important work.

The **TEMPORARY CHAIRMAN** (Senator Wood).—Order! The honorable senator's time has expired.

Senator WRIGHT (Tasmania) [4.15].—I believe that the Senate should harken intently to the principles that Senator Benn was seeking to impress upon us. The continual disregard of the Auditor-General's most courageous and thoughtful reports will spread corruption in this Parliament to a degree that those responsible are not conscious of. I am sad to note the disrespect that is evident towards the Auditor-General's report, and I pay tribute to the present Auditor-General, and to his predecessors, for going on year after year calling attention to deficiencies.

I have been waiting to speak about section 105 on page 67 of the Auditor-General's report where certain matters are set out in connexion with the Department of Air. I have spoken about this matter on previous occasions when the Estimates have been before us, and I should be surprised if there were a Parliament anywhere else in the British-speaking world that has had placed on record by its independent Auditor-General a statement so discreditable as appears in print in this paragraph. It concerns losses and deficiencies in public moneys allocated to the three armed services, and it records that, in 1942, the then Auditor-General, Mr. Abercrombie, stated in his report to the Parliament that losses of cash and stores by theft and from other causes consequent on inadequate safeguards and inefficiency had been numerous in the Department of the Army during the year. The Auditor-General at that time went on to say—

It is felt that the Commonwealth interests are not sufficiently protected by the existing military regulations and related procedure.

Now I refer to the report of Mr. Brophy for the financial year 1954-55. I have read this sentence in this chamber before, but I will read it again. It is not the last time that I shall do so, but the last time is fast approaching unless some action is taken about it. The Auditor-General said—

Mention has been made in the last twelve annual reports of the need to ensure by some legislative provision more adequate recovery measures where members of the Army and the Royal Australian Air Force are responsible for the losses of cash and stores by theft and other causes.

The Auditor-General also said—

The Treasurer approved of this action in September 1946, but despite discussions between the Service Departments, the Treasury and the Auditor-General's Department the matter had not been completed at 30th June, 1955.

The Rules and Regulations Committee was confronted with the legislative practice of the Department of Air—following in exact terms the regulations of the Department of the Navy. The committee had to consider an outrageous regulation which, when it was brought to our attention, the Minister saw fit to withdraw with a suitable sense of shame. The consequence is that the position in the Army and the Royal Australian Air Force remains substantially the same as was reported thirteen years ago. I believe that that position is capable of being cured in 90 days by any responsible Minister who is purposeful to achieve integrity in government and efficiency in the expenditure of public moneys. But the looseness with regard to this particular facet of the regulations is only typical of the whole body of the regulations, because when we had the officers of the department before us in the Regulations and Ordinances Committee, the chaos that we found was indescribable. I venture to say that there are very few persons in the Commonwealth who know the substantial effect of that chaotic mass of regulations.

All this only leads me to suggest that we require a sensible and purposeful approach to the matter in order to put into legislative form the laws and regulations that we desire to have covering the Air Force and the other services, so that they will be available to every person within the service, and there will then be an intelligible set of rules and regulations indicating their substantial purposes and detailed effect. If that could be done it would

spread understanding throughout the services, and produce a cohesive effort to ensure compliance with the regulations. However, here we have before us the waste and inefficiency which leads to more crime than all the deliberate intent in the world. Inefficiency of supervision and control encourages the weak person to take criminal advantage of it. Then, when he gets caught, he becomes a criminal.

In order to ensure proper scrutiny of public expenditure, and to encourage honesty and integrity in the Public Service, it is important that immediate attention should be given to this matter, and appropriate regulations produced within a short space of time—I believe that it can be done within 30 days. That could be done if only as a very moderate tribute of respect to the untiring efforts of Auditors-General, who have kept this matter before the Parliament for more than thirteen years.

Senator BROWN (Queensland) [4.22].—I desire to say something about civil defence, and I refer the committee to Division 210, Civil Defence, for which the proposed vote is £70,000. I know that the Minister in charge of this section of the schedule, the Minister for Shipping and Transport (Senator Paltridge) always attempts to answer questions asked by honorable senators. I hope that he will not fail us on this occasion, because I desire to raise a serious matter, which I consider has not received the attention that it deserves. Senator Anderson has pointed out that the proposed vote for Civil Defence is £70,000, but I point out to the Minister that in 1955-56 the vote was £234,000, of which only £88,782 was expended. I ask the Minister to say why there was such a great difference between the vote and expenditure last year, because it is of no use for this committee to vote a large sum of money for a specific purpose if it is not going to be used.

Senator Anderson said that we should vote more money for civil defence, and I agree with him. However, if we are to provide more money, that money must be used in a proper fashion, and the people should be informed of the way in which it will be used. A few years ago, the Prime Minister (Mr. Menzies) informed the Parliament and the people that there was a danger of war, and that we had to be prepared to meet it. Huge sums of money, amounting to about £200,000,000 a year,

have been voted for defence. We know that the greatest critics of the Government in this connexion have been its own supporters. Like Senator Anderson has done to-day, Government supporters in another place have attacked it time and time again for its failure to properly expend the defence votes.

We know that Australia is, relatively, in a parlous position. If the Asiatic nations should at some future time link up with Russia, they may engage in attacks upon the free countries of the world. President Soekarno of Indonesia recently went to Moscow. We know that the Russians are taking every trick in international affairs, and that the Britishers have failed in every instance. Now our own Prime Minister (Mr. Menzies) is following in the footsteps of some of the leaders of the free nations of Europe and acting stupidly towards the people of South and South-East Asia. We know, for instance, of the foolish attitude that the right honorable gentleman adopted—this was mentioned by Senator Gorton—towards the Chinese Classical Theatre Company, which is visiting Australia. The most stupid action taken by any government is that which has been taken by this Government.

Then there was the attitude that was adopted by the British Government in relation to Nasser. It made a big splash about what it was going to do; it was going to play hell with Nasser and the Egyptians generally! The British Government, although backed up by the English press, then climbed down. What has been the result? The Egyptian position has been consolidated, because the Arab nations, including Jordan, are backing Nasser.

I appeal to the Minister to inform the committee of the Government's intention in regard to civil defence. As I have said, only £70,000 of last year's vote of £234,000 for civil defence was expended.

As I have previously mentioned in this chamber, I once pointed out to Sir Percy Spender the psychological effect of the dropping of an atomic bomb. Has the Government concluded that if an atomic bomb were dropped on, say, Cairns, the whole of the people of Australia would give in and accept domination by the attacking nation? I know that a certain attitude in this matter prevails in certain parts of the world. For

instance, when I was in Coventry, certain prominent citizens told me that they considered it was futile to try to defend oneself in the event of an atomic attack. Has this Government also come to that conclusion? Does it believe that we are in danger? Does it believe that it is futile to develop civil defence? If the Government considers that we should attend to the matter of civil defence, let the Minister say so. He should say whether he considers that both the United States of America and Great Britain are wasting their time in carrying out certain manoeuvres in relation to defence. If he considers that those countries are not wasting their time, and that it is necessary and vital that we should instruct our people in civil defence, why is not that being done? I trust that the Minister for Shipping and Transport will do his best, in answering, to satisfy not only honorable senators on this side, but the nation generally.

Senator ROBERTSON (Western Australia) [4.30].—I wish to direct the attention of the committee to certain aspects of civil defence, the matter concerning regulations to which Senator Vincent has referred, and the proposed vote for the Australian Capital Territory. I support all that Senator Anderson said about the lack of preparation that is apparent in relation to civil defence. I support, particularly, his suggestion that civil defence training should be commenced in the schools, because it would give the children confidence if they knew what they should do in certain circumstances. Certain training could quite easily be undertaken in the classrooms. I remind the committee that, during the last war, trenches were dug in school grounds, and both teachers and children received certain instruction. In consequence, they felt that they had a certain amount of security. Of course, I realize that trenches would be of no avail in any future war.

Some thought should be given to the introduction of civil defence measures. I realize that the Minister for the Interior (Mr. Fairhall) might already have taken some steps in this direction, but we have not been told about them. I should like to know whether the Government intends to arrange for children to be instructed in civil defence at the various schools in this country.

I come now to the matter that was raised by Senator Vincent, concerning the right of appeal by aircraft pilots who lose their licences. I should like to say that I took a rather active part in connexion with correspondence that was addressed to the Minister for Civil Aviation when Captain James Woods's licence was suspended. With all due respect to the Minister, the answers that were sent in reply to my letters were very unsatisfactory, indeed. There were many very unsatisfactory features of the suspension and subsequent appeal. Indeed, so unsatisfactory was some of the evidence that was given when the pilot appealed against his suspension, that one of our leading newspapers said that it seemed—indeed it seemed very much to the public of Australia—that it was the Department of Civil Aviation that was on trial, not the pilot. Fortunately, Captain Woods's licence has been renewed, but the fact remains, as Senator Vincent so clearly stated, that the regulations need over-hauling, so that the people will have every confidence in any appeal that is made to the Civil Aviation Board.

I turn now to the third matter on which I wish to speak, which concerns the pre-school centres in Canberra. There are three districts concerned. I have been very alarmed about this matter. During the last fortnight, a deputation of parents in those districts expressed their concern to me. For some years past, committees in O'Connor, Yarralumla and Deakin have worked hard, in a voluntary capacity—at the suggestion, mind you, of the Department of the Interior—to raise certain sums of money, because the department could not entertain the establishment of pre-school centres in those districts until that had been done. These districts are now very largely populated. Honorable senators have only to take a trip out to O'Connor in order to see the development that has taken place. In one of the districts I have mentioned, 969 houses were visited by the committee engaged in raising money, and in another district, 461 houses were visited. It is safe to assume that a large number of children will be affected by the reduction of the proposed vote for these pre-school centres. The reduction will also have a very deleterious effect on the parents of those children. Virtually without warning these committees

have been told that, although they have raised the requisite amount, as advised not only by departmental officers but also by pre-school centre officers of the Australian Capital Territory, no provision is being made in the Estimates. Naturally they feel they have been let down by the department. I appeal to the Minister to have this decision reviewed in order to see whether anything can be done to keep faith with these committees. They are conscious of the fact that they have canvassed the suburbs and have received large and small donations. They are holding these sums of money and a member of one of the committees, when interviewing me the other day, told me that it was the intention of the committees to try to revisit the homes with the object of refunding the money that had been donated. Being Scottish I advised them against that procedure and told them to hold on to what they had. I appreciate the invidious position in which these committees have been placed as a result of having made a canvass of the districts.

I ask the Minister for Shipping and Transport to bring this matter to the attention of the Minister for the Interior and inform him of the very keen feeling that exists in relation to it. I hope that something can be done to relieve a very serious situation. I am sure all honorable senators are alarmed at the growth of vandalism among children and teenagers. The work of these pre-school centres is carried out, in the main, by parents on a voluntary roster system and children are taught the elements of good citizenship. It is a matter to which the Minister should give very serious consideration.

Senator McKENNA (Tasmania—Leader of the Opposition) [4.38].—I wish to refer briefly to the proposed vote for civil defence. I listened with very great interest to Senator Anderson when he spoke on this subject earlier to-day. Although this particular proposed vote was not then properly before the Senate, I am particularly glad that Senator Anderson was not interrupted. He spoke from great experience and with real feeling. The effect of his speech might have been destroyed had there been any interruption to his utterance. I join with him in expressing a real fear as to what would happen in

Australia if by chance we were precipitated into a third world war and were to experience atomic attacks on our cities. That fear exists in more minds than those of honorable senators.

I desire to refer to an article that appeared in the Melbourne "Herald", of 18th September, 1956. It purports to be a statement by the Director of Civil Defence, Brigadier Wardell. It contains a serious indictment of this Government which has not been answered. I raised the matter during the budget debate, but no answer has been forthcoming. This particular commentary by Brigadier Wardell shrieks for an answer from this Government. The present debate gives me another opportunity to ask for a reply from the Minister for Shipping and Transport (Senator Paltridge). I shall read what was said in this article, because every word of it is important. It is headed, "Civil Defence Plan 'is lacking'", and reads—

An atomic attack on Australia would find us "almost completely unprepared", the Director of Civil Defence, Brigadier Wardell, warned to-day.

Plans to protect Melbourne and other cities had been before the Commonwealth Government for well over a year, but so far no decision had been made, he said.

I invite the Minister to say whether that is correct. Have plans been submitted to this Government for more than a year, and is a decision still awaited on those plans? Is the Minister in a position to indicate the nature of those plans? Are they tentative? Do they go a part of the way or are they complete? The article continues—

Tens of thousands of lives would be lost because of inadequate civil defence.

If that is true, and an attack took place, it would be the personal responsibility of every member of the Government and its supporters. They would have a personal moral accountability for most of the deaths that would occur. If plans can be made which could help to save lives and mitigate suffering—and those plans are not being put into effect through lack of decision, the Government will have to take the responsibility for what might occur. I am not making the charge, but simply presenting Brigadier Wardell's comments in the hope that the Minister will reply to them. The article continued—

"Any day of the week a foreign submarine could surface in Bass Strait and wipe Melbourne

off the map with an atomic or hydrogen guided missile", Brigadier Wardell said.

"Nearly every one of the many thousands of people who throng the city at lunch-time would be killed outright.

"Another quarter of a million people on the outskirts of the city would be seriously injured.

"Farther from the city thousands of homes would be wrecked by the devastating blast.

"The chaos after such an attack would be a grave morale-buster for Australia.

"There would be no leaders or equipment to handle the situation capably."

Australia's civil defence force at present consisted only of a committee in each State, a Commonwealth committee, and the Mount Macedon Defence School which could train only a small number of people, Brigadier Wardell said.

I understand that 30 persons only can be trained in civil defence at the Mount Macedon Defence School.

**Senator Byrne.**—Is that a school for individual training?

**Senator McKenna.**—Some 30 personnel are trained at a time and given instructions as to what ought to be done in the event of an atomic explosion.

**Senator Byrne.**—What about mass training?

**Senator McKenna.**—At the moment no provision exists for that, so far as I know. I have invited the Minister to indicate what plans have been submitted to Cabinet. These plans have lain dormant for over a year, according to Brigadier Wardell; and I ask the Minister whether he is in a position to inform the Senate of the scope of those plans. The article continues—and I think this answers the question posed by Senator Byrne—

"Even when we are given the go-ahead by the Government," he said, "It will take three years to train 10 per cent. of the population thoroughly in civil defence.

"That number would be necessary to make the scheme of any value."

In other words, he poses very particularly that there must be a vast number of our people, about 1,000,000, trained and experienced in what should be done in the event of atomic warfare. At the moment we have a few groups of 30, and no more. Continuing the article reads—

The danger of an atomic attack on Australia was not remote, Brigadier Wardell said.

Of course, his view on that may or may not be accurate, but in a situation like the present, with atomic energy uncontrolled, the

possibility of war—even the possibility is enough—must be guarded against, and the Government must be ready to anticipate that it will happen. It is the Government's duty to provide against the possibility or contingency, particularly when it takes three years to provide trained personnel. The article continues—

There was hardly one worthwhile target not within range of a submarine weapon.

Bombs planted simultaneously on the industrial centres of Wollongong, Newcastle, Fisherman's Bend, Melbourne and Sydney, would cripple Australia.

"The public are almost entirely ignorant of atomic warfare and its consequences," Brigadier Wardell said.

That echoes the view put by Senator Anderson. I confess that the impeachment touched me personally when he asked how many honorable senators knew what to do in the event of atomic warfare. I confess that I do not know, and I believe that would be true of all of us.

Senator Byrne.—Have not the authorities in the United States of America practised mass evacuation of cities?

Senator McKENNA.—Yes. I believe that this problem involves also the provision of exit roads and their development for mass evacuation, the provision of foodstuffs in emergency dumps, emergency hospitals and the construction of hospitals with a view to atomic explosions. Those preparations mean even more than the training of personnel. That thought should run through our activities until we are assured beyond doubt that there will not be atomic warfare. Until we reach that point, one of the primary tasks of this Government is to concern itself with that matter. The authority to whom I have referred also stated—

We have prepared information booklets which are ready to be printed by the Commonwealth Printer.

Can the Minister give us any information about those booklets? How long have they been awaiting a decision that the booklets should be printed and distributed. What is to be the scope of such distribution, and how near are those stages? The authority to whom I have referred also stated—

Civil defence planning was being made more difficult by allowing more industries and hospitals to be built in and near big cities.

What disturbs us in the Opposition is that if this is correct—and I invite the Minister

to say whether these statements are correct or not—the Government has made no plans for a year and has not reached any decisions. If decisions have been reached, they have not been put into effect. We find the same pattern that has run through the Government's behaviour since it was elected to office; a pattern of indecision, procrastination and postponements. We have met the same difficulties in aircraft production! Only a few weeks ago, the Government was concerned about continuing the aircraft production industry. Then Wing Commander Wackett came into the picture, indicating that his organization had been awaiting a decision for more than a year as to what was to replace the present production of aircraft in the Commonwealth Aircraft Corporation factory. He could get no decision from the Government.

When we find indecision permeating vital matters like civil defence and aircraft production, there is reason for great uneasiness. The Government seems to be incapable of doing anything but talk. Senior responsible public men use the press in desperation to warn the people against the significance of this Government's inaction and indecision. Within weeks of an announcement that our aircraft industry would be continued and protected, there has been an announcement that we are to halt aircraft production. That will probably mean the scattering of key personnel and there will be difficulty in getting them back again when the need arises. The tragic pattern of indecision and inaction that has persisted throughout the career of this Government has led to the economic ills we are suffering, but the gravamen of my remarks is directed to civil defence. I have raised the other matters only incidentally. I suggest to the Minister that the article I have read demands a complete answer. On behalf of the people that we represent, the Opposition asks the Government why such an inadequate amount is to be provided for civil defence, and when proper civil defence plans are to be prepared.

Senator BENN (Queensland) [4.50].—I have referred before to the Auditor-General's report, and I direct attention now to the section of the report dealing with the Department of Air. If a stuttering German undertook to read the Auditor-General's report, he would be able to pronounce the word "unsatisfactory" fluently

long before he had finished. Under the heading of "Store Accounting" the Auditor-General states—

Unsatisfactory features associated with store accounting at Royal Australian Air Force Units and depots have been referred to in previous reports. Despite some improvement resulting from continuous departmental attention during the year, the position generally is still not entirely satisfactory.

In 1953, Treasury approval was obtained to the abandonment of existing stock records at certain units and depots, and to the establishment of new records based on the results of complete physical stocktakings. Although all units and depots concerned have now been brought within the scope of this approval, the expected improvement in the standard of accounting and stores control has not eventuated. As mentioned in last year's report, factors which have militated against the attainment of an improved standard continue to include large staff turnover, frequent internal staff transfers, lack of adequate training and supervision of stock recording and stores personnel and ineffective internal controls. Stock holdings at certain depots in New South Wales and Victoria, particularly No. 1 Stores Depot, Tottenham, Victoria, and No. 2 Stores Depot, Regents Park, New South Wales, are greatly in excess of current or immediately foreseeable requirements. Weaknesses in, and in some cases non-adherence to prescribed provisioning procedures and the retention of large stocks carried over from the war years or subsequently acquired as a result of policy decisions of the Government for the accumulation of mobilization reserves during the period of world tension between 1950-53, have contributed to this position. To lessen the cost of store-keeping and accounting in these depots, attention should be given to clearing excess stocks wherever possible.

With the exception of units located in South Australia, where some arrears are reported, stock-taking programmes have generally been maintained. However, stocktakings continue to reveal substantial discrepancies, while undue delays in investigation of results and submission to competent authorities are evident. Reports of sectional stocktakings at No. 1 Stores Depot, Tottenham, Victoria, received over a nine-month period, showed surpluses and deficiencies of approximately £150,000 and £160,000 respectively. Stocktaking results reported during 1955-56 in various Home Command units in New South Wales disclosed surpluses of £49,300 and deficiencies of £356,000. Maintenance Command Depots in the same State reported surpluses totalling £245,000 and deficiencies £140,000.

Discrepancies were due principally to errors in documentation, identification and recording but their magnitude is an indication of the accounting and storekeeping problems which have yet to be overcome by the Department.

The portfolio of Air must be a man-size job, because, although we have read similar reports for the last year or two, there has been no improvement. The Auditor-General further stated that thefts valued

at £31,691 were reported during the year, and compared that figure with the figure of £7,268 for 1954-55. Like a game of poker, the sum is going up, evidently with rises of £24,000 a year.

Ample information is available to enable me to continue in that strain, but I do not wish to do so. These reports indicate quite clearly that the store accounting and store control methods adopted by the Department of Air are not satisfactory from the taxpayer's viewpoint. I do not know whether the department intends to do anything about it. If it does not, and if the Auditor-General continues to furnish such reports to the Parliament, I intend to rise in my place and refer to them for the purpose of giving them wider circulation.

**Senator PALTRIDGE** (Western Australia—Minister for Shipping and Transport and Minister for Civil Aviation) [4.56].—During the debate on this group of proposed votes a number of references have been made to the report of the Auditor-General, particularly in relation to the Air Force and one or two activities of the Department of the Interior. It might be of some use if I were to read the comment of the Department of Air on the Auditor-General's report to indicate that, despite the fact that honorable senators have stressed the contents of the Auditor-General's report and possibly have created the impression that nothing is being done to rectify the situation, the report is being given the consideration that it undoubtedly deserves. The report of the Auditor-General commences by referring to the standard of accounting and states that, although some improvement has been made, the position generally is still not entirely satisfactory. The department's comment is as follows:—

The factors stated to be militating against improvement—i.e., staff turnover and internal transfers will, it is anticipated, be largely overcome in Stores Depots by virtue of the appointment of permanent civilians in lieu of service personnel and temporary employees.

As to other factors referred to, i.e., lack of adequate training and supervision these are mainly in the hands of Unit Commanders. They are constantly being reminded of their responsibilities in this regard. This applies equally to the "ineffective internal controls"—

That was the term used by the Auditor-General—

also referred to, the inference being that while the controls laid down are adequate, the operation is sometimes not effective.

The Auditor-General also stated that excess stocks were being carried at certain depots. The comment of the department on that matter reads—

Disposal action is being intensified in respect to excess and obsolete stocks, as is evidenced by the fact that over the past three years the values of stores, &c., disposed of have increased from £3½m. in 1953-54 to £5½m. in 1955-56.

The next point referred to by the Auditor-General was the delay in acquitting issue vouchers. The department's comment on that matter is as follows:—

As stated in the Report the position is steadily improving due to constant departmental pressure. The position is that some 60% of these vouchers are outstanding against civilian contractors.

Then the Auditor-General said that stock-takes revealed substantial discrepancies and that delays occurred in the submission of results to competent authority. The department's comment reads—

The action taken to increase permanent storekeepers in Depots should result in more accurate storekeeping and recording which in turn has a direct bearing on the extent of the discrepancies. Attention is invited to the fact that the value of discrepancies quoted by the A.G. are gross values and make no allowances for compensating items which would reduce the figure by up to one-third.

The Auditor-General also stated that the value of stores lost by theft during 1955-56 was £31,691, and he compared that figure with the figure of £7,268 for the previous year. The department's comment is—

The figure of £31,691 for 1955-56 includes thefts totalling £8,561 at No. 1 Stores Depot in 54/55. As stated, collusion was evidenced and the security aspect has been followed up and strengthened. Of the balance of £23,000 the main losses occurred at Laverton (£8,000), Richmond (£4,000), Canberra (£3,000), Nookanning (£3,000), pillering at Singapore from chartered vessel "Tyella" (£1,500).

Apart from straight-out thefts which cannot be entirely controlled the losses were generally due to failure of persons to observe the procedures prescribed in Orders. All losses are thoroughly investigated and where improper practices were found disciplinary or police action was instituted.

In relation to the prevention of theft by the branding of stores, the department states—

The question of branding textiles is being investigated within the Department. The proposal that Treasury issue instructions in regard to this matter is also noted.

Attention is however invited to the fact that the branding of tools has already been investigated and the opinion is that the cost of branding would scarcely be justified.

I have referred to the comments of the Department of Air at some length to indicate that departments view the report of the Auditor-General most seriously. What has happened in relation to the Department of Air also happens in relation to other departments, including the service departments to which Senator Benn referred.

I now refer to the situation in the Department of the Interior. It would seem from the statements of Senator Benn that there is a general unawareness of the position within the department. That is not so, as is evidenced by the fact that in 1954 the then Minister for the Interior caused an inquiry to be conducted by an independent authority into the Canberra electricity undertaking, including bookkeeping and recording methods employed by it. The report of that investigation is on the point of being implemented. As the Auditor-General himself has stated, this department is in an unfortunate position. It has lacked adequate office space, which unfortunately has entailed further delay in implementing the report of the independent investigator and the report of the Auditor-General which, I understand, in some respects, follows the report of the independent authority. It was expected that office space would become available some time ago, but it has not yet become available. However, it is expected to be available in the near future. Just as soon as it is possible for the department to move into premises in which it is able to work effectively, effect will be given of the Auditor-General's comments.

Senator Brown and Senator McKenna referred to the proposed vote for civil defence. Each had something to say about the size of the vote, which has been reduced to £70,000. Senator McKenna referred, at some length, to a press report which attributed to Brigadier Wardell certain comments about the civil defence programme. I was not aware of the existence of that report until Senator McKenna referred to it. After Senator McKenna had spoken, I caused inquiries to be made of the Minister for Defence (Sir Philip McBride). He has informed me that he had discussed the report with Brigadier Wardell, and that the brigadier had assured him that the account, as published, was entirely inaccurate.

Senator McKenna.—Wholly inaccurate?

**Senator PALTRIDGE.**—The expression used was "entirely inaccurate".

**Senator O'Flaherty.**—In other words, he denies having made the statement as it appeared?

**Senator PALTRIDGE.**—That is right. The Minister has told me that the civil defence programme accords with recommendations made by the defence chiefs. The fact that only £70,000 for civil defence appears in the Estimates for this year is attributable to the circumstance that at the time the Estimates were prepared, policy was not fixed. It was evident at that time that policy decisions could alter, very materially, the amount of money required for the implementation of the programme. An appropriation of £70,000 is being sought now, but it is realized by the Minister and the departmental officers that additional money will have to be provided for civil defence. That will be attended to subsequently.

Senator Robertson referred to pre-school training centres. I have a note from the department to the effect that any money available must, in the first instance, be utilized for primary education. I have been told that the reference made by Senator Robertson to a breach of faith was not quite correct, because no undertaking was given as to the time at which assistance would be forthcoming. It is still the intention of the department to build the centres, but primary education must have the first call on available funds.

Senator Robertson referred, also, to Air Navigation Regulations No. 264 and No. 265, as did Senator Vincent. I am sure that both honorable senators will appreciate my position in the matter. Senator Vincent asked whether I would examine the regulations. I most certainly will do so. It may be useful if I read, at this juncture, a note that has been handed to me by the departmental officers, in which special reference is made to the report of the Public Accounts Committee, to which Senator Vincent referred in one part of his speech. The note states—

It is clear from conclusions 8 and 9 that the committee does not understand the board of review procedure for dealing with suspended licences and cancellations. They state that the hearing of appeals is a departmental function; whereas this has been the responsibility of an independent authority since 1939. Australia is

the only Commonwealth country which has implemented fully the recommendations of the United Kingdom Committee on Ministers' Powers. In the United Kingdom, New Zealand, Canada and South Africa the decision of the licencing authority is final and there is no appeal allowed to the licence holder. This is probably because of the paramount importance placed on public safety, which could be effected if a purely legal body varied important safety decisions made by an authority having most competence to judge such matters.

In Australia, however, we have set up an independent board of review which has absolute power to vary decisions of the licencing authority, and has in fact done so on several occasions. The Australian system is something of a model in Commonwealth aviation, because of its vigilant observance of the principles of natural justice, through an independent appeal tribunal.

I seem to recognize that statement as a part of the letter that was read by Senator Vincent. In the circumstances, little purpose would be served if I read more of this document. Senator Vincent has already placed it before the Senate. I repeat the assurance given previously that I shall have a look at these regulations as soon as I have an opportunity to do so.

**Senator McKENNA** (Tasmania—Leader of the Opposition) [5.11].—I am obliged to the Minister for Shipping and Transport (Senator Paltridge) for his reference to civil defence. However, his speech was most inadequate. I was amazed to hear him say, not that Brigadier Wardell had been misrepresented, but that the press report of the Brigadier's statement was wholly untrue. I gathered from the Minister's remarks that Brigadier Wardell said that the statement was never made. It seems to be safe to infer from what the Minister said that what appeared in the press as a report of Brigadier Wardell's expressed view was the figment of a reporter's imagination—a piece of fiction.

I do not judge the issue at all. I make that quite clear. The newspaper asserts one thing and Brigadier Wardell, apparently, asserts another. I should like to know whether the report was denied or repudiated in public before to-day. If the report is not true, it should have been repudiated at once. Accepting the Minister's statement as a model of accuracy, I can say only that the newspaper concerned, if it did what has been alleged, was guilty not only of the utmost irresponsibility, but of exceedingly dastardly conduct. It acted in a dastardly

manner to the Brigadier and in a mischievous manner to the people of Australia by creating fears that could be groundless. A statement of that kind, emanating from a man in the position of responsibility occupied by Brigadier Wardell, must carry great weight in the community.

The matter cannot be permitted to rest where it is. The "Melbourne Herald" is faced with a flat contradiction of its report. It is not a question of the report being inaccurate in one particular or in two particulars. As I gather from the Minister's reply, this is not a case of misrepresentation. It is claimed that the statement alleged to have been made by Brigadier Wardell was not made by him. It is denied, word for word. That puts the responsible journal clearly in the position before the public of Australia of answering it. That is its task, and I shall be interested to see the outcome.

I suspend all judgment as to the merits of the matter, but I point out to the Minister that I did more than read what Brigadier Wardell said. I and other honorable senators have asked how that £70,000 will be expended. Just tell us what is the break-up of that amount. I asked in particular what was to be done about the distribution of literature to the public; and I ask him now some of the questions that were posed in that article. Does the Government agree that a high percentage of our population, namely 10 per cent., would need to be trained in order to have effective civil defence in this country? Does he feel that the training of far fewer personnel would be adequate? If so, how many? The Minister owes it to the Senate and to the country to indicate beyond any doubt, on behalf of the Government, what the plans are, which way are they shaping beyond the training of a veritable handful of personnel at Macedon from time to time. Are there any plans? If so, what are they? These are questions which interest every Australian. It is not mere curiosity on my part, as Leader of the Opposition in either a personal or representative capacity. I ask these questions on behalf of all the people in Australia who are interested. Is it true that all that we have is a committee in each State, a committee at Canberra and a training school for a few personnel at Macedon? If that is not true, what are the facts? What

does the Government propose to do? What is the overall plan? How extensive is it? Is it confined to this year only, or does the plan project beyond this year into future years? The Minister must give the Senate some details of what is contemplated. We have had nothing from him on the subject to-day other than a statement about the repudiation by Brigadier Wardell of the statement attributed to him in the Melbourne "Herald".

Although I rose mainly to deal with that particular matter, I should like to direct the Minister's attention to what appears to be one great piece of procrastination on the part of his Government. I refer to the F.N. rifle and point out to him that on 16th September last, in the House of Representatives, the then Minister for Defence Production, Sir Eric Harrison, informed the honorable member for Macquarie (Mr. Luchetti) that orders had been placed for the new standard service rifle which would be manufactured at Lithgow. His exact words are reported on page 1328 of "Hansard".

**Senator Paltridge.**—That matter really comes under another item to be discussed later.

**Senator McKenna.**—Then, I shall not say any more at this stage.

**Senator Paltridge** (Western Australia—Minister for Shipping and Transport and Minister for Civil Aviation) [5.18.]—I rise to make an immediate apology. Honorable senators will understand that a Minister in the Senate who represents a Minister in the House of Representatives is at some disadvantage when he has to send to that Minister for replies to questions that may be asked. I took that course in connexion with the newspaper article quoted by the Leader of the Opposition (Senator McKenna) and honestly thought that the message I received from the officer was to the effect that the newspaper article was entirely incorrect. The officer who sent the message tells me that the phrase he used was that the facts presented by Brigadier Wardell's statement were "not entirely correct". He tells me that that is what Mr. Fairhall asked him to convey to me. The mistake is undoubtedly mine, and I offer my apology.

**Senator Laught** (South Australia) [5.20.]—I compliment the Minister for Primary Industry (Mr. McMahon) upon

his activity and zeal in organizing and administering the department during the current year. He has now been elevated to Cabinet rank and in him we have a man with a well-ordered mind trained in both the law and economics, a man eminently suited to the important task of administering the Department of Primary Industry.

In my view, the expenditure by this department on some of its publications is completely justified. I refer in particular to the "Fisheries Newsletter" and to the book that the department has prepared for use in each State where dairying is carried on. I refer also to the booklet prepared by the former Department of Commerce and Agriculture in connexion with taxation as it affects the primary producer, and I assume that the Department of Primary Industry will take over the responsibility for that booklet and bring it up to date.

Now that the Minister has received full Cabinet recognition, there might be greater opportunity for closer co-operation and co-ordination with his Cabinet colleague, the Treasurer (Sir Arthur Fadden). In my opinion, imaginative taxation could lead to increased primary production with consequent indirect reward to the Department of Primary Industry by way of an increase in the value of Australian production. I should like this afternoon to plead for the fishing industry in connexion with taxation. The Minister for Primary Industry could well take this matter up with the Treasurer. I am amazed to know that fishermen are not looked upon, for taxation purposes, as primary producers. Under the taxation law, they are looked upon as hunters, miners or some other such thing. It is hard to see the reason for this. I should say that if any one is a primary producer it is the fisherman. Yet, under our taxation law he is not entitled to a 20 per cent. special deduction for depreciation, nor is he permitted to average his income.

I should like the Minister to bring the matter to the notice of the Treasurer. I suggest also that the Department of Primary Industry could well co-operate with the States in looking after the interests of fishermen. In most branches of primary industry, the States, which are the sovereign owners, as it were, of the land upon which primary industries are conducted, are drawn into the net of co-operation with the Department of Primary Industry, but there

seems to be very little co-operation under such a set-up in relation to fishermen between the department and the State authorities which own the jetties, slipways, and other facilities necessary to the fishing industry. There would be a great expansion in the fishing industry if that were done, and I know that this industry is a particular concern of the Minister. In the "Fisheries Newsletter" published by the Minister, the problems of the industry are documented and valuable advice is given to fishermen, but I hope that when the Minister is negotiating with the State fisheries authorities he will try to do something to ensure that the Commonwealth will provide money for the States to expend on jetties, slipways and other structures of that sort which will benefit fishermen. I believe that there is vast untapped wealth in the sea, and I am glad that an energetic Minister is in charge of this important department.

Senator McKENNA (Tasmania—Leader of the Opposition) [5.27].—I appreciate the difficulties in which any Minister in this chamber who represents a Minister elsewhere is faced. The Minister has my sympathy because I have sat in his position and I know his difficulties. However, I should have thought that in the light of the comment of Brigadier Wardell the Minister or his officers might have been well briefed in that matter, and I can understand how the error occurred. But in view of the gravity of the comments of Brigadier Wardell, the Minister should say which of those statements contains an element of inaccuracy so that we may know which is accurate.

Is it true that plans have been with the Government for more than a year and that no decision has been made? Is that one of the statements that is not wholly correct? I consider that the Minister should answer those questions. What does the Minister say regarding the comment attributed to Brigadier Wardell that it would be necessary, for safety's sake, to train at least 10,000 of our people, and that it would take three years to do that? Is that statement correct or incorrect? I think it is right that Brigadier Wardell's position should be made quite clear, and if the latter statement that I refer to is true, I ask the Government when it will make a real start on that job. Again I point out to the Minister—and I am doing this for the third time—that

I am asking him to tell the committee how the proposed vote of £70,000 will be spent, and what are the plans of the Government, if any, regarding civil defence. I have asked that question for the third time in the last hour, and although the Minister has risen twice in that time he has not yet answered the question.

**Senator VINCENT** (Western Australia) [5.29].—I wish to refer to a matter that has caused some concern in Western Australia. It may be found in the Estimates for the Department of Primary Industry, and it concerns the arrears of rates upon properties that have been selected as war service land settlement farms under the grant from the Commonwealth administered by the States. There are a number of cases where properties have been abandoned and rates are owing on them. I have been informed by the Minister for Primary Industry (Mr. McMahon) that the Commonwealth accepts no responsibility in relation to these rates. The Commonwealth, in effect, passes the buck to the State governments, and I suggest that the whole matter needs investigation—not only from the State angle but also from the Commonwealth angle. I request the Minister for Shipping and Transport (Senator Paltridge), who represents the Minister for Primary Industry, to consider this matter, because many local authorities are complaining that they are not in fact collecting rates that should be paid, by somebody. The rates cannot be paid by the person who has abandoned the property, and it therefore becomes a question of whether the Commonwealth or the States should pay. While I do not suggest that the Commonwealth is entirely responsible, I do say that the Commonwealth has a responsibility to ascertain as between the State and the Commonwealth which should pay these rates. It is not fair, either morally or any other way, that local authorities should have to bear the burden of unpaid rates.

**Senator POKE** (Tasmania) [5.31].—I desire to address myself to the Department of Primary Industry. I was interested to note that Senator Laught complimented the Minister for Primary Industry (Mr. McMahon) on his administration of the department. Senator Laught may be correct as far as the administration of the

fishing industry is concerned, but I cannot agree with him about the administration of timber. Timber is a primary product, and in connexion with it I draw honorable senators' attention to a report which appeared in the "Mercury", of 20th October, 1956. It reads—

Tasmania's timber markets are being seriously threatened by importations of Malayan-Borneo timbers, particularly in South Australia and Victoria.

The chairman of the Tasmanian Timber Association (Mr. G. B. Leitch) told members this at the annual meeting in Launceston yesterday.

Mr. Leitch said that Malayan-Borneo timber was being marketed in direct competition with Tasmania's, and was underselling it.

Malayan-Borneo timber was produced by coolie labour at about £5 6s. a week of 48 hours, and was being freighted to Australian ports at rates comparable with and less than Tasmania's freight costs to the same ports.

Another statement, attributed to Mr. Orchard, M.L.C., the one-time manager of the Tasmanian Timber Association, appeared in the "Mercury" of 19th October, 1956. It reads—

Excessive freights caused by out-of-date ships and inefficient waterfront labour were jeopardizing a profitable and efficient timber industry worth millions of pounds in Tasmania, Mr. Orchard, M.L.C., said yesterday.

He said that the industry—the only justification for Tasmania's very large annual forestry expenditure—had been dealt a serious blow by excessive freights.

"Competition of quality timbers imported into Australia, especially from the near North, together with the decline in building demands for timber, have created a situation where an increase in the already high freights represents a most serious blow", he said.

"The critical position of the Tasmanian timber industry, subjected to still another freight increase, should occupy the immediate attention of industrialists and all parliamentarians regardless of party or House."

I have not read the whole of that report, I merely draw the committee's attention to the part of it which has some bearing on the report which appeared on 20th October and which I have already read. I agree completely that this matter should occupy the immediate attention of all parliamentarians, regardless of party or House. I suggest that we should put our weight behind this matter and endeavour to have the Tasmanian timber industry put on a more stable footing. During the past few years the output of the Tasmanian timber industry has increased considerably. In

1953-54, Tasmania exported 56,695,553 super. feet of timber, while, in 1954-55, it exported 61,793,898 super. feet. That is an increase of 5,098,345 super. feet. I have not the figure for 1955-56, but I am quite confident that the production in that year exceeded the production in 1954-55.

It was only very recently—in fact, a few weeks ago—that a measure was introduced into this chamber to provide that timber from Papua and New Guinea shall be admitted to Australia duty free.

I come now to the importation of plywood. As I have mentioned, it was recommended that 12,000,000 square feet of plywood should be imported into Australia annually. But a further increase is to be sought. No limitation has been placed on the quantity of logs, spars, sawn and dressed timber that may be imported. I myself am not greatly concerned about the present rate of importation of logs and spars, because the necessity for the logs to be cut, and the timber dressed and marketed will provide a certain amount of employment. But if we allow unlimited quantities of logs and spars to be imported, there will be a considerable effect on employment in this country.

A few moments ago, I cited figures in relation to the production of and export of timber from Tasmania. At present, there are 347 timber mills operating in that State, employing 2,400 men. They are direct employees of the timber industry. In addition, office, administrative and other staff are engaged. I think a very conservative estimate of the total number of employees in the timber industry in Tasmania would be 4,000. The value of the plant employed in the timber industry in Tasmania is about £2,000,000, and the approximate amount paid in wages in 1954-55 was £1,719,700. I warn the Government that unless assistance is provided to the timber industry in Tasmania, there will be considerable unemployment.

Earlier in my remarks, I referred to the wages that are paid for cobble labour in Malaya and Borneo, which average about £5 6s. a week. In contrast, the No. 1 sawyer in Tasmania, who is regarded as being one of the top men in the industry, receives a wage of about £16 10s. a week. Therefore, the wage differential is considerable. According to the "Overseas Trade Bulletin" for 1955-56, 3,448,000

super. feet of logs not sawn, including spars in the rough, was imported into Australia from overseas countries. In addition, large quantities of hardwoods were imported from New Guinea, Borneo, the Solomon Islands and other British countries. These constitute a large proportion of our timber imports. I am concerned mainly with the imports of timber from Borneo and New Guinea. In 1955-56, we imported 29,903 super. feet of hardwood from Borneo, and slightly more than 2,000,000 super. feet from New Guinea. All in all, the importation of hardwood into Australia in 1955-56 totalled 34,437,809 super. feet. In the same year, we imported 5,177,859 super. feet of undressed timber from Canada, South Africa and other countries. In that year, also, we imported 170,399,151 super. feet of Douglas fir from Canada, New Zealand, Indonesia and the United States of America. We also imported large quantities of timber from other British countries, Brazil and Indonesia, totalling 51,721,000 super. feet, and imports from Borneo, Hong Kong, Malaya and a few other places amounted to 48,326,000 super. feet. I contend that if we continue to import such vast quantities of timber, considerable unemployment will result in this country.

Senator KENDALL.—And we will have a lot more houses.

Senator POKE.—I trust that the newly appointed Minister for Customs and Excise (Senator Hefty), who is a fellow Tasmanian, will have regard to the possibility of unemployment developing in the timber industry. I am sure that he appreciates the precarious position of this important Tasmanian industry.

Senator PALTRIDGE (Western Australia—Minister for Shipping and Transport and Minister for Civil Aviation) [5.43].

—I rise merely to explain the purpose of the proposed vote of £70,000 for civil defence, about which the Leader of the Opposition (Senator McKenna) asked questions.

Senator McKenna.—Can the Minister tell us of the Government's projected plan for civil defence?

Senator PALTRIDGE.—The amount of £70,000 is required for the maintenance and operation of the civil defence school, which is located at Mount Macedon, in

Victoria. In the past, officers were sent overseas for training in civil defence; they have now been brought home and are stationed at this school. It is intended to train in civil defence, at this school, as many people as possible from all States, and it is expected that they, in due course, will undertake the training of people in the localities in which they live. As the Leader of the Opposition probably already knows, it is intended that, in the near future, a number of parliamentarians shall attend a course at Mount Macedon.

The Leader of the Opposition has inquired about the Government's plan for civil defence. I can only repeat what I told him earlier during the debate, that the Government's plan is following the course that was recommended by the defence chiefs. When further decisions are taken in relation to the civil defence plan, probably later in the year, it might be necessary for the Government to seek an additional appropriation for this purpose.

**The CHAIRMAN (Senator the Hon. A. D. Reid).**—Order! The time allotted for the consideration of the proposed votes has expired.

Proposed votes agreed to.

**Sitting suspended from 5.45 to 8 p.m.**

Self-balancing Items.

Proposed Vote, £150,000.

Department of Shipping and Transport.

Proposed Vote, £1,139,000.

Miscellaneous Services—Department of Shipping and Transport.

Proposed Vote, £2,035,000.

Commonwealth Railways.

Proposed Vote, £3,697,000.

Department of Immigration.

Proposed Vote, £1,862,000.

Miscellaneous Services—Department of Immigration.

Proposed Vote, £8,062,000.

Defence Services—Department of Defence Production.

Proposed Vote, £19,891,000.

(Ordered to be considered together.)

**Senator ARNOLD (New South Wales) [8.0].**—Under the proposed vote for the Department of Shipping and Transport I

cannot see any amount set aside for the purpose of subsidizing purchases of ships by private interests. I understand a discount of 33½ per cent. is allowed in such cases. From the programme which the Minister announced yesterday, in reply to a question asked by Senator Kennelly, some of the shipyards will be completing their programmes within another year or two. They do not appear to plan their programmes far enough ahead to give their employees the assurance that they will be kept in continuous employment in shipyards.

That brings me to the point I wish to raise. During recent years the Government has issued numerous permits to shipowners for the purchase of ships overseas. For the life of me I cannot understand why this has been done when the nation is short of overseas funds. We are not able to supply sufficient sterling to importers to purchase vital necessities, and although we have in Australia adequate facilities to build all the ships we need, the Government has allowed shipowners to purchase from overseas ships costing up to £1,000,000 each. The Government is prohibiting the people of Australia from purchasing vital materials and is not allowing importers to bring into Australia things that have been imported over a number of years. Yet, at the same time, it is allowing shipowners to contract overseas, to the extent of hundreds of thousands of pounds for the construction of ships that could be built in Australia.

Other nations pay substantial subsidies to their shipyards in order to build up a potential shipbuilding industry which can be used in time of emergency. Here in Australia we are not building more than 30,000 tons of shipping a year, although this is an island continent dependent on shipping to a very great extent. We are allowing our shipyards to get into the position where they cannot plan a forward programme; we are not attempting to develop a strong industry. Although we have all the requirements necessary to manufacture ships in Australia we are allowing shipowners to purchase from overseas. I should like the Minister for Shipping and Transport (Senator Paltridge) to inform the Senate what amount the Government proposes to set aside this year by way of subsidy to shipowners who buy their ships

outside Australia when they ought to be buying them in Australia? What is it costing us in overseas funds to purchase ships which could well be manufactured in Australia? If we had a patriotic group of shipowners they would be more interested in the welfare of this nation than in their own profits.

Senator McCALUM (New South Wales) [8.4].—Having been one of a party that recently travelled over the trans-Australian railway, with the object of inquiring into certain problems about which I will not speak at this moment, I found that service equal to anything in the world as regards track, rolling-stock and management. If there is one thing of which this country can be proud it is that great railway, and I congratulate the Minister for Shipping and Transport (Senator Paltridge) and his predecessors on that fact.

Senator CRITCHLEY (South Australia) [8.5].—I desire to refer to the proposed vote for the Commonwealth railways. I hope the Minister for Shipping and Transport (Senator Paltridge) will pay attention to my remarks. It is difficult to reconcile some of the figures cited during this debate with those contained in the very good report of the Commonwealth Railways Commissioner which was recently presented in the Senate. It is an excellent report and a rarity among reports that are placed before the Parliament. In previous reports the Commissioner instanced the difficulty he has experienced in securing adequate labour for the efficient working of the Central Australia railway, the trans-Australian railway and the North Australia railway. I note with some concern a decrease of approximately £125,000 in the amount allocated for the maintenance this year of the Central Australia railway.

The Minister will recall that on numerous occasions honorable senators on this side of the chamber, and myself in particular, have directed attention to the state of the rolling-stock and the permanent way; and his answer has invariably been that little could be done because of the shortage of labour. To-day, men in every State are looking for jobs. In view of the availability of labour, I wonder why the proposed vote for the maintenance of this railway has been decreased. The time is opportune for putting this section of the Commonwealth railways, and in fact every other section, in order.

If that were done we could expect an increase in the profits that have been disclosed by the Commissioner in his report. Can the Minister give any reason why, particularly in connexion with the Central Australia railway, on which so much work needs to be done, the proposed vote has been reduced? A new line is in operation from Stirling North to Brachina. Yet, we have a decrease in the amount to be allocated for the maintenance of these railways, notwithstanding the fact that labour is now available. As I have said, the Minister and his predecessors have stated that these jobs could not be done because sufficient labour was not available.

Senator ANNABELLE RANKIN (Queensland) [8.9].—I should like to make one or two comments in regard to miscellaneous services of the Department of Immigration. First, I congratulate the Immigration Department and its officers on the excellent job they have done in this particular field. During the term of office of the former Minister for Immigration (Mr. Harold Holt) and his predecessors, a tremendous amount of work has been done which has meant a great deal to this country as well as to the people who have come to live among us. I feel we should pay a tribute to the department and all its officers, who have not only carried out a very excellent job in their field of occupation, but have also carried it out in a very humane way. They have appreciated the human problems, and have always done their best to help.

I pay a special tribute to the welfare officers on the immigrant ships. When I was in Opposition, and there were only three of us, I frequently suggested the need for women welfare officers on the ships. The need has been proved since then by the work that those officers have done on ships travelling to Australia. I have been fortunate enough to know a number of those women very well. Few of us realize the exacting task that is theirs. The sea journey from England to Australia is a long one, with few ports of call. They have to be available at any hour of the day or night to care for immigrants. Often there are cases of illness, and there are large numbers of children requiring attention. They do very fine work during the voyage in explaining to immigrants the living conditions in Australia, the education facilities

that are available, and in generally dispensing information about Australia. I congratulate the Government upon continuing this work.

I notice that £80,000 is to be provided for migration publicity. This is very important, because intending migrants must be told what Australia has to offer. They must also understand the problems that they will have to face, and we have to supply them with all the information they require so that they will not suffer heartbreak and disappointment. Welfare officers who have travelled on the ships have told me that many male immigrants have asked for a handy booklet on primary production. The State governments have been helpful in that field, but I believe that there is still room for a good publication on rural conditions in Australia. Many British immigrants are interested in primary production. The literature that is distributed is very good, but we need more of it to give immigrants a true picture of conditions for men on the land.

I am also pleased that the Government will continue the grants to the Good Neighbour Councils, the Good Settlers Leagues and other similar organizations. They do very valuable work in promoting the assimilation of immigrants.

I direct attention to the provision for the education of non-British migrants in the English language. The proposed vote is £350,000. Valuable work is being done in that field. We Australians should do our best to assist new Australians to settle happily in Australia, and particularly to help them to learn the English language. I make a special plea for the older women, who do not go out to work and meet Australians as a child does at school, or as younger men and women do at work. They have not so much contact with other people, and they have great difficulty in learning English.

I notice that last year £60,000 was voted for child migration, British and foreign, and actual expenditure was £37,045. The proposed vote this year is £37,200. I should be interested to know how many child immigrants arrived in Australia last year, how many were British, and how many of foreign nationality, and how many arrived in Australia without their parents. Possibly, some of them have come to Australia through the Fairbridge Farm scheme, the

Shaftesbury Homes or similar organizations. I should like to know how many child immigrants were brought to Australia by those organizations. I have seen much of the work that is done by them in Australia and overseas, and it is an important field in child migration. I believe that all Australians welcome migrant families, and like to see children settling happily in Australia.

I notice that £12,000 is to be provided for assimilation activities. Does that mean the immigrants are being assimilated through organizations, or by some form of training? Last year, £1,000 was provided for the relief and repatriation of distressed Australians abroad. This year, there is no vote for that purpose, but I am sure that if there were any distressed Australians abroad, they would be given the necessary relief and repatriation.

**Senator KENNELLY** (Victoria) [8.21].— I wish to speak on railways, and I remind honorable senators that, on various occasions, a railway link between Birdum and Dajarra, in Queensland, has been suggested in this chamber. I was astonished when I read, in a pocket compendium of the "Australian Year Book" for 1956, which contains statistics for 1954-55, that, in terms of money, meat was the second most valuable export from Australia.

**Senator Wright**.—What did the honorable senator say?

**Senator KENNELLY**.—Yes, it is most remarkable. To be quite honest, I, and almost everybody else, would have said that wheat was the greatest export, but the fact is that the value of meat exported in 1954-55 was £63,486,000, and of wheat £45,220,000. Of course, wool was on its own. It will be remembered that earlier this year the Export Payments Insurance Corporation Bill was passed in an effort to ensure that secondary industries found a market, and the first report that is submitted on the results of that scheme will be interesting to read. The people of Britain need meat, and I believe that that country has a ready market.

If we are to develop Australia, the construction of a railway from Birdum to Dajarra should receive serious consideration. Every one has read, either in magazines or in feature articles in the press,

about the long treks that cattle have to undertake to get to the markets, and we have some knowledge, however meagre, of the beef that is flown to Wyndham, in Western Australia. I believe that now is the time to develop. It is of no use for us to sit here and listen to reports about the number of people who are in receipt of unemployment relief benefit; I think all of us have seen persons from overseas, most of whom are unskilled, walking the city streets. More than passing interest ought to be shown in this project I have mentioned. It would be far better for us to do something to increase our exports and to improve the balance of payments position, even though only to a small degree, than to go to the International Bank for Reconstruction and Development and borrow 50,000,000 dollars. It would be far better to construct this railway line in order to get the cattle to the great meatworks of northern Queensland in better condition and thus increase our meat exports, than to borrow overseas.

It is not my wish to play off one State against another. The fact is that we are here to help in the development of this country, and we ought to be willing to do it irrespective of which State is involved. Before reading the Year Book compendium I would have lost some money, if I may use that term in this chamber, because I should have thought that wheat was the most valuable export. The construction of a railway line between Birdum and Dajarra would enable us to develop the meat industry and produce more meat for a ready market, because I am hoping that the export payments insurance scheme will be a success. However, we must wait and see.

The second matter about which I wish to speak is immigration. No one would be foolish enough to say that we must not populate this country, but there are certain times at which that should be done. I believe that at the present time we should be extremely careful in our immigration programme. It is easy to be wise after the event but, to be quite candid, I am pleased that there has been a reduction of the intake of immigrants for this year. Some people might say, and rightly so, that if we do not take immigrants now we might not get them when we want them and when it

is more convenient. I believe that any person who has to be hungry in any part of the world would much prefer to be hungry in his own country. I am not suggesting that there are thousands and thousands of immigrants out of work, but in the big cities, particularly of Victoria, there are more immigrants unemployed than I or any other honorable senator on either side of the chamber would like to see. I am pleased that in certain instances immigration is now more selective. I understand that the department is allowing husbands and wives and families to be reunited in this country.

I regret that I have not with me the figures I had last year when I spoke about the health of immigrants. It is not of much consolation to me to be told that the incidence of tuberculosis and mental illness amongst the immigrants is no higher or is very little higher than amongst our own people. I have collected statistics for five States, but the reason why I am not quoting them is that I was waiting for the figures relating to the sixth State and I left the others in Melbourne. However, the incidence of those two diseases is rather startling. I believe we should welcome these people in their numbers, particularly when we can find sufficient useful work for them, but we as a nation should welcome them here on condition that they have a clean bill of health. I repeat that it is of no use to tell me that the incidence of those two diseases is not much higher than, or is just about as high as it is amongst our own people. We all hope that the present state of the economy will not last long, but no one can gainsay that Australia's economy is more or less on the brink of a precipice.

Senator Scott.—Ah!

Senator KENNELLY.—Oh, yes, it is. One bad season could reduce our national income to a very appreciable degree, and I should say that that would give our economy a great set-back. We have been a most fortunate people, and I join with every other honorable senator in hoping that we shall continue to be fortunate. The number of good seasons that we have had lately is well above the average. The last bad season or partially bad season was in 1945.

Senator Hannaford.—That applies to the southern half of the continent—very much so.

Senator KENNELLY.—I accept that. There may come a time when, to be fair to ourselves, we shall have to be a little more hard-hearted and a little more selective than we have been. I do not want to see discrimination between the peoples of one country and another. I hope that every immigrant who comes here will turn out to be a useful citizen of Australia, but to be quite honest, I am somewhat perturbed by the small number of immigrants applying for naturalization. I want to see more immigrants naturalized. If a person from another country takes Australia as his country of adoption, he has a responsibility to us, as we have to him. Our responsibility is to help the immigrant as much as we can by working with the Good Neighbour Councils to break down any class or race prejudices that we may have. We say to the immigrant, "Conditions here are good. These conditions were not lightly won. We expect you to do the right thing. If you do, you will be one of us". We expect him to show that he wants to become one of us by acknowledging Australia as his country.

I believe that the time has passed for bringing to Australia great boatloads of people without skill. In saying that, I do not want to hurt anybody's feelings. Where are the jobs now for people without skill? I am not unmindful of the part that the immigrants who came here in 1949 and 1950 have played in the production of cement, timber, bricks and other things. But for their services, it would have taken this country many more years to get back to a normal footing. I give credit to the immigrants who came here in those years and also to those who arrived later for the work that they have done in putting the country on a peace-time footing.

I have no wish to indulge in carping criticism of the previous Minister for Immigration (Mr. Harold Holt) or his predecessors, but I often wonder whether the Department of Immigration is the only department which can decide whether Mr. A in Italy shall be allowed to come to Australia. I do not think that it is. I believe there is an overriding authority, but I suppose that I look at the matter differently from honorable senators opposite.

Senator Gorton.—Which department is it?

Senator KENNELLY.—I invite Senator Gorton to think. I like to be candid, so I shall say what is in my mind. In the last elections in Italy, Communist party candidates and Social Democrat party candidates received 59 per cent. or 60 per cent. of the total number of votes cast. I want to know where the Italian radicals are in the many thousands of Italian nationals who have come to this country. I feel that there is an authority that can override the Department of Immigration and decide that Mr. A or Mr. B shall not be allowed to come to Australia.

Senator Wright.—The honorable senator does not want any help in radicalism.

Senator KENNELLY.—I like as much of it as I can get. I sincerely hope that no person is being prevented from coming to this country because he has radical views. From what I have read, I do not think it would be proper to put the majority of the Italians who vote for Communist party candidates in Italy in the same category as the Communists in other countries.

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

Senator COOKE (Western Australia) [8.36].—I want to refer to the Commonwealth railways. I am sure that every honorable senator shares my view that the Commonwealth railways have done excellent work for the nation. They are very important to Western Australia as a link with the other States, but the service provided, although efficient and good, is inadequate. I hasten to add that that is no fault of the administration. The Commonwealth Railways Commissioner and his staff are very efficient. That is proved by the balance sheet for this year, which reveals that the services have made a profit.

Many people who wish to travel by the trans-Australia railway have to wait for considerable periods to get a booking. Very often, it is impossible to book a berth. Rolling stock is inadequate in quantity and, in some cases, is out of date. I should like the Minister for Shipping and Transport (Senator Paltridge) to tell me whether provision has been made in the Estimates for the replacement of out-of-date rolling stock with rolling stock of up-to-date design and for the purchase of additional rolling stock.

I should like to know also whether diesel locomotives and new passenger coaches have been ordered, so that we may continue to enjoy services of the high standard of efficiency to which we have become accustomed.

Tasmania receives a lot of consideration from the Commonwealth because of the disabilities under which it labours in connexion with transport services and transport charges, and I am pleased that such consideration is extended to it. But Western Australia is far more isolated from the heavily populated centres of Australia than is Tasmania. It, too, labours under serious disadvantages as a result of high transport charges. I do not think that the Minister for Shipping and Transport is unmindful of those disadvantages, but I regret that not enough is being done to help Western Australia to overcome them. Therefore, I shall be most interested to know whether it is intended to acquire for the Commonwealth railways additional passenger coaches of the standard to which we have been accustomed. More of them are needed. I should like to know the arrangements that have been made to acquire diesel locomotives to pull passenger coaches and goods wagons. Are they being built in Australia, or shall we have to buy them from overseas?

The proposed vote for the Department of Shipping and Transport reveals that Tasmanian shipping services are being subsidized to the extent of about £500,000 a year. In 1955-56, £477,400 was appropriated for that purpose, and all but a little over £1,000 was spent. I am pleased that Tasmania is receiving that assistance, but I point out that for a decade the Minister for Shipping and Transport, together with other Western Australian senators, has been trying to get a reasonable shipping service for Western Australia. Representations have been made, not only to this Government but also to the preceding Labour government. The State Government has arranged for certain shipping services to serve the northern part of the State, but, to overcome the disabilities from which Western Australians suffer as a result of their geographical isolation from the eastern States—there are many hundreds of miles of desert—more efficient and better shipping services are required. The State Government has a scheme for heavy development in the area of Esperance and

Albany, but the progress of the scheme is being retarded because transport facilities at present are not good enough to make it an economic proposition. I understand the State Government is contemplating the establishment of a superphosphates works and other industries at Esperance. If this step is to be encouraged, we must have early and favorable assurances in connexion with shipping freights.

I should like some information from the Minister as to what improvements we can expect in shipping services to Esperance and Albany and as to whether the Commonwealth Government will consider granting to Western Australia a subsidy on shipping freights equal to that enjoyed by Tasmania. The State Government is endeavouring to encourage the establishment of secondary industries in Western Australia. It is doing as much as it can also to induce the people on the home market to buy goods produced in Western Australia and we want to be able to engage in at least reciprocal trade with the eastern States. I understand that in Western Australia we can produce and market goods at a lower cost than can be done by the eastern States. In some cases the goods we produce are superior in quality, and I know that contracts have been entered into for the delivery of a considerable quantity of Western Australian goods to South Australia if we can only overcome the handicap of heavy shipping freights. Another factor, of course, is that the industries of that State are not highly capitalized. I urge the Minister to do all he can to ensure that Western Australia shall be given both improved shipping services and a freight subsidy equal to that granted to Tasmania.

Senator WOOD (Queensland) [8.42].—As a member of the Immigration Advisory Council, I wish to refute certain statements that have been made to-night about immigration. It has been stated that sufferers from mental neurosis and tuberculosis are being allowed to enter Australia because immigrants are not properly screened as to health. I emphasize that if there is one government department which is doing excellent work, it is the Immigration Department; and the Government can justly feel proud of the efficiency and enthusiasm of

its officers. In an undertaking of the magnitude of our immigration programme, we cannot expect everything to be 100 per cent.; but the department makes every possible effort to screen prospective immigrants for such complaints as mental neurosis and tuberculosis. The department lays particular emphasis on those two diseases. If an immigrant should develop either complaint some time after having entered this country, it is not because of any fault on the part of the department. In any event, if I remember rightly, the incidence of these two diseases is no greater among immigrants than it is among Australian-born citizens, and I am confident that Senator Kennelly has misinterpreted the facts.

Unfortunately, if an immigrant develops a complaint, such as mental neurosis or tuberculosis, or if he does anything wrong, that fact is featured in the press with the result that Australians are prone to gain the impression that these things are more common among immigrants than among the native-born population. I know that many Australians believe that the incidence of crime among immigrants is greater than among native-born Australians; but statistics prove that that is not so. I remind honorable senators also that a committee under the chairmanship of Mr. Justice Dovey, which was appointed by the Immigration Advisory Council to inquire into this matter, found that crime is not more prevalent among immigrants than among native-born Australians.

It has been suggested that as some immigrants come from Communist-controlled countries we may be getting a certain number of Communists among them. I emphasize that in this respect also the department subjects prospective immigrants to the tightest possible screening with a view to ensuring that they are neither Communists nor agents of subversive organizations.

Senator Vincent.—It has been suggested by some that not enough Communists are coming to this country.

Senator WOOD.—The fewer Communists we have here the better it will be for this country.

Senator Hendrickson.—Who is the honorable senator trying to kid?

Senator WOOD.—I make no bones about stating my attitude on that point. I repeat that the tightest possible screening is applied by the department in order to guard against the entry of such people. Most honorable senators will agree that, when they have made representations on behalf of immigrants who wish to bring out their relatives, they have often had the greatest possible difficulty in obtaining permission for those people to come here because the department is in possession of knowledge which renders the prospective immigrants undesirable to Australia. Perhaps, at times, honorable senators have thought that the department has been over-careful in its screening. I emphasize again that, if anything, the department is over-cautious, and that is a good policy. I can assure honorable senators that the department agrees only to the entry of people who it is satisfied are in good health and are neither Communists nor agents of subversive organizations.

The immigration policy at present in operation has been carried on by one government after another, and it is to the credit of the Ministers of both Labour and Liberal-Australian Country party governments that the scheme has proved so successful. Both Mr. Calwell and Mr. Harold Holt have played no mean part in building up the excellent immigration policy pursued by this country. Whilst some of us might disagree as to who should come and who should not, we must all agree that tremendous development has taken place under the scheme and that in the long run Australia will benefit from it because it must lead to the building up of a virile population which is essential to the well-being of any country. In those circumstances, it is my firm belief that the Government should continue with its present immigration policy at a rate at which immigrants can be absorbed and placed in employment. I congratulate the Department of Immigration, and I congratulate its officers on the enthusiasm and courtesy which they have displayed towards the immigrants that have entered this country. One hears very little criticism of that department from any source, and as far as the immigrants are concerned, I have yet to hear one word of serious criticism from any of the million or so immigrants who are now in Australia. I shall continue

to support the immigration policy of this Government, and I sincerely hope that it will continue to pay dividends by bringing in more and more and better and better immigrants to take part in our future development.

**Senator McKENNA** (Tasmania—Leader of the Opposition) [8.51].—I desire to refer to two matters within the jurisdiction of the Department of Defence Production. They are the production of the FN.30 rifle and the production of aircraft in Australia. In the history of both of these items we can read the same sorry story of inaction and delay that has already been told this afternoon about our civil defence. I wish to take the minds of honorable senators back to 16th September, 1954, when the then Minister for Defence Production, Sir Eric Harrison, said—

. . . we have already placed orders for the new standard service rifles, which will be manufactured at Lithgow.

I remind the committee again that those words were spoken more than two years ago, and that it was a positive statement by the responsible Minister that orders for the rifle had been placed with the Lithgow Small Arms Factory. On 10th October last, Sir Eric Harrison indicated that the Small Arms Factory was tooling up. He said—

. . . the factory is tooling up for production of the FN.30 rifle.

Honorable senators will remember that two years before the order had been placed—according to the Minister—but at the end of two years he said that the factory was tooling up. I invite the committee to note particularly those two statements. Quite recently, on 11th September, he said—

The drawings of the rifle, which was conceived in Belgium are being altered from the metric system to the British system in Canada, and until the changes are approved the drawings will not be sealed. The sealed drawings have been awaited for a much longer time than we originally expected we should have to wait. We have purchased a number of the rifles, and have hand-fabricated certain parts at Lithgow.

On the same day, Sir Eric Harrison indicated that it would be another two years before we received the sealed patterns of the FN.30 rifle. That is a sorry record. Two years ago orders were placed, and now we are told that we shall have to wait another two years for plans. However, it is

said that in the meantime we are tooling up. I ask Senator Paltridge, who is in charge of this part of the schedule, whether the statement that they are tooling up at the Lithgow Small Arms Factory is correct. I submit that it is not, and that it is impossible that it should be. Will the Minister tell the committee how there could be tooling up in the factory in respect of an item of production for which they have not received the drawings? They do not know the bore and gauge of the rifle. The point that I make is that to alter the drawings from the metric system to our system should take no longer than two hours—not two years. I remind the committee that the Minister has admitted that he has bought rifles which were manufactured in Canada. If Canada can make them, then surely we can make them at Lithgow, where we have a factory which is famous for the excellence and precision of the small arms that it turns out.

Why should there be all this delay? Why must we wait another two years for sealed drawings? I assert on very reliable authority that already at the Lithgow Small Arms Factory they have made hundreds of drawings for the parts of the FN.30 rifle, and I should like to know whether the Government has even made a firm decision to adopt that rifle for the Australian forces. No rifles have been manufactured at Lithgow in recent years, as the Minister for Defence Production indicated; the factory has merely been engaged on repairing .303 rifles and other equipment. What is the plan for the rifle in Australia, and when are we to get some action in connexion with this important unit of equipment? It is an exceedingly sad story of inaction and delay, and leaves a great deal of uneasiness in the minds of the people because of its bearing upon our defences.

On 2nd October last, the Prime Minister (Mr. Menzies) said that the defences of Australia had never been in better shape in peace-time, and yet we do not know what kind of rifle our forces will use. Two years ago, orders were placed, but the sealed drawings are not yet available, and we are now told that it will be two years before we get them. Who is proud of such a record? How are we to equip our Australian forces, and with what? Are we to equip them with out-dated rifles? What is

the Government's policy regarding the manufacture of the FN.30 rifle? I suspect that there has been vacillation and delay about that, and I do not believe that firm orders have been placed even yet. In fact, practically nothing has been done about the weapon. The matter has been allowed to drift, and it is a disgrace to this Government that, after two years, its Ministers stand up and say in the Parliament that we have to wait two more years for plans of the rifle, when Canada is already manufacturing these weapons and we have bought some from that country.

**Senator Brown.**—It is certainly disgraceful.

**Senator McKENNA.**—Yes, it is. Will the Minister tell us what is the difficulty in getting sealed drawings when the rifle is already in production in another British Dominion?

**Senator Kendall.**—What is a sealed drawing?

**Senator McKENNA.**—I am asking the Minister that question. If the rifles are being manufactured in Canada, they can certainly be manufactured at the Lithgow Small Arms Factory. Not only are we concerned about this matter from the viewpoint of the defence of Australia, but we are also concerned about the effect that the Government's action has had on employment in Lithgow. Employment other than at the small arms factory is not readily available at Lithgow, and I lay at the door of the Government responsibility for all the unemployment in that town. There are skilled tradesmen and other workers available at Lithgow, but this Government lacks the energy and ability to make a decision and get something done.

**Senator Scott.**—The Government has done a fair bit since it assumed office.

**Senator McKENNA.**—I am talking about the FN.30 rifle. I now pass to the second matter that I wish to place before the committee, and it concerns aircraft production. On 11th September last, the Minister for Defence (Sir Philip McBride) made a pronouncement in the Parliament about the state of Australia's defences. He indicated what was being done in the field of aircraft

production which, as everybody will agree, must play a vital part in the defence of this country. He said then—

The Government has supported a policy of development of the Australian aircraft industry. There was no word about the delaying of that programme—not a word on 14th September about the cutting down of aircraft production; just a proud statement that this Government had facilitated aircraft production, leaving very clearly the impression that that activity would be continued. Then we come to the statement made on 10th October. In the meantime, the Prime Minister (Mr. Menzies), after first announcing, as I indicated a moment ago, that our defences were never in better shape, said two days later that they were to be reviewed from top to bottom. That review took place within a week, and then the then Minister for Defence Production, Sir Eric Harrison, made a statement in the Parliament, in the course of which he said this—

The Government and the services are exercising caution before embarking on new production programmes in the ordnance and aircraft factories. Consequently, there must be some immediate retrenchment in the various Government munitions and aircraft establishments. This is a period of consolidation.

I invite the Minister to tell us what Sir Eric Harrison meant by the term "a period of consolidation". It has been a period of inaction, and we have now reached a period of utter stagnation in that important field. Eighteen months ago, this Government sent a man abroad to choose the new type of aircraft that would be manufactured when the present unit was finished at the Commonwealth aircraft factory in Victoria. The production scheme that is now operating has about a year to run. On 9th August last, Sir Lawrence Wackett, the chairman of the Commonwealth Aircraft Corporation, made a statement of which the following report appeared in the "Sydney Morning Herald" of 10th August, 1956—

The Commonwealth Government's deadline for naming an Australian-made successor to the Sabre jet fighter was gone; the manager of the Commonwealth Aircraft Corporation, Sir Lawrence Wackett, said yesterday. A delay in production of a new-type aircraft when the Sabre order ended was now unavoidable. Sir Lawrence said it would be about a year before the last Sabre rolled off the production line at Fishermen's Bend.

So now we are in a position, despite the fact that a man was sent abroad eighteen months ago, and despite this Government's

interim statement that it was encouraging the aircraft industry, that for at least those eighteen months it has dithered and delayed in making a decision on the new type of aircraft. It is quite certain that if the Government were to make a decision now, it would be at least two years before the new-type aircraft would come off the production line.

**Senator Brown.**—And it would then be obsolete.

**Senator McKenna.**—As Senator Brown has said, it would probably then be obsolete. What a particularly sorry record this is in the field of aircraft production, which is a matter of the utmost significance to this country. Do Government senators sit in their party rooms, knowing these things, and doing nothing about them? I say that the Minister should be impeached for the dithering and delay that has gone on in all these respects.

Let me refer, just in passing, to what has happened at Woomera in connexion with the production of guided missiles. Sir Eric Harrison had something to say about that particular matter very recently. On 10th October—this month—he said—

The so-called sophisticated weapons—guided weapons—are in advanced experimental and design stages . . .

Will the committee please note that? After nearly seven years of rule by this Government—Woomera was established when it came into office; it was established by a Labour government—Sir Eric Harrison, the then Minister for Defence Production, stated on 10th of this month—

The so-called sophisticated weapons—guided weapons—are in advanced experimental and design stages but, in the main, they are not ready for operational use.

After six and a half years of office, this Government has not produced a single guided missile that could be used in the defence of Australia. According to the Minister for Defence (Sir Philip McBride), the Government has expended £1,031,000,000 on defence. I should like to be informed what has happened at Woomera. We see the same pattern running through everything—dithering, delay, inaction and no results. That is evident in relation to civil defence, the FN.30 rifle, aircraft production and guided missiles.

**The TEMPORARY CHAIRMAN (Senator Pearson).**—Order! The honorable senator's time has expired.

**Senator HANNAN (Victoria) [9.6].**—I shall direct the attention of the committee to a certain aspect of defence production. Reports have appeared in the press that the Australian jet aircraft building programme, particularly at Fishermen's Bend in Victoria, is reaching its conclusion, and there have also been reports that many skilled aircraft workers have been dismissed. One reason that has been advanced why the building of a more modern type of aircraft than that now under construction has not been commenced is that there is uncertainty amongst the great countries with whom we are allied as to the types which are most suitable for use by the defence services. The claim has been made here that the super-Sabre is very efficient, and even though it may not be as modern as certain prototypes that are flying in the United States of America and in Great Britain, it has the great advantage that it has the ability to operate from smaller air-fields.

**Senator Hannaford.**—It is still a first-line aircraft.

**Senator HANNAN.**—That is so. In these circumstances, I suggest to the Minister for Civil Aviation (Senator Paltridge) that the Government should examine the possibility of continuing the manufacture of this type of aircraft for export. One might say that the market for it would be extremely limited but, in view of the kind of airfields that are available to the democracies in the Pacific, many countries would undoubtedly leap at the opportunity to obtain first-line aircraft as good as the Sabre. The adoption of my suggestion would have two results for Australia: It would help to maintain the Australia aircraft industry as an entity, and it would obviate skilled workers being thrown out of employment. Conversely, Australia would gain a very sizeable export market.

In this connexion, it is interesting to note that whilst many of Great Britain's aircraft may not have, perhaps, the speed and weight-carrying capacity of certain American aircraft, the British aircraft industry holds orders at the moment for the supply of £124,000,000 worth of aircraft. As I have said, the British aircraft might not, in

some aspects, measure up to aircraft produced by other countries; but they have the ability to operate in places where other more modern aircraft could not go. It is common knowledge, for example, that for operating in the fiords of Norway, the Navy's flying brick, which had a top speed of 60 miles an hour, and a stalling speed of 59 miles an hour—that is, of course, hyperbole—had advantages over the fast Messerschmidts in that it could stooge around the fiords, because of its manoeuvrability, and it was more acceptable because of its less stringent requirements in the matters of maintenance and fields.

I desire now to refer to Division 114B, Marine Branch, where, under the heading of "General Expenses", there appears item 6, "Lighthouse tenders—Cost of operating, £144,490". I point out that the tenders are submitted by civilian personnel, who do a pretty good job. At the present time, about four times as many national service trainees apply to join the Navy as can be accommodated by the Navy. Of course, that is only natural in an island country such as Australia. It is unfortunate that the Navy cannot accept all of the national service trainees who desire to spend their training time in that service. The only method by which sea time can be given to these young recruits is to engage in a fairly costly training cruise which, in a heavy cruiser of the "Australia" type, would cost in the vicinity of £100 a mile. That is a fairly heavy figure, and my suggestion is that some of the lighthouse tender work should be entrusted to the Navy for two purposes. First of all, it would effect certain economies in a government department; and, in the second place, it would give to the Navy the opportunity of taking in a far greater number of those young men who, at the moment, wish to do their national training service in the Navy. It would provide the Navy with a reasonably economic method of giving this naval training and an opportunity for these young men to obtain a certain amount of sea time. I should like the Minister to consider the possibilities of my suggestion. There may be one or two technical snags. I can see Senator Kendall looking at me a little apprehensively. I realize one or two technical difficulties might arise, but, nevertheless, I ask the Minister to examine my suggestion to see whether anything can be done in regard to it.

Senator RYAN (South Australia) [9.12].—I desire to make some comments and also to seek information from the Minister for Shipping and Transport (Senator Paltridge) concerning the administration and expenditure of the Department of Immigration. I say, immediately, that the Australian Labour party supports the principle of immigration. It is only in degree that we differ from the Government on this subject. The Labour party claims that Australia must have a balanced economy, but an imbalance in the economy is indicated by the restrictive policy inherent in the budget, particularly in the sphere of immigration. It is interesting to note that the Government intends to prune the inflow of immigrants this year. I immediately support Senator Kennelly, who said, recently, that in view of the pruning of the inflow of immigrants into this country, a more selective programme should be implemented. We could start by allowing husbands to be joined by their wives and families. Also, in implementing a more selective programme, we should concentrate on bringing tradesmen to this country. The present unemployment figures show that the army of unemployed is comprised, mainly, of unskilled workers. Therefore, under our immigration programmes, we should bring to this country substantial numbers of skilled workers.

The Government, having proposed a restrictive policy, should have restricted in the same ratio the amount of money to be spent. From a perusal of the proposed vote for this particular department I notice that on the administrative side the proposed vote represents an increase of £134,665, although the department will have less work to perform. I should like the Minister to explain that particular matter. The proposed vote for the United Kingdom Office is £103,400. From the schedule we find that that office employs 32 employees. Half of the amount allocated to bring immigrants to our shores from the United Kingdom will be spent on the United Kingdom office. The huge amount of £145,000 is to be spent on the immigration office in Germany. That is an additional expenditure of £40,000 and represents 10 per cent. of the total proposed vote to be expended in bringing German immigrants to Australia. In connexion with the

Italian office, the amount allocated is £219,200. That office has 30 employees, only two less than the United Kingdom office and one more than the immigration office in Germany. Seven per cent. of the proposed vote for bringing Italian immigrants to Australia will be spent on the office in Italy. The office in Austria is expected to absorb 7 per cent. of the proposed vote of £101,800 in respect of that country. There are twenty employees in that office. In respect of the Netherlands, £71,500 has been allocated, and the Netherlands office, which has fourteen employees, accounts for 17 per cent of that amount. I should like the Minister to explain the discrepancies in the figures I have cited.

I should like the Minister also to furnish me with some information in regard to grants and subsidies to be paid to approved child and youth organizations for which the proposed vote has been increased by approximately £3,000. Since the number of immigrants is to be reduced under the Government's programme, there will be fewer immigrants to share the amenities.

Provision is to be made for Good Neighbour Councils and the New Settlers League. I should like to know how that money is to be allocated, and whether it will be used to assist in social activities in connexion with naturalization ceremonies. These ceremonies are becoming more frequent. That is good, because it shows that more immigrants are being assimilated into the Australian way of life. I believe that the naturalization of immigrants should be expedited. If the Australian Government is generous enough to assist immigrants to come to Australia, there should be some reciprocation on the part of the immigrants. They should show that they are willing to become naturalized.

I notice that no provision is made this year for assistance to distressed Australians abroad and for their repatriation. The expenditure on this item last year, although small, shows that a few Australians were assisted when they were in distress. I referred to stranded Australians in the United Kingdom in a question that I asked in this chamber a few weeks ago, but the Government does not appear to be very interested in distressed Australians abroad. Many young Australians have gone abroad with bright visions of success, but they

have been disillusioned and have been unable to return to Australia. They have had to seek assistance in a strange land. I believe that it would be good policy on the part of the Government to assist them to return to Australia. They have been trained from childhood in the Australian way of life, and can readily resume a useful place in the community.

**Senator PALTRIDGE** (Western Australia—Minister for Shipping and Transport and Minister for Civil Aviation) [9.25].—I wish to reply now to some of the questions that have been asked by honorable senators so far in this debate. Senator Arnold referred to the shipbuilding subsidy, and asked where provision for it was to be found in the bill before the committee. It is to be found under Division 226—Department of Shipping and Transport, and the item is "Merchant shipping construction, subsidy—£1,400,000". Formerly it appeared under capital works. Senator Arnold indicated that he did not agree entirely with the Government's shipbuilding policy. He expressed some fear that the shipbuilding programme, details of which I have announced from time to time, does not induce a feeling of confidence among shipbuilders or those employed in shipbuilding. I remind Senator Arnold that there are now thirteen ships under construction in Australia, and another order was recently placed. Tenders will be called next month for two more ships of 12,500 tons, and the current shipbuilding programme in Australia will then cover no fewer than sixteen ships.

It is true, as Senator Arnold has said, that some ships are being built overseas. That is inevitable. Many factors bear heavily on costs of construction and operation. The costs that are built into a ship remain with it throughout its life. They are carried into its daily charge for as long as it plies upon the seas. In Australia we are aiming, as well we might, at reducing transport costs. The costs of shipbuilding, which find their way into freights and fares, are of great importance. When a shipping company shows that it can build a ship overseas more cheaply than it could be built in Australia, so that operating costs may be reduced, we are not justified

in denying that organization the opportunity to obtain cheaper construction. There is also the time factor. Unfortunately, we in Australia have had the sorry experience of considerable time having been taken by shipbuilding yards to complete orders. One case that springs to my mind is that of a yard which took five years beyond the estimated completion date to turn out a ship. That meant that for five years the company which had ordered the vessel was denied the use of it, was denied revenue, and had to service its outstanding capital.

**Senator Courtice.**—When was that?

**Senator PALTRIDGE.**—Only quite recently. I should prefer not to mention the yard.

**Senator Arnold.**—Why not? I shall mention it soon, and I shall tell the honorable senator why. It was Mort's dockyard.

**Senator PALTRIDGE.**—Yes, it was Mort's dockyard.

**Senator Vincent.**—It is a wonder that, being in Sydney, it was not ten years.

**The TEMPORARY CHAIRMAN (Senator Anderson).**—Order!

**Senator PALTRIDGE.**—There have been occasions when permission has been given to build outside Australia because at the time all Australian yards were fully occupied, and to have fitted in another ship would have meant a disruption of the existing programme. To have delayed the construction of a vessel in order to make way for another new ship would have increased the cost of the ship already being built. Cost, time of construction and disruption of the shipbuilding programme are all factors that must be considered when application is made for permission to build vessels overseas. I submit that the programme that is now in operation, and which shortly will be increased, is a solid one. I realize that Senator Arnold would like to see a situation, in which shipbuilders in Australia were guaranteed continuous work for all time.

**Senator Sheehan.**—Hear, hear!

**Senator PALTRIDGE.**—Senator Sheehan says, "Hear, hear!", but I do not know whether that is altogether a good thing. When shipbuilders, house builders, or any one else is completely assured of business, we get carelessness and inefficiency which

really cost money. Whilst the present programme provides a reasonable degree of assurance, it does not go to the limit that apparently certain Opposition senators think is desirable but which I do not.

This Government has given continuing support to the shipbuilding industry, as is evidenced by its recent decision to raise the subsidy by 33½ per cent., and I believe that it will continue to support an efficient shipbuilding industry. But I say now, as I have said frequently during the past year, that efficiency will be the factor that will determine how many ships can be built in Australia and the number that will be built overseas. I say quite definitely that this Government's policy in relation to shipbuilding is one from which all reasonable people can draw a reasonable assurance. It has resulted in good shipbuilding and in an increasingly efficient industry. I pass from the subject of shipbuilding to that of railways. Senator Critchley asked me a question regarding the proposed vote for the Central Australia railway for 1956-57 as compared with that of last year, and also one in relation to the North Australia railway.

**Senator Critchley.**—I am more concerned about the Central Australia railway.

**Senator PALTRIDGE.**—I thought that the inference to be drawn from the honorable senator's question was that expenditure on the Central Australia railway was to be reduced.

**Senator Critchley.**—That is right, according to the Government's figures.

**Senator PALTRIDGE.**—I point out that, although the vote for the Central Australia railway last year was £1,581,000, actual expenditure was £1,152,028. The proposed vote for this year is greater than last year's expenditure, and stands at £1,294,000. I further point out that increased expenditure on that railway is being provided for despite the fact that the greater use of diesel locomotives and more modern equipment will reduce running costs. So, in actual fact, the proposed vote for this year represents a rather significant increase.

Senator Rankin posed a number of questions about the proposed vote for immigration, one of which related to assimilation activities. The Government proposes to continue the policy of consultation with community leaders on immigration matters,

and is now planning for the next annual citizenship convention to be held in January, 1957. Expenditure associated with that convention is covered in the proposed vote. Senator Annabelle Rankin also asked about child migration. All child immigrants were British children. Sailings during the financial year 1955-56 totalled 341, and the estimated number of sailings during the current year is 300. All child and youth immigrants are to be introduced to farm schools and other approved establishments controlled by denominational and non-denominational migration organizations. A further question related to Australians in distress overseas. I believe that that matter was raised by Senator Ryan also. Administration of the proposed vote for that item, which is to be found in Division 217 on page 99 of the bill, has been transferred to the Department of External Affairs.

Senator Cooke dealt with shipping to the ports of Albany and Esperance in Western Australia, and asked for further details of the proposed programme. I am sorry that I have not those details; I have not been able to obtain them. However, I shall furnish them to the honorable senator by letter. I recently wrote to the Chamber of Commerce in Albany regarding fixtures for the Christmas and early new year period. I have forgotten what they are, but I shall let the honorable senator have a copy of the letter. The problem associated with those two ports is one that is common to all small isolated ports. It is not always a lack of shipping that is responsible for delays in the movement of cargoes. Very frequently, the delay is due to a lack of co-operation between the shippers and the shipowners.

**The TEMPORARY CHAIRMAN.**—  
Order! The Minister's time has expired.

**Senator ASHLEY** (New South Wales) [9.40].—The Minister for Shipping and Transport (Senator Paltridge) went to considerable trouble to explain the shipping position, but he neglected to tell the committee that during the last eighteen months the Menzies-Fadden Administration has issued permits for ships to be built abroad of a total deadweight of 47,350 tons. Of the orders that have been placed abroad, some have gone to Japan and Hong Kong. While that is happening, the skilled men in the shipbuilding industry of this country are

losing their employment. The Minister made much of the tonnage of shipping that is being built in Australia. In answer to a question addressed to him a few days ago, he explained that the Broken Hill Proprietary Company Limited is building in Australia for its own use three bulk carriers of a total tonnage of 48,000 tons, and that the Commonwealth has placed orders with Australian shipbuilding yards for ships of a total tonnage of 78,000 tons. Not a single order has been placed with an Australian shipbuilding yard by the shipping monopoly that is constantly increasing its freights, despite the fact that hundreds of men in the shipbuilding industry here are being put out of employment.

There has been a great deal of discussion about the dismissals of men from munitions factories and aircraft factories. I am interested to find out something about the St. Mary's mystery project. It will be a considerable time before the sealed patterns of the new service rifle will be available. Every one who has any knowledge of engineering knows that, when the patterns become available, it will be another two years before tooling up can be completed and production of the rifle commenced. Therefore, this factory at St. Mary's will not be required to produce ammunition for the new rifle for some time to come.

I have said that there is something mysterious about the St. Mary's project. The Government is silent. It will not give any information about the project. There is a mysterious cost-plus system in operation, together with a new technique which involves the payment of an additional fee of £516,000. The architects are receiving a record fee of £1,250,000—something unheard of in Australia before—despite the fact that there are in the Commonwealth service over 100 architects who were capable of meeting all the requirements of the defence forces of this country for architects in World War II. In those circumstances, it is very strange that the Government should employ private architects and pay them so huge a sum to supervise this mysterious project.

Some cottages are being built in association with the munitions filling factory at St. Mary's. Experts—builders and others—have estimated that those cottages will cost

from £6,000 to £8,500 each. The Government admits that that is so. Sir Eric Harrison said in another place before he left here to go abroad that the Department of Defence Production realized that too much was being paid for the cottages. Competent people who have examined them say that, including the sites and everything else, they should not cost more than £4,000 each. What is happening at St. Mary's? In addition to a tremendous waste of money on the filling factory, cottages are being built which will cost twice as much as they should cost. They will be used only by the officers concerned with the factory.

I want to know why there was no suggestion that Australia should be provided with a munitions filling factory until June of last year, when the Government decided that one was necessary. Honorable senators will remember that in 1950 the Prime Minister (Mr. Menzies) said that we had not a day to waste, because there would be a war within three years. Shortly afterwards, Sir Eric Harrison, who had just returned from abroad, said that war was inevitable within two years. But no mention was made then and for a long time afterwards of the need for a munitions filling factory. What would the Government have done if war had broken out? What would we have used for ammunition? I suppose that we should have had to use some of the Government's political propaganda. That would knock anybody!

**Senator Spooner.**—If it had been your propaganda, it would have been a dud.

**Senator ASHLEY.**—That may be. I am dealing now with one of the Menzies-Fadden Government's duds, the St. Mary's munitions filling factory. The Government cannot justify this huge waste of public money. Sir Eric Harrison left Australia—I am sorry to learn that he has had to get off the boat through illness—but he should never have been allowed to leave the country until the Public Accounts Committee or another investigating committee had examined the St. Mary's project to find out why it is necessary to spend huge sums of money and employ teams of tradesmen and labourers on such a useless work. It is important that the Government should explain to the people of Australia the need for this factory. I regret that, as the hour

is so late, I may be denying some of my colleagues the opportunity of speaking; but I ask the Minister for some explanation.

Senator Spooner interjecting,

**Senator ASHLEY.**—The Minister for National Development (Senator Spooner) is very good at interrupting when one is speaking, but he is not so good at giving information. He promised me certain information, yesterday, in connexion with another matter, but, so far, I have not received one word from him. In conclusion, I ask that some explanation of this unwarranted and unjustified expenditure be given.

**Senator VINCENT** (Western Australia) [9.51].—I refer the Minister for Transport and Shipping (Senator Paltridge) to the proposed votes for the Commonwealth railways and remind him of the fact that, many years ago, in what some people call the good old days, railways were regarded as being dangerous, and were required to be fenced, but, unfortunately, there is no such protection on the trans-Australia railway between Kalgoorlie and the border. In those good old days, if a bullock or sheep was killed by a train, the railway department was liable for the cost. That applied for about 100 years, and I am sorry that it does not apply to-day, in many respects. I mention that as one reason for inviting the Minister's attention to the condition of the trans-Australia railway, which passes through some hundreds of miles of valuable pastoral country between the points I have mentioned. It is unfenced for the whole of that distance, and I am informed that stock losses on that line are becoming increasingly greater. I point out, also, that the stock were there before the railway was constructed.

Whilst that railway has caused heavy losses, the pastoralists get very little change when they suggest that the Commonwealth railways should make good those losses. I do not know the complete answer to this problem, because the line passes through some hundred of miles of pastoral country, and I quite appreciate that it would be most expensive to fence both sides of it; but there are circumstances in which it does not seem right that the pastoralists should have to bear the whole of the loss when stock are run over. It should be possible to arrange some scheme under which these very heavy losses—in one case they amount

to more than £1,000 a year—could be lightened. I invite the Minister to let me have his views and observations on this question, because now is the time for discussing it. I am quite prepared to admit that, legally, the Commonwealth railways are entitled to refuse to meet any of the cost, but I suggest that to adhere to the legal position is not the complete answer to the problem.

**Senator KENNELLY (Victoria) [9.54].**—Earlier this evening, I made certain statements about the number of immigrants suffering from tuberculosis and mental illness. I said then that I was under the impression that I had left some of the figures in Melbourne, but some one who is much more efficient at filing and carrying things than I am had them in his case, and I propose to read them. First, I quote the following telegram which I received from the Victorian Minister for Health, Mr. Cameron—

In reply your inquiry reference new Australians approximately five per cent. admitted Sanatoria approximately seven per cent. mental admissions. Following upon that, I received this telegram from him—

Reference previous telegram figures stated refer to percentage of admissions not to number of arrivals 75 sanatoria 400 mental admissions.

I might say that I asked all States for information on this matter. I received the following reply from New South Wales:—

Migrants certified and admitted to State mental hospitals (1950 to 1955) within five years of arrival: 1950, 2.8 per cent.; 1951, 5.5 per cent.; 1952, 5.5 per cent.; 1953, 8.5 per cent.; 1954, 7.5 per cent.; and 1955, 5.6 per cent.

**Senator Spooner.**—What are those percentages?

**Senator KENNELLY.**—They are the percentages of total admissions.

**Senator Spooner.**—But are they the percentages of immigrants to total admissions or the percentages of immigrants who were admitted?

**Senator KENNELLY.**—I should say they are the percentages of immigrants who were admitted. I have some further startling figures relating to New South Wales. They disclose that of the new cases of tuberculosis notified during the year ended 30th June, 1956, there were 983 males and 487 females, a total of 1,470 persons, born in Australia, and 233 males

and 80 females, or a total of 313 persons born outside Australia. I admit that all the people born outside Australia may not be new arrivals under the immigration scheme, but I think it would be fair to say that the overwhelming majority of them would be. I also received the following telegram from the Minister for Health in Western Australia, Mr. Nulsen:—

Figures tuberculosis and mental disease in new Australians in Western Australia available Director-General Health Canberra stop Former in annual report Commissioner Public Health latter special reports Director Mental Health Service.

I read that simply to prove my statement that I have inquired from all States.

**Senator Kendall.**—Are any figures included in the information from Western Australia?

**Senator KENNELLY.**—No. I read that telegram simply to prove that I asked all States for the information. I also received figures from the Tasmanian Minister for Health, Mr. Turnbull, but I regret that I have not got them with me. I assure honorable senators I have not mislaid them deliberately. I do not propose to say more at this stage because it would be unfair to other honorable senators if I took up any more time. Suffice it to say that the figures I have quoted are astounding. We want immigrants here, but we should insist that they have a clean bill of health. I am unable to believe that in every case reported by each State the sufferer was unfortunate enough to contract the disease after arriving here.

**Senator PALTRIDGE (Western Australia—Minister for Shipping and Transport and Minister for Civil Aviation) [10.0].**—I wish to answer as quickly as I can some of the questions that have been raised in this debate. Senator Cooke asked about the replacement of equipment on the trans-continental line. Provision has been made this year for the purchase of more locomotives. Five locomotives have been ordered, two of which have been delivered, leaving three to come. Provision has also been made in the Estimates for capital works and services for the replacement of rolling-stock, which includes about four passenger coaches.

The Leader of the Opposition (Senator McKenna) mentioned the production of the FN.30 rifle. He seemed to be in some

doubt about whether the Lithgow Small Arms Factory was tooling up for the production of this weapon as stated. According to the note that I have received from the officers concerned with this work, the Australian Government decided in 1954 to adopt the Belgian 7.62 light semi-automatic rifle for use by the Australian services. Details of overall requirements and proposed rates of delivery of the weapon from the department's small arms factory are secret. The factory is tooling up for manufacture. I suggest that that statement answers the doubt expressed by Senator McKenna. The note continues to the effect that this process has been delayed longer than originally expected because of delays in the receipt of sealed or finally approved production drawings from the International Rifle Steering Committee in the United Kingdom, on which Australia is represented.

Senator McKenna doubted the availability of the drawings, and he will, therefore, be interested to know that the production drawings are substantially clear for 60 per cent. of the components involved in the production of the rifle, and the work of planning, drafting and manufacturing for the tooling of these components is proceeding. The production of the necessary machine tools and other equipment is proceeding, as is the re-arrangement of factory production lines. Australian defence authorities are fully informed of the present pre-production position, and although it is not possible, on security grounds, to furnish detailed information of progress, it may be said that the small arms factory will be in a position to initiate production within a short time of receiving authority to do so from the armed services, who are ultimately responsible for putting into effect the decision to adopt the weapon. No Canadian rifles have been purchased for Australia as was stated by Senator McKenna. A few FN.30 rifles have been purchased from the United Kingdom to assist in production design, and for study and Army use.

**Senator Ashley.**—Only a few?

**Senator PALTRIDGE.**—Yes, and none has been purchased from Canada, as was stated by the Leader of the Opposition. The decision to manufacture the FN.30 rifle is absolutely firm.

**Senator Ashley.**—When will the plans be available?

**Senator PALTRIDGE.**—As I have already indicated, the matter is before the International Rifle Steering Committee in London. It is important that the same standards should be maintained in this country and in the other countries that are going to manufacture this rifle. Although already 60 per cent. of the drawings are clear, 40 per cent. are still held up. It cannot be said when they will be available, but it is obvious that planning is proceeding at as fast a rate as possible.

Senator McKenna also mentioned aircraft production, and I want to put on record some of the details of the aircraft output that has been achieved by this Government. We have produced twelve Lincoln four-engine heavy bombers at the Government aircraft factory, 52 Vampire jet fighters at the De Havilland Aircraft Company Proprietary Limited, 41 Vampire jet trainers by the same company, and 29 Winjeel propeller trainers at the Commonwealth Aircraft Corporation Proprietary Limited. A total of 91 radio-controlled target aircraft have been designed and produced by the Government aircraft factory, and 34 Canberra jet bombers have been turned out at the same establishment. Forty-four Sabre jet fighters have been delivered by the Commonwealth Aircraft Corporation Proprietary Limited to the Royal Australian Air Force. There are fourteen Sabre jets at present at Avalon, and two at the factory of the Commonwealth Aircraft Corporation Proprietary Limited ready to go to Avalon. Those at Avalon are awaiting test flights, so that it may be said that there are fourteen at Avalon and two with the Commonwealth Aircraft Corporation Proprietary Limited, making a total of 60 Sabre jet aircraft so far produced.

We have also produced 70 Nene jet engines for Vampire fighters, and 78 Avon jet engines for the Canberra bombers and for fighters. These have been produced by the Commonwealth Aircraft Corporation Proprietary Limited. In the five-year period, we have overhauled and serviced a total of 742 air frames, 2,088 engines and 155,000 ancillary aircraft equipment units. Also in that five-year period, we have delivered to

the services 123,100 different items of aircraft spare parts as they have been required.

It is worth stating for the record that the Government has not been inactive in respect of the export of aircraft. An order worth £500,000 has been received from Sweden in respect of the Jindivik radio-controlled jet aircraft, which was designed in our plant at Fishermen's Bend. Negotiations are being carried out for the export of Canberra bombers to New Zealand. I suggest that that is a fairly substantial programme, and is a promise of what will happen in the next few years.

Senator Ashley spoke about the filling factory at St. Mary's, and referred to it as the mystery of St. Mary's. If it is a mystery to him, then I suggest that he cannot understand the English language, because that matter has been the subject of numerous explanations and a great deal of comment. The contract used for that job is not cost-plus, as suggested by the honorable senator; it is cost-plus fixed fee, which is a very different kind of contract. Such contracts provide an incentive for contractors to work quickly and efficiently, as is indicated by the speed with which the work at St. Mary's is being done. It is understood that the job will be completed on time, and at the estimated cost. The St. Mary's filling factory has been made the subject of all forms of criticism, but one of the most recent press comments is worth quoting. I refer to an article in the "Sydney Morning Herald", of 9th September, which reads—

It seems that if we really need a new munitions filling factory at St. Mary's we are getting one in a hurry and the rapidity of construction of this plant might make its cost compare favorably with that of other big projects, notwithstanding the staff difficulties.

Senator Ashley stated that permits had been issued for the building of ships in Japan. He was probably referring to the construction that has been permitted in Hong Kong shipyards.

Senator Ashley.—I rise to a point of order.

The CHAIRMAN (Senator the Hon. A. D. Reid).—Order! It is not in order for the honorable senator to take exception to the Minister's remarks at this stage. He may make a personal explanation at the conclusion of the debate.

Senator PALTRIDGE.—The honorable senator was probably referring to two orders that were lodged with Hong Kong shipyards, one for a vessel of 450 tons, and the other for one of 400 tons. That was the basis on which Senator Ashley criticized this Government. Permits were issued for the construction of those vessels in Hong Kong, not in Japan, as he averred. Senator Ashley also said that no private companies were now building ships in Australia. He completely overlooked the fact that the Broken Hill Proprietary Company Limited—

Senator Ashley.—I mentioned that company. If the Minister did not hear me do so, he must have been asleep.

Senator PALTRIDGE.—Senator Ashley did not mention—

Senator Ashley.—I did mention that company. I even said that it had 48,000 tons of shipping under construction.

Senator PALTRIDGE.—Senator Ashley mentioned the Broken Hill Proprietary Company Limited only insofar as two 19,000-tonners are being built to its order. The honorable senator was making the point that no shipbuilding was taking place in Australia.

Senator ARNOLD (New South Wales) [10.12].—I have very strong feelings on this matter. I know that the Minister for Shipping and Transport (Senator Paltridge) has not long held that portfolio, and I am afraid that he has not yet absorbed the spirit that we believe to be important for the future defence of Australia. It would be wrong of him to believe that Australian shipbuilding yards could compete successfully against British yards, German yards, or yards in other parts of the world. It has never been suggested that we could do so. I was amazed at the Minister's statement that he hoped that the Australian yards would develop to a stage at which they could so compete, and that if they did, they would be given support. I hope that the Minister will not persist in that attitude, because any money that we expend on subsidizing shipbuilding in Australia will be returned a thousandfold if ever another world war conflict should break out.

I am greatly concerned about the dismissal of skilled men from the Australian

shipbuilding yards because, should another war occur, it is imperative for us to have shipbuilding facilities available, in order that repairs can be effected to damaged ships readily. I urge the Minister to forget the competitive side of the matter, because nobody with a knowledge of the shipbuilding industry would contend seriously that Australia, with a shipbuilding potential of about 40,000 tons, could hope to compete successfully with other countries that are building from 200,000 tons to 300,000 tons a year. It was fallacious of the Minister to suggest that subsidies are payable in respect of ships constructed in Australian yards in order to place the buyer in a position similar to what he would be in if he purchased the vessel overseas. The Minister stated, also, that Australia could not build modern ships. I believe that experts have said that Australian-built ships are comparable to those built in any part of the world. The only way by which we can reduce the cost of shipbuilding in Australia is to build more and more tonnage. If orders for shipbuilding in Australia are cut down, obviously the cost per ship will rise.

I remind the Minister that, when World War II broke out, Australia had inadequate shipyards and insufficient skilled labour to repair ships damaged in conflict. I fear that we are drifting back to that state of affairs. I urge the Minister to ensure that the Australian shipbuilding industry is maintained in such a condition that, should another war occur, we will be able properly to maintain and repair our ships.

Proposed votes agreed to.

**Senator Ashley.**—I rise to make a personal explanation. The Minister for Shipping and Transport (Senator Paltridge) has stated that I did not refer to the fact that shipbuilding was being undertaken by a private company in Australia. What I said was that the Broken Hill Proprietary Company Limited was the only company in Australia that was building ships. That was in accordance with what the Minister himself said to Senator Kennelly yesterday. I even mentioned that 48,000 tons of shipping was being constructed by that company, out of a total of 78,000 tons under construction in Australia. I said that no other private company was building ships in Australia. I challenge the Minister to deny,

after reading the "Hansard" report of my speech, that I said these things.

Postponed clauses 3 and 4 agreed to.

Postponed First Schedule agreed to.

Title agreed to.

Bill reported without requests; report adopted.

### Third Reading.

Motion (by **Senator Spooner**) put—

That the bill be now read a third time.

The Senate divided.

(The President—**Senator the Hon. A. M. McMullin.**)

Ayes	..	..	..	29
Noes	..	..	..	26
				—
Majority	..	..	..	3
				—

### AYES.

Anderson, K. M.  
Buttfield, N. E.  
Cooper, W. J.  
Gorton, J. G.  
Hannaford, D. C.  
Hannan, G. C.  
Henty, N. H. D.  
Kendall, R.  
Laight, K. A.  
McCallam, J. A.  
McMullin, A. M.  
Maher, E. B.  
Mattner, E. W.  
O'Sullivan, N.  
Paltridge, S. D.

Pearson, R. W.  
Reid, A. D.  
Robertson, A. R.  
Scott, M. F.  
Seward, H. S.  
Spooner, W. H.  
Vincent, V. S.  
Wade, H. W.  
Wardlaw, R.  
Wedgwood, I. E.  
Wood, I. A. C.  
Wordsworth, R. H.  
Wright, R. C.

Teller:

Rankin, Annabelle

### NOES.

Amour, S. K.  
Armstrong, J. I.  
Arnold, J. J.  
Ashley, W. P.  
Benn, A. M.  
Brown, G.  
Byrne, C. B.  
Cameron, D.  
Cole, G. R.  
Cooke, J. A.  
Courtice, B.  
Grant, D. M.  
Harris, J.  
Hendrickson, A.

Kennelly, P. J.  
McKenna, N. E.  
McManus, F. P.  
Nicholls, T. M.  
O'Byrne, J. H.  
O'Flaherty, S. W.  
Poke, A. G.  
Ryan, J. V.  
Sheehan, J. M.  
Toohey, J. P.  
Willesee, D. R.

Teller:

Critchley, J. O.

Question so resolved in the affirmative.

Bill read a third time.

## APPROPRIATION (WORKS AND SERVICES) BILL 1956-57.

### Second Reading.

Debate resumed from 16th October (vide page 622), on motion by **Senator Paltridge**—

That the bill be now read a second time.

**Senator McKenna** (Tasmania—Leader of the Opposition) [10.24].—The measure now before us is for the purpose of appropriating the balance of the moneys required to carry out the capital works programme

of the Commonwealth for this financial year. In view of the heavy session that we have had to-day, and the stress that the Opposition in particular has imposed upon one Minister, I do not propose to address myself to a second-reading speech on this matter.

I have many criticisms to offer of the Government's works programme, from the financial, the political and the practical angles, but I can say with equal facility, on the supplementary estimates for works and services, all that I might say on this motion. In the circumstances, I do not propose to speak further to it.

Question resolved in the affirmative.

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

#### SUGAR AGREEMENT BILL 1956.

Bill received from the House of Representatives.

Standing Orders suspended.

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

#### Second Reading.

Senator PALTRIDGE (Western Australia—Minister for Shipping and Transport and Minister for Civil Aviation) [10.28].—I move—

That the bill be now read a second time.

The purpose of this bill is to obtain parliamentary approval to an agreement made between the Commonwealth and Queensland governments to regulate the production and marketing of sugar in Australia during the next five years.

The Sugar Agreement, which is included as a schedule to the bill, continues the series of agreements between the Commonwealth and Queensland governments which have existed for more than 30 years. Its terms are little different from those contained in the previous agreement, which expired on 31st August, 1956; indeed the main principles of these agreements have remained substantially unaltered since 1923.

Sugar is a protected industry in Australia, as it is in many parts of the world.

Only about one-eighth of the annual world production of sugar, which amounts to 40,000,000 tons, is traded on the world free market. Most of the trade is covered by various protective and preferential trading arrangements.

Under the new agreement, the Commonwealth Government undertakes to continue to impose an embargo upon the importation of sugar and the Queensland Government, for its part, undertakes to acquire all raw sugar produced from cane grown in Queensland and New South Wales; to make sugar available in Australia at certain fixed prices; to control production; to accept responsibility for losses arising from the export of surplus sugar; to pay rebates on the sugar content of goods exported; and to contribute to the funds of the Fruit Industry Sugar Concession Committee.

The effect of the import embargo, in the present circumstances, is to enable the sugar industry to obtain a price for sugar in the domestic Australian market which is higher than the current world price. The domestic price is controlled under the agreement. The wholesale price at which the Queensland Government undertakes to sell sugar of 1A grade in State capital cities, Fremantle and Launceston, is fixed in the agreement at £82 1s. a ton and a retail price of 10d. per lb., provides a profit margin of 13½ per cent. on this wholesale price. This price has operated from 14th May, 1956. Prior to that date the wholesale price was £73 16s. 11d. a ton, which was equivalent to a retail price of 9d. per lb. The increase of the equivalent of 1d. per lb. in the retail price was agreed to by the two governments after a thorough investigation into cost increases of the industry subsequent to the previous price increase in October, 1952.

Debate interrupted.

#### ADJOURNMENT.

The PRESIDENT (Senator the Hon. A. M. McMullin).—Order! In conformity with the sessional order relating to the adjournment of the Senate, I formally put the question—

That the Senate do now adjourn.

Question resolved in the negative.

**SUGAR AGREEMENT BILL 1956.**

Debate resumed.

Senator PALTRIDGE.—The agreement contains a clause amending the Sugar Agreement 1951-1956 to authorize the price increase as from 14th May, 1956.

Another alteration contained in the current agreement as compared with the Sugar Agreement 1951-1956 concerns the method of financing the Fruit Industry Sugar Concession Committee. Under the previous agreement the Queensland Government, on behalf of the raw sugar industry, paid the committee £216,000 per annum. At the commencement of the agreement on 1st September, 1951, the committee's reserve fund stood at just over £1,000,000, and the agreement contained a provision that the monthly instalments would not commence until the fund was first reduced to less than £500,000. This reduction took place at the end of April, 1954, and the monthly contribution by the sugar industry has, therefore, been paid from 1st May, 1954. However, due to heavy payments of export sugar rebate and special grants to the processed fruit industry, the committee's expenditure has exceeded £216,000 per annum and the excess has had to be met from the committee's reserves with the result that, at 31st August, 1956, the fund was reduced to about £150,000. It is obvious, therefore, that the committee cannot continue to pay rebates as provided for in the agreement unless it receives increased contributions from the sugar industry. Accordingly, the new agreement provides that the committee shall receive a contribution of £120,000 per annum and, in addition, shall be reimbursed actual disbursements of export sugar rebate. On the basis of the present rate, the export sugar rebate will total about £250,000 per annum, so that the sugar industry's contribution to the Fruit Industry Sugar Concession Committee will be approximately £370,000 per annum as against £216,000 under the previous agreement.

Exporters of products which contain sugar at present receive a rebate which reduces the cost of sugar to the lower of (a) The lowest c.i.f. & e. cost in Australia of foreign sugar landed duty free or (b) the estimated cost of refined sugar in Australia based on the price of raw sugar f.o.b. mill port received for sales of surplus Australian

raw sugar for export. The first alternative ensures that exporters pay no more for their sugar than they would have to pay if they imported the cheapest foreign sugar, duty free, while the second results in the raw sugar industry receiving no more for sugar used in goods exported than it would receive if the raw sugar were exported. The Government considers that this arrangement which is included in the agreement is equitable to exporters and to the sugar industry.

The agreement undoubtedly gives the Australian sugar producers a monopoly of the Australian market and honorable senators may well ask why the sugar industry should be placed in this privileged position and why, in lieu of an import embargo, it should not be protected by import duties at rates based on the principle of reasonable competition with overseas suppliers as is the case with other Australian industries. The fact is that the world sugar trade is characterized by subsidies, high tariffs and import embargoes, hence the free market for sugar is very restricted. As a result of the relatively small proportion of the world production which is traded on the free market, the so-called world market price is subject to frequent and wide fluctuations. It would be impracticable, therefore, to determine equitable rates of import duties which would afford reasonable protection to the local industry. Rates of import duties considered equitable to-day could in a few months prove quite inadequate or, on the other hand, due to a rise in the world sugar price, could become excessive. Under the present system, the Commonwealth and Queensland governments, by agreement, control the price of sugar to the Australian consumer. Usually the domestic Australian price is higher than the world price but from 1942 to 1952 the domestic Australian price was well below it.

The sugar industry has an obligation to maintain a high standard of efficiency and to keep apace with modern production techniques. I am satisfied that the industry is fulfilling its obligations in this respect. Various Commonwealth governments since federation have recognized the necessity and value of an efficient sugar industry and their confidence in the Australian industry has not been misplaced. The protection afforded to the industry has resulted in the Australian community and sugar-using industries being assured of a plentiful supply

of sugar at all times while exports of raw sugar earn some £25,000,000 a year.

The Sugar Agreement Bill 1956-1961 now submitted continues the arrangements contained in earlier agreements and will, I am convinced, be of mutual benefit to the Australian sugar industry and the people of Australia. I commend the bill to honorable senators.

Debate (on motion by Senator Courtice) adjourned.

#### COCOS (KEELING) ISLANDS BILL 1956.

Bill received from the House of Representatives.

Standing Orders suspended.

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

#### Second Reading.

Senator HENTY (Tasmania—Minister for Customs and Excise) [10.55].—I move—

That the bill be now read a second time.

This bill is designed to amend the Cocos (Keeling) Islands Act 1955 to provide for freedom from customs duties of goods imported into Australia from the Cocos Islands, provided that the goods are the produce or manufacture of that Territory, that they were shipped in that Territory for export to Australia—that is, that at the time of export the intended destination of the goods was Australia—and that they are not of such a nature as would be subject to excise duty if manufactured in Australia.

Honorable senators will recall that the Cocos Islands became a Territory of the Commonwealth on 23rd November, 1955. This amending bill has, therefore, been designed to operate from that date. Under the existing law, any goods which might happen to be imported from the Cocos Islands would be subject to general tariff treatment, which would be less favorable treatment than applied before the islands became a Territory. Although importations into Australia of goods produced or manufactured in the Territory concerned have been insignificant and, in view of the limited scope for economic development of the Territory, are likely to remain so, the Government considers it desirable to make specific provision for their entry free of customs duty.

Similar provisions to those now proposed have applied for many years in regard to

goods imported into Australia from Norfolk Island. I commend the bill to honorable senators.

Debate (on motion by Senator McKenna) adjourned.

#### NORTHERN TERRITORY (ADMINISTRATION) BILL (No. 2) 1956.

Bill received from the House of Representatives.

Standing Orders suspended.

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

#### Second Reading.

Senator COOPER (Queensland—Minister for Repatriation) [10.41].—I move—

That the bill be now read a second time.

About three weeks ago my colleague, the Minister for Territories (Mr. Hasluck) mentioned in another place that the resignation of an elected member of the Legislative Council for the Northern Territory, because he had decided to take employment in the Commonwealth Public Service, had drawn attention to the provisions of the Northern Territory (Administration) Act 1910-1956 providing for disqualifications for elected members of the Legislative Council. The Minister indicated briefly some of the aspects of this matter which were then under consideration.

The purpose of this bill is to give effect to the changes which have been decided upon following the completion of a review of the existing provisions of the act. As well as disqualification of a person who is an undischarged bankrupt or who has been convicted and is under sentence, or subject to be sentenced, for an offence punishable by imprisonment for one year or longer, the act at present disqualifies from election to the council persons who are employed in the Public Service of the Territory or of the Commonwealth, and persons who have interests, otherwise than as a member, and in common with the other members, of an incorporated company consisting of not less than 25 persons, in any contract or agreement made by or on behalf of the Commonwealth.

There is room for some difference of opinion about the precise extent of the disqualification arising out of an interest in contract or agreement with the Commonwealth, but it is clear that in the circumstances of the Northern Territory, it could

have an effect much wider than is desirable. As honorable senators know, a large proportion of the activity in the Northern Territory is activity in which the Government directly participates. To exclude from participation in the council, as elected members, all persons who come into any kind of contractual relationship with the Commonwealth would exclude a large proportion of the residents of the Territory, and leave a very limited field of possible candidates among whom the electors could make their choice. The Minister for Territories gave the example on the previous occasion, when he mentioned this subject in another place, of the pastoralist who undertakes, for a nominal sum—perhaps £50 or £60 a year—to maintain an aerodrome on his property for the Commonwealth. In the Government's view, there is no reason to suppose that in any circumstances a contract of this kind would be likely to influence, in an undesirable way, the conduct of an elected member of the council. On one view, the existing disqualification goes as far as to exclude a person who holds a crown lease of land or a mining lease. Since the practice for many years has been to grant land on leasehold tenure only, the consequences of the acceptance of this view would be very wide indeed.

The bill, therefore, contains provision to alter the disqualification for elected members of the council arising out of contracts or agreements with the Commonwealth. Under the new provision, there will not be a complete disqualification, but an elected member who participates in, or has a direct or indirect interest in, a contract made by or on behalf of the Commonwealth for the supply of goods or services to the Commonwealth will not be entitled to take part in a discussion before the council, and will not be entitled to vote on any question before the council, if that discussion or question is directly or indirectly related to the contract.

The council has only legislative, and no executive, functions. I think that the only situation to be guarded against is where a member approaches a matter before the council with a view strongly biased because of dealings he may have with the Commonwealth. Such a situation could not arise on any matter of significance without the

interests of the member being well known to other members of the council. It is proposed that questions concerning the application of this provision should be decided by the council on the motion of any member.

An alteration is also proposed to the disqualification of persons employed in the Public Service of the Commonwealth or of the Territory. This amendment, however, does not seek to change the existing law. It seeks to make the existing position under the law more clearly apparent to intending candidates and electors than it is at present.

The review which has been made included an examination of the existing provisions for determining disputes as to election or qualifications of members of the council. It was found that the provisions were incomplete and unsatisfactory. The bill, therefore, contains provisions to enable satisfactory machinery to be established. It is proposed that the Supreme Court of the Northern Territory shall be the court of disputed returns. Provision will be made by regulation for a defeated candidate, or an elector to have the right to petition the court, within 40 days after an election, for a determination on any alleged irregularities in an election or alleged disqualification of a successful candidate. After the period allowed for lodging petitions has expired, and after any petitions which have been lodged have been determined by the court, it is proposed that the council will have the power to decide any questions relating to its membership itself, or to refer such questions to the Supreme Court for determination.

Honorable senators will, perhaps, realize from the references made earlier about the effect of the existing provisions relating to disqualification of members arising out of contracts or agreements with the Commonwealth, that some uncertainty may exist about the position of some members who have been elected to the council in the past. As a member who becomes disqualified automatically vacates his seat upon the disqualification arising, and as the act requires the presence of at least seven members in the council to constitute a meeting of the council for the exercise and performance of its powers and functions, it cannot be said with complete confidence that all acts of the council and all ordinances passed by

it are valid. The possibility of a successful challenge to any ordinances passed by the council is extremely remote, as, even on the widest meaning which could be given to the disqualifications, it is most unlikely that any decision of the council has been taken by other than a majority of at least seven properly constituted members of the council. However, since certainty of the law is of such high importance, and since it was decided that it was necessary for the act to be amended, a provision has been included to put beyond any possible doubt the validity of all actions taken by the council, or which may be taken in the future, notwithstanding that there may have been, or may be, a vacancy in membership caused by a disqualification of a member, and notwithstanding that it may be subsequently discovered that an elected member, through inadvertence or otherwise, has voted on a matter related to a contract in respect of which he had a direct or indirect interest.

The bill also contains another amendment—one that is of a formal nature only. The opportunity has been taken to remedy an existing omission, and provide specifically that the Administrator shall have power to issue writs for elections for the council. The maximum term of the present council expires in May, 1957, but because the matters which I have mentioned may give rise to some uncertainty about the position of some of the elected members of the council, arrangements have been made with the Administrator that the council will not be called together until after a general election has been held. The election will be held as soon as can conveniently be arranged after the proposed new amendments have become effective.

I should like to emphasize the limited purposes of this bill. It does not represent the results of a complete review of the provisions of the act constituting the Legislative Council. It came under notice that provisions incidental to the election of members had produced an unsatisfactory situation. It was desirable that this be remedied as early as possible. There has been no occasion for a wider review of the constitution of the council, and no such wider review has been made.

I commend the bill to honorable senators.

Debate (on motion by Senator McKenna) adjourned.

### SPECIAL ADJOURNMENT.

Motion (by Senator Spooner) agreed to—

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

### ADJOURNMENT.

#### Immigration.

Motion (by Senator Spooner) proposed—

That the Senate do now adjourn.

Senator HENDRICKSON (Victoria) [10.53].—I wish to direct attention to a matter that is serious for the persons concerned. It relates to the granting of a visé to the father and mother of a new Australian who is living in Melbourne. The parents returned to their homeland overseas about two years ago to dispose of a business, after being in Australia for quite a long while. They planned to return to Australia. The daughter of this couple and the son-in-law are naturalized Australians, and they have children who were born in Australia. I agree with Senator Kennelly that immigrants should be carefully screened, but some leniency should be extended to the parents of persons who have settled in Australia. This couple have been refused, on health grounds, a permit to enter Australia. They have medical certificates from their own country to certify that they are in sound health, and that must be correct because the couple have been issued with a visé to enter the United States of America. I am sure that the conditions there are just as strict as, or stricter than, those applying in Australia. There is a home here for the couple, and if there is any complaint by medical authorities about their health when they arrive here, they are prepared to leave. It is a deserving case, and I ask the responsible Minister whether he will have the facts considered on a ministerial level if I present a case to him.

Senator PALTRIDGE (Western Australia—Minister for Shipping and Transport and Minister for Civil Aviation) [10.54].—My colleague, the Minister for Customs and Excise (Senator Henty) now represents the Minister for Immigration in the Senate. I shall discuss the matter with him.

Question resolved in the affirmative.

Senate adjourned at 10.55 p.m.

have its capital works undertaken by private enterprise? If this is so, will the Minister investigate the desirability of seeking competitive tenders from private contractors

Auster, for which there is a keen demand in western and northern Queensland, and I think also in the more sparsely populated areas of western New South Wales and

Questions.

[26 OCTOBER, 1956.]

Questions.

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Friday, 26th October, 1956.

The PRESIDENT (Senator the Hon. A. M. McMullin) took the chair at 10 a.m., and read prayers.

### PENSIONS.

Senator CRITCHLEY.—I ask the Minister for Repatriation whether it is a fact that war pensions are taken into account as income when assessing age, invalid and service pensions. If so, will the Government consider abolishing the relevant provision as it applies to totally and permanently incapacitated ex-service personnel?

Senator COOPER.—It is quite true that all war pensions are taken into account as income when assessing social services benefits under the means test. That, of course, has always been the position. I point out, however, that in 1948 Parliament passed legislation which gave to the war pensioner less benefit under the Social Services Act than was given to a civilian who was in receipt of such forms of income as superannuation. That placed the civilian on a better basis than the war pensioner. Last year, this Government abolished what was known as artificial ceilings in regard to war pensions. That was of very great benefit to war pensioners, especially the totally and permanently incapacitated persons whom the honorable senator has mentioned. At the present time, a married couple in receipt of a total and permanent incapacity pension and a social services pension, if they conform to the requirements of the means test, receive not less than £15 a week from the Repatriation Department and the Department of Social Services. I point out also that such benefits as the education allowance for children, which is quite a reasonable allowance; the children's pension or allowance; attendant's allowance, if they have an attendant; the transport allowance, which runs into as much as £120 a year; allowances for the running of gift cars; and other allowances which totally and permanently incapacitated and blind ex-servicemen receive, are not counted as income. That is all on top of the £15 a week I have mentioned, which means that quite a number of these persons receive anything from £18 to £20 a week, and in some cases more. The Government believes that, in respect of war pensions, especially those for totally

and permanently incapacitated ex-servicemen, it has not been ungenerous or unmindful of the debt that the nation owes to ex-servicemen.

### DOLLAR LOANS.

Senator LAUGHT.—I address a question to the Minister representing the Treasurer, and I point out, by way of preface, that it appears that the International Bank for Reconstruction and Development has agreed to lend Australia £22,000,000 this year and a similar amount each year for five years, the money, of course, to be expended on the purchase of essential capital equipment for development. Can the Minister let the Senate know the terms of these loans, regarding interest and repayment? Is it possible to deal with the loans in one agreement, involving a single ratification by the Parliament, or is it necessary to have five separate annual agreements, each to be ratified separately? Does the Minister expect any sensible opposition, from any quarter, to the ratification of the agreements relating to the loans?

Senator SPOONER.—I noticed an announcement along the lines mentioned by the honorable senator. It is my recollection that such loans have to be validated by act of Parliament. It will be necessary, therefore, for a bill to be introduced in this Parliament. Of course, if my recollection is correct on that point, all the details of rates of interest and periods of repayment will be contained in the legislation. I am not certain whether my colleague, the Treasurer, has made a statement regarding the loan in the House of Representatives. I shall speak to him during the day, and if a statement has been made, I undertake to make a similar statement in the Senate next week, which will give the information that the honorable senator seeks. As to the last part of his question, I entirely agree that no sensible person should oppose borrowing in this manner.

Senator KENNELLY.—My question is supplementary to that asked by Senator Laught, but it will omit reference to "sensible opposition" to such loans. Can the Minister representing the Treasurer say whether it is a fact that Australia is to borrow 50,000,000 dollars from the International Bank for Reconstruction and Development? Is it correct, as has been reported, that this money will be used to

night, that officers of the departments do work excessive hours. They are brought to Canberra and must stay here while Parliament is in session, awaiting the discussion of departmental matters. They probably arrive home with large bundles of files and are entitled to transport. I believe, as I said last night, that Ministers and their wives are entitled to transport. In this time of speedy travel such things are essential. All that I asked of the Minister was that members of both Houses should at least enjoy the privileges granted to departmental heads, secretaries to Ministers, and typists.

#### FEMALE IMMIGRANTS.

**Senator O'FLAHERTY.**—I preface a question to the Minister representing the Minister for Immigration by stating that a stipendiary magistrate, in delivering judgment at Port Adelaide two days ago, I think, made some very adverse comments on the use being made of the brides immigration scheme. Will the Minister have an investigation made with a view to having the girls who are being brought to Australia properly protected so that no suggestion of any kind can be made that they are the subject of a white slave traffic because of our system of fetching them here?

**Senator HENTY.**—I shall submit that question to the Minister for Immigration and give the honorable senator a considered reply.

#### STEEL.

**Senator SCOTT.**—I wish to preface a question to the Minister for National Development by saying that at the opening of the Broken Hill Proprietary Company Limited's steel-rolling mill in Western Australia yesterday, the chairman, Mr. Syme, told guests that the company had experts overseas studying the latest method of smelting iron ore with non-coking coal like that produced at Collie. In view of the high cost of carrying the raw materials for the manufacture of steel, largely consisting of iron ore, manganese and chromite from Western Australia to Newcastle and Port Kembla, thus increasing the price of steel, can the Minister say whether the Government is co-operating with the Broken Hill

Proprietary Company Limited in an endeavour to find a method of producing steel with Collie coal?

**Senator SPOONER.**—That question involves great technical issues which have been the subject of examination by the steel industry, not only in Australia but overseas, for a considerable period of years. Some hopes are held that a process may be developed which will enable coal which is now classified as non-coking coal, to be so treated as to produce coke required for steel-making purposes. The Commonwealth Scientific and Industrial Research Organization, the Joint Coal Board, and a number of governmental agencies throughout Australia are making their contribution to this research. Most of the work is being done overseas, and I think that the leader in the inquiry is the Broken Hill Proprietary Company Limited which has so much to gain by it.

#### PUBLIC SERVICE.

**Senator BYRNE** asked the Minister representing the Prime Minister, upon notice—

1. What were the total amounts of overtime paid in the Public Service during the last three financial years?
2. What were the total numbers of permanent and temporary employees in the Public Service during those years?

**Senator O'SULLIVAN.**—I have been supplied with the following answers to the honorable senator's questions:—

1. A separate figure for overtime cannot be obtained from statistics which have been submitted by departments during the last three financial years. However, some details are available for extra duty payments which include overtime, excess travelling time, Sunday duty pay and holiday pay. For the financial years 1953-54 and 1954-55, extra duty payments are available for permanent officers only, and for 1955-56 payments to temporary and exempt employees as well as permanent officers are available. These details are as follows:—

Year.	Classification.	Total Salaries Paid.	Extra Duty Paid.
		£	£
1953-54 ..	Permanent	66,128,647	3,935,344
1954-55 ..	Permanent	69,819,827	4,747,827
1955-56	{ Permanent Temporary	{ 82,026,536 55,238,374	{ 7,190,322

2. Details of permanent and temporary and exempt staff are as follows:—

Year ended.	Per- manent.	Tem- porary and Exempt.	Total.
30th June, 1954 ..	80,743	66,257	147,000
30th June, 1955 ..	82,330	69,568	151,898
30th June, 1956 ..	85,260	68,340	153,600

### GOVERNMENT EXPENDITURE.

Senator COOKE asked the Minister representing the Treasurer, upon notice—

1. What was the amount of Commonwealth expenditure, excluding tax reimbursements, road aid grants and other statutory payments made to the States for the purposes of carrying out State responsibilities, in each of the States of the Commonwealth, classified under the following headings, for the year ended 30th June, 1956, viz., Postmaster-General's Department, Health, National Development, Shipping and Transport, Defence, Commonwealth Public Works, Department of Air, Civil Aviation, other expenditure, and total expenditure?

2. What is the anticipated expenditure under the same headings for the year ending 30th June, 1957?

Senator SPOONER.—The Treasurer has supplied the following reply to the honorable senator's question:—

1 and 2. Parliamentary appropriations are not generally restricted to expenditure in any particular State and the Treasurer's statement of expenditure therefore presents to Parliament the total expenditure in respect of each vote. The Treasurer's statement is compiled from individual payments which are brought to account through the Sub-Treasury in each State and in each Commonwealth Territory. The presentation of another statement showing the payments brought to account through each Sub-Treasury would be a major undertaking as it would involve representing, in another form, for the year ended 30th June, 1956, the voluminous statement of expenditure which was published recently. In any event, any such analysis would be of very doubtful value. Payments brought to account through a particular Sub-Treasury may include, for example, payments to interstate or overseas creditors. Furthermore, expenditure may be incurred in one State in respect of equipment and supplies which are used for projects in another State. Conversely, some Commonwealth payments, such as subsidies, which may be made in one State may be of benefit also to other States. In short, the payments which are recorded in any Sub-Treasury do not purport to indicate the expenditure which may be attributable to Commonwealth activities or services in that State or Territory. The Treasurer has therefore asked me if the honorable senator would reconsider his request; alternatively, arrangements will be made for him to inspect the

returns for the year ended 30th June, 1956, from the Sub-Treasuries, of expenditure brought to account through their offices.

### WHEAT.

Senator RYAN asked the Minister representing the Minister acting for the Minister for Trade, upon notice—

1. What were the main provisions of the wheat agreement recently concluded between the United States of America and India?

2. Why was Australia by-passed in such transactions?

Senator SPOONER.—The Minister acting for the Minister for Trade has advised me as follows:—

The wheat arrangement referred to formed part of a large transaction under which the United States Government is to supply India with surplus farm products valued at 360,000,000 dollars, including the cost of freight. These goods are to be supplied over a three-year period. The amount of wheat included under the agreement is approximately 130,000,000 bushels. The full details have not been released, but it was concluded under the United States Agricultural Trade Development and Assistance Act. Payment will not be made in dollars but in Indian currency, the greater part of which will be made available to the Indian Government for certain development schemes.

Attached to this general arrangement is an undertaking by the Indian Government that it will buy, over the same three-year period on commercial terms, at least 20,000,000 bushels of wheat annually. Of this amount, 5,500,000 bushels must be bought from the United States, but there is no restriction on the source of the remainder of the 20,000,000 bushels. It will be appreciated from the terms of payment that this arrangement for the supply of surplus United States farm products is an intergovernmental agreement and is not a commercial transaction.

### MEDICAL BENEFITS FUND OF AUSTRALIA LIMITED.

Senator COOPER.—On 17th October, Senator Ashley asked the following question:—

I direct a question to the Minister representing the Minister for Health. In view of the fact that the Medical Benefits Fund of Australia Limited is the largest of its kind in this country—it had a revenue of over £3,000,000 last year, including the Government subsidy of approximately £700,000 which it distributed—is the Minister aware that at a recent election of the council of this fund in New South Wales the name of a non-existent medical practitioner was included on the ballot-paper? Having regard to the necessity for protecting the interests of the public, and in view of the fact that the rightful objection by a member to the validity of the ballot-paper was

overruled by the fund executive, will the Minister for health institute an inquiry into the conduct of the election?

The Minister for Health has now furnished the following reply:—

I am informed that on 10th September, 1956, the Medical Benefits Fund of Australia Limited, at a meeting held in accordance with the New South Wales Companies Act and the fund's articles of association, declared a ballot for the election of medical members of the New South Wales State executive. It appears that, owing to a typographical error, the name of Dr. R. A. R. Green was listed as Dr. R. A. A. Green. No complaint was made to the fund by Dr. Green. Another medical practitioner in an undated letter to the fund requested that the ballot be declared null and void. After obtaining the advice of Queen's Counsel, the fund decided that a new ballot was unnecessary.

#### HOSPITAL AND MEDICAL BENEFITS.

Senator COOPER.—On 18th October, Senator Aylett asked the following question:—

I ask the Minister representing the Minister for Health whether he can provide statistics for the last financial year showing the total amount paid by contributors to registered hospital and medical benefit funds, also the total amount paid to all societies handling these funds, and the amounts paid out in claims for hospital and medical services. If the Minister has not these statistics readily available, will it be possible for him to obtain them in the near future, and give them to the Senate?

The Minister for Health has now furnished the following reply:—

The total amount paid by contributors to the registered medical and hospital insurance organizations for the last financial year is not available. The amounts paid by these organizations to contributors for the year ended 30th June, 1956 were—

	£
Fund medical benefits . . . . .	6,202,569
Fund hospital benefits . . . . .	4,865,934
Commonwealth medical benefits . .	5,414,633
Commonwealth additional hospital benefits . . . . .	1,655,989

#### TRACTOR BOUNTY BILL (No. 2) 1956.

Bill received from the House of Representatives.

Standing Orders suspended.

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

#### Second Reading.

Senator HENTY (Tasmania—Minister for Customs and Excise) [10.49].—I move—

That the bill be now read a second time.

The purpose of this brief and simple bill is to raise the existing maximum limit of horse-power of tractors on which bounty is payable under the Tractor Bounty Act. This act at present provides for the payment of bounty on tractors, other than crawler tractors, produced in accordance with certain prescribed conditions for sale for use in the Commonwealth or a territory of the Commonwealth during the three-year period which commenced on 24th October, 1955.

The existing rates of bounty rise from £80 to £240 according to the horse-power of the engine. The maximum rate of £240 applies to tractors with a belt pulley horse-power exceeding 40 but not exceeding 55. The bill under discussion proposes the extension of the range of tractors to which the maximum rate applies to cover those having a belt pulley horse-power exceeding 40 but not exceeding 70.

The only manufacturer receiving payment of bounty is Chamberlain Industries Proprietary Limited, Western Australia. This company produces tractors which come within the maximum bounty scale, but has had to restrain the power of the engines used in order to qualify for bounty. It appears better not to limit the power of a tractor when farmers and other users could doubtless, on occasions, take advantage of the extra power which could be made available. The amendment proposed, therefore, appears both logical and desirable.

It has been decided that this amendment should have application to tractors produced from 24th October, 1955—that is, the date from which provisions of the act were extended for three years by legislation passed earlier this year. I commend the bill for favorable consideration.

Debate (on motion by Senator Cooke) adjourned.

#### REPATRIATION (FAR EAST STRATEGIC RESERVE) BILL 1956.

#### Second Reading.

Debate resumed from 25th October (vide page 901), on motion by Senator Cooper—

That the bill be now read a second time.

Senator Cooper.—The proposals embodied in this bill involve consequential amendments of several other bills listed on

the notice-paper. I suggest, with the consent of the Senate, that the second-reading debate on the measure now before us be extended to cover those other bills.

**The PRESIDENT.**—If it is the wish of honorable senators, that course will be followed.

**Honorable Senators.**—Hear, hear!

**Senator CRITCHLEY** (South Australia) [10.53].—I am very pleased that the Minister has made this suggestion, because I shall now be permitted to make some comments on the Broadcasting and Television Bill (No. 3) 1956, the second-reading debate on which was concluded rather hurriedly yesterday.

The Opposition offers no objection to this Repatriation (Far East Strategic Reserve) Bill, because it will extend repatriation benefits to certain persons who, although they have rendered yeoman service to this country, have previously been denied those benefits. The bill is not as comprehensive as we would have wished. All honorable senators, particularly those who are ex-servicemen and have consequently been more closely in contact with ex-service personnel, realize that there are many persons in the community who are not receiving the repatriation benefits to which they should be entitled. However, the Minister and the Government are to be commended for extending repatriation benefits to certain ex-service personnel who have, for years past, been denied those rights. Included among the persons who will benefit are members of the Australian defence forces who serve in Malaya or Singapore, or who form part of the British Commonwealth contingent in the Far East Strategic Reserve. The benefits to be conferred upon them will be very similar to those which were provided in repatriation legislation in 1950 for members of the forces serving in Korea. It is interesting to note that, according to the second-reading speech delivered by the Minister, it is necessary to amend several acts in order to confer benefits upon these persons. They all have a connexion with repatriation benefits to which these members of the permanent forces will become entitled. That is an example of how wide are the ramifications of repatriation, and of how many acts must be consequentially amended when an amendment to

the legislation affecting repatriation benefits to service personnel or ex-servicemen is made. The Minister said—

The procedures for determining claims for pensions under this bill will be exactly the same as those which apply under the Repatriation Act. The Repatriation Commission will administer the new act and the repatriation boards and the entitlement and assessment appeal tribunals will have jurisdiction in determining claims.

It would be foolish to try to express an accurate opinion as to what kind of claims will come before the commission or the appeal tribunals, but the Opposition sincerely hopes that the increased number of persons eligible for repatriation benefits will not increase the waiting time for the hearing of appeals. I know that the Minister has done everything possible to have the waiting time reduced. The Minister said also that regulations would be made—

covering such matters as the provision of medical treatment, the payment of medical sustenance, the provision of benefits under the Soldiers' Children Education Scheme and under the Disabled Members' and Widows' Training Scheme. Such provisions will follow the similar ones already in operation under the repatriation regulations.

It will be interesting to see what effect these regulations have on those already in operation. I do not suggest, for a moment, that they will create any great anomalies. The Repatriation Act is difficult to administer, and what anomalies do exist are insignificant compared with the amount of good that flows from the act. The Minister will appreciate that that is a handsome admission from one such as myself who, year after year, has fought the commission because of anomalies that existed.

As the Minister pointed out this morning, this measure relates to amendments to be made to the Broadcasting and Television Act, the Commonwealth Employees' Compensation Act, the Estate Duty Assessment Act, the National Health Act, the Re-establishment and Employment Act, the Repatriation Act and the Social Services Act. Yesterday, the bill to amend the Broadcasting and Television Act was rushed into the committee stage, and I was not able to make comment on it. However, seeing that the amendment to be made by that measure is only consequential to the amendment made by the bill now before the Senate, I shall not make further comment. The list of proposed amendments emphasizes, as I have already said, the wide ramifications of

years ago the Parliament increased the general exemption to £5,000 if the estate went to a widow or children and £2,000 if it went to collaterals or strangers in blood. Senator Wright has highlighted the fact that the exemption applicable to the estates of men who die on active service or whose deaths are attributable to service is still only £5,000. I also wish to direct the attention of the Minister for Repatriation (Senator Cooper) to that fact. I ask him to consider whether this exemption is adequate in view of the enlightened approach by the Parliament three years ago in respect of the exemption applicable to the estates of civilians. This is a matter well worthy of favorable consideration. A large amount of revenue would not be involved. I ask the Minister to state his own views on the matter and, if necessary, to make the appropriate representations.

**Senator CRITCHLEY** (South Australia) [11.20].—We are indebted to Senator Wright for the manner in which he has stated a case for increasing the exemption for the benefit of widows and dependants of men whose deaths are due to service in the Far East Strategic Reserve. I appeal to the Minister for Repatriation (Senator Cooper) to give earnest consideration to Senator Wright's most humane request. As I have said, we are indebted to him for his promptitude in directing attention to the very grave anomaly that exists. I, personally, appreciate his definition of sacrifice both on the field of battle and in the everyday adventures of life at home. I appeal to the Minister to give the matter earnest consideration and, if he is not in a position to make a decision immediately, to agree to the adjournment of the debate so that he may have an opportunity to discuss the matter with the Government's advisers. Failing that, it may be necessary for us to move an amendment to give effect to Senator Wright's suggestion.

**Senator COOPER** (Queensland—Minister for Repatriation) [11.22].—I shall deal, first, with Senator Laught's observation that the existing exemption of £5,000 applicable to the estate of a man whose death is attributable to service in the armed forces is inadequate. I do not think any one can say exactly what is, or is not, adequate in these matters. A man who is killed defending his country gives all, and no one can

say what recompense would be adequate for his wife and children. We can do only what we think is reasonable. When all is said and done, the Parliament merely represents the people and gives effect to their wishes. I think that, since 1918, it has consistently been extremely generous in meeting the needs of returned servicemen from World War I., World War II., Korea, and Malaya, and that it intends to deal generously with men who serve in the Far East Strategic Reserve.

The exemption applicable to the estates of deceased servicemen has been gradually increased to £5,000. Senator Wright knows more about the law applicable to estate duties than I do, and he should know that this is not the full extent of the exemption available. I am informed that section 18A of the principal act gives a general exemption, and that a total exemption of up to £10,000 will apply to the estates of men whose deaths are attributable to service in Korea or Malaya, or as members of the Far East Strategic Reserve. So it is incorrect to say that such estates would be entitled only to a miserable exemption of £5,000. I am sure that all honorable senators are sympathetic in this matter, but we have to face realities. I am informed by one of my advisers from the Treasury that the matter is at present under consideration. Various Treasury committees consider matters referred to them, and this is one of the matters which has been so referred. I cannot, by a stroke of the pen or a word, make the figure £15,000. But I assure honorable senators, as I am sure they appreciate, that this matter will receive the sympathetic consideration of the Government.

**Senator WRIGHT** (Tasmania) [11.26].—I rise only to acknowledge the action of the Minister for Repatriation (Senator Cooper) and to comment upon the suggestion of Senator Critchley. I raised this matter for a purpose, and proper debate will be deterred if, on such occasions, party considerations are immediately obtruded. I am quite sure that I have only to mention that point.

**Senator Critchley.**—That is my only hesitancy.

**Senator WRIGHT.**—Quite. I do not like to raise a matter so small in its application, but I am heartened to be assured that genuine consideration is being given to the adjustment of the amounts of exemption

to make them appropriate to the present level of the economy. I hope that, with the encouragement he has received in this chamber, the Minister will have his way. In due course, if nothing further is presented to us by the Government, it will be open to any senator to bring in a bill to make adjustments which are considered appropriate.

**Senator CRITCHLEY** (South Australia) [11.27].—I appreciate the action taken by the Minister for Repatriation (Senator Cooper). He has been a Minister or the Leader of the Opposition while I have been a member of the Senate, and I think he will agree that I have always objected to any repatriation matter being considered on a party basis. I do not propose to change my attitude. I realize the importance of the matter. I have listened with interest to the Minister's statement, which, as usual, was keen. He has always felt very deeply about repatriation matters and I know that his assurance on this issue will be honoured as far as humanly possible. I urge him to take the action suggested as soon as possible. For the reasons stated, I shall not proceed to move the amendment I mentioned earlier.

**Senator LAUGHT** (South Australia) [11.29].—I thank the Minister for Repatriation (Senator Cooper) for the consideration he has given to the suggestions made here this morning.

Bill agreed to.

Bill reported without amendment; report adopted.

Bill read a third time.

#### **NATIONAL HEALTH BILL (No. 2) 1956.**

Bill (on motion by Senator Cooper) read a second time, and passed through its remaining stages without amendment or debate.

#### **RE-ESTABLISHMENT AND EMPLOYMENT BILL, 1956.**

Bill (on motion by Senator Cooper) read a second time, and passed through its remaining stages without amendment or debate.

#### **REPATRIATION BILL (No. 2) 1956.**

Bill (on motion by Senator Cooper) read a second time, and passed through its remaining stages without amendment or debate.

#### **SOCIAL SERVICES BILL (No. 2) 1956.**

Bill (on motion by Senator Cooper) read a second time, and passed through its remaining stages without amendment or debate.

#### **WAR SERVICE HOMES BILL 1956.**

##### **Second Reading.**

Debate resumed from 25th October (vide page 903), on motion by Senator Spooner—  
That the bill be now read a second time.

**Senator CRITCHLEY** (South Australia) [11.35].—The Opposition offers no objection to this bill, and will do everything to facilitate its early passage. This measure, and the several bills which the Senate has just passed, are made necessary by the Government's decision to re-organize our forces serving in Malaya as the Australian component of the strategic force there, and the reaching of an armistice in Korea in July, 1953, resulting in the majority of Australian forces being withdrawn from that area. As the Minister has said, as operational areas in fact no longer exist in Korea, the provision in the act concerning service in that area becomes a dead letter. This amending legislation provides that benefits under the War Service Homes Act will be available to qualified ex-servicemen who served in Malaya or Korea or to their dependants, if they become entitled to a repatriation benefit in consequence of death or incapacity. That is the main purpose of the bill.

I welcome the fact that at long last people who have rendered valuable and, in many instances, heroic services to the nation in war-time, are eventually to become eligible for repatriation and war service homes benefits; but I am concerned by the effect that the widening of the eligibility provisions under the War Service Homes Act will have on the large number of applicants for war service homes who have already been waiting an unconscionably long time for finance to be provided to them to build or purchase war service homes. I hope that my fear that the increase of the number of persons eligible for war service homes consequent on this measure may lengthen the waiting period for applicants whose applications have already been approved, will not be borne out. I hope that the War Service Homes Division will keep this possibility in mind, and attempt to prevent the occurrence that I fear, and will continue to

bend its energies to shortening what is, in my opinion, an unnecessarily lengthy delay in the finalization of applications.

An interesting feature of the legislation is the extension of its provisions to cover persons who had service in various types of ships during World War II., such as members of the crews of troop transports and hospital ships, and canteen workers on Royal Australian Navy ships, and so on, who could not formerly qualify for war service homes benefits, as they did not fall within the legal definition of "eligible person". I fear that it is not much of a compliment to members of this Parliament, on either side, that that anomaly has been allowed to exist until now, because the persons concerned were subject to the same degree of war risk during their service as were other personnel in our defence forces. I welcome this feature of the bill as a most desirable amendment of the existing law. We wish the bill a speedy passage.

**Senator ANNABELLE RANKIN** (Queensland) [11.40].—I rise with much pleasure to support this bill, and to say how glad I am that the number of persons eligible to benefit under the War Service Homes Act is to be extended by it. The bill provides that war service homes benefits will be available to qualified ex-servicemen or their dependants who are entitled to a repatriation benefit in consequence of death or incapacity. A pleasing feature of the bill is that the eligibility provisions will now apply to people who had service in various types of ships during the last war, such as members of the crews of troop transports and hospital ships, and canteen workers on Royal Australian Navy ships and so on, who previously, although they served under equally hazardous conditions as did sea-going personnel already covered by the act, have been unable to benefit under its provisions because they did not legally fall within the definition of "eligible person".

Like Senator Critchley, I, too, am concerned over the long delays in the provision of finance to persons whose applications for war service homes have been approved. I know that these delays cause great difficulties to applicants. However, I think we can take pride in the fact that in the last few years of this Government's term of office more war service homes

have been built than in all the years since the principal act has been in operation. The provision of war service homes has been of great benefit to this nation.

Whilst fully appreciating the problems that extension of the provisions of this legislation to cover ex-members of the women's services would cause, I have felt for a long time that there is a great deal of concern over the fact that many ex-members of those services are not eligible for those benefits. The principal act defines "Australian soldier"—a very proud term—as—

a person who . . . served in the Naval, Military or Air Forces of any part of the King's Dominions, other than the Commonwealth, . . .

The definition also covers a person who—  
is or was a member of any nursing service maintained by the Commonwealth in connexion with the Defence Force of the Commonwealth or any part thereof accepted or appointed for service outside Australia;

The act defines an eligible person as a person who is an Australian soldier and who—

. . . satisfies the Director that he is married or is about to marry, or has dependants for whom it is necessary for him to maintain a home; . . .

We have many ex-servicewomen who played an excellent part in overseas service as well as in Australia. The bill is to cover persons who served in various types of ships under equally hazardous conditions as those under which regular sea-going personnel served, and I remind the Senate of Greece, Crete and some other very sticky places where the nursing services played a magnificent part under conditions quite as dangerous as those faced by servicemen. But women who served in these places cannot qualify as eligible persons for war service homes because, usually, they have no dependants in the way that a married man has dependants. Many of them have maintained dependent parents or other relatives, but as time has gone on those dependants have passed away and the ex-servicewomen no longer have even that claim to eligibility. We come to the point where these women need a home, but there is no way in which they can qualify as an eligible person. I have spoken to departmental officers about this matter and have had a sympathetic hearing, but there are, I understand, innumerable problems associated with it. At the same

time, I do not believe that the number would be great but the assistance would be most helpful.

**Senator Wright.**—Would it not be necessary to make the term "dependent" applicable to males also if something were done for the women?

**Senator ANNABELLE RANKIN.**—I agree that that problem arises. It is only one aspect of the question that would require serious consideration. We do not want to take away anything that is already given to those who have been in the services.

**Senator Critchley.**—What we have we hold.

**Senator ANNABELLE RANKIN.**—That is our attitude. But, surely, some consideration could be given at least to assisting specific cases, because I know that everybody appreciates the work that was done in the wars by the women's services. I have always appreciated the provision in the War Service Homes Act, which states that a dwelling house includes—

A house or building used or to be used by a person who is included in paragraph (b) or (d) of the definition of "Australian Soldier" as a hospital, sanatorium or nursing home;

I have been informed by some senior officers that, in the case of former war nurses, the difficulty might be overcome if the house or dwelling place that was required was to be used for such a purpose. Everybody recognizes the valuable work that is being done by district nurses, whose work makes available hospital beds for other patients. If a former war nurse wished to care for some patients in her own home, or go out and do the work which is being done in private homes by district nurses, she would be rendering a fine community service and could still have the advantage of owning her own home. I do not want to create difficulties, but I should like to see an attempt made to assist the women to whom I have referred so that we can repay some of the debt we owe them for their war service.

**Senator McMANUS (Victoria)** [11.48].—I support the bill, and congratulate the Government on the measure of justice that it will give to persons who so richly deserve it. I must say, however, that I share the fear of Senator Critchley that, with the extension of repatriation facilities to more

persons, there may be even longer delays in having cases determined. I suppose that I am not alone in receiving a considerable number of letters from ex-servicemen who are in real trouble because of delays in getting homes. Some of them are further involved because they have become desperate, and have sought help from loan sharks who charge them extortionate rates of interest for temporary financial accommodation until they obtain loans from the War Service Homes Division.

Reference has been made in this chamber on many occasions to these extortionate rates of interest. I have heard spokesmen for the Government reply that the matter has been investigated, and the Government believes that, while such things should be condemned, there are not many such cases. Even if there were only one case of the kind, I believe that it would be too many. I believe, also, that the experience of other honorable senators who have received complaints of this nature, indicates that there is a considerable number of cases where ex-servicemen are the victims of loan sharks who take advantage of their need because of the grave difficulties that face them in obtaining credit. It is a terrible situation when persons who have risked their lives for their country are taken advantage of by others who probably took no risks, stayed at home and made money. They are now lending that money at extortionate rates of interest to ex-servicemen, who have been forced in desperation to get temporary financial accommodation because they cannot wait until they obtain their loans from the War Service Homes Division.

I suppose the answer is to provide more money for war service homes, and I suggest that the Government should consider this matter and make inquiries, particularly from organizations that represent ex-servicemen, about the evil to which I have referred. As the Government is now extending the benefits over a wider field, I hope that it will be as generous as possible in making finance available for war service homes. I commend the bill, and congratulate the Government on the measure of justice it proposes to give to a number of very good Australians.

**Senator SPOONER (New South Wales—Minister for National Development)** [11.53].—In reply—In view of the interest that this measure has raised in the

chamber, I propose to reply now to some of the comments that have been made by honorable senators. I have been pleased to notice that they have not been made in a critical vein. Apart from the provision for extending the benefits of war service homes legislation to members of the Far East Strategic Reserve, this bill is designed to remedy a defect in the original draft of the act. The intention of the measure was to make members of the mercantile marine trading between ports in Australia and overseas eligible for war service homes. When we examined the measure, we found that men who had served on a troopship were not enlisted or attested and were not on ships trading between Australian ports and overseas. They were engaged on specific duties. That applied also to canteen workers on Australian ships of war. They were not on the ship's articles, and were not enlisted or attested for military service, but were employed by civilian contractors, in some cases. In the final analysis, there was no corner of the War Service Homes Act within which we could bring them.

I thought that that was wrong, and suggested that we should give them war service homes, but the departmental officers, in their righteousness, pointed out that we had to administer the act as it stood. Therefore, it is necessary to amend the act. That will increase the number of applicants, but we cannot allow that consideration to affect us. These men are clearly entitled to qualify, and if we have to add a few more to the list then it is just too bad for those on the list. In fact, I am certain that they would be the first to admit that these people should be given their legal rights.

I turn now to the matter raised by Senator Annabelle Rankin. I am one of the first to admit that there is a strong case for the nursing sister of World War I. who is not married, who has no dependants, who is now getting as old as I am and who wants a home in which to live. But we have to remember that the war service homes scheme presents such extraordinarily generous terms in interest and repayments that the demand for these homes has exceeded all expectations, and is difficult to meet from Government resources.

Moreover, we cannot consider war service homes in isolation, because the Government's resources must be allocated equitably

over a wide field. We must consider the requirements of the Navy, the Postal Department and all other Commonwealth departments and activities. We have done what we could, that is to the limit of our resources, in the field of war service housing. Therefore, if we admit the nursing sisters mentioned by Senator Annabelle Rankin, we cannot, with justice, omit the members of all the other women's services of both wars, and we cannot with justice omit a qualified bachelor. The net result of all those considerations is that to admit the nursing sisters would substantially extend the field of eligibility. I do not think that it would be possible to justify what I should like to do through personal inclination, that is, to make nursing sisters from World War I. eligible for war service homes. I do not think that such a move could be justified in logic and argument, and we cannot cater for that type of applicant as distinct from members of other services.

**Senator Annabelle Rankin.**—The criterion of overseas service could be applied.

**Senator SPOONER.**—Members of other women's services would come within the category.

**Senator Annabelle Rankin.**—But not so many.

**Senator SPOONER.**—A large number. I shall now deal with the matter raised by Senator McManus about rates of interest. There has been a good deal of exaggeration on this point. I subscribe to the view that those who charge high interest rates to ex-servicemen for the temporary period about which we are talking, must find it hard to live with their consciences. But this matter must be considered broadly. An examination that the Government has conducted has shown that 50 per cent. of the applicants for war service homes are getting their money at the interest rate of 5 per cent., or the bank rate of 5½ per cent. Fourteen per cent. are getting it at rates between 5 per cent. and 10 per cent.; 33½ per cent. are paying 10 per cent. interest; and only 2½ per cent. are paying a rate of interest in excess of 10 per cent.

**Senator Brown.**—That is outrageous.

**Senator SPOONER.**—It is all very well for Senator Brown to say that it is outrageous. Let us consider the practical position. If a man knows that his loan

from the War Service Homes Division will be available in eighteen months, he can consider whether it will pay him to obtain temporary finance and move into his home immediately. The only way in which such a system could be changed, would be to provide all the money required to give all applicants their loans immediately, and that is beyond the financial resources of Australia. Consequently, we have to face these facts fairly. We could not, with justice to other interests in Australia, provide all the money needed to place the War Service Homes Division on a 100 per cent. efficient footing. I do not think that anybody would subscribe to the view that we should stop making money available for civilians under the Commonwealth and State Housing Agreement, and that we should give all our money to the applicants for war service homes. That suggestion carries the argument to an illogical limit, of course, but it shows the type of problem involved.

We have provided as much money for war service homes as we believe we can equitably provide in the national interest, having regard to the claims of other categories of persons. The majority of ex-servicemen obtain temporary finance on a reasonable basis, and to the overwhelming majority of them it is a boon to be able to conclude their transactions with the aid of the temporary finance eighteen months earlier than they would have been able to conclude it if this arrangement were not in operation.

I have pointed out that only 2½ per cent. of the applicants have paid more than 10 per cent. interest for their temporary loans. What are we to do about this temporary finance? Are we to stop it in order that we may do something for the very small group who are paying the high interest rates? The effect of these high interest rates can also be exaggerated, because the temporary finance is required only for twelve months or fifteen months; and many of the applicants who pay interest at the rate of 10 per cent. or more are much better off by getting immediately into their own homes and paying the high interest rate than if they continued to pay high rents and had other outgoings. I thank the Senate for the support given to this measure.

Question resolved in the affirmative.

Bill read a second time.

#### In committee:

The bill.

**Senator ASHLEY** (New South Wales) [12.5].—I should like the Minister for National Development (Senator Spooner) to explain the enormous increase in the deposit for a war service home. I have raised this question before, but very little information has been forthcoming. It has been increased by more than 100 per cent. The Minister has made a very good case for the money-lending sharks. Let us now have an explanation of the reason for the deposit that is required at the present time, which is more than double what it was before. It has caused ex-servicemen inconvenience and has not reduced the time taken, as has been admitted by the Minister, to acquire a home.

**Senator BROWN** (Queensland) [12.6].—There is no doubt about the ability of our good friend, the Minister for National Development (Senator Spooner), to submit a good case for the money lenders. A few weeks ago, there was brought to my notice the case of an ex-serviceman who had raised a certain sum of money to build a home, and who later found himself in difficulties. He came to me. I approached the relevant department, but was told that, because he had obtained the money from a bank, it could not help him. To get out of his difficulties he would have to sell his home, which was not quite finished, or make arrangements for somebody to take it over. I should like some explanation of the reason given by the department for not being able to help him.

Surely, a government consisting of Christians and not usurers could find some means of assisting ex-servicemen who are forced to pay a huge interest rate of 10 per cent. or more. The Minister says that we cannot afford to issue money for this purpose. Seeing the Government is building homes, which are an asset, and seeing it can waste millions of pounds on the St. Mary's project, which is being constructed on a cost-plus basis, and on many other military projects, as many of the Tories have pointed out, surely the small number of ex-servicemen who are compelled to pay the usurious rate of 10 per cent. or more could receive some assistance from it. Why does not the Minister, with all his powers of argument and logic, place the matter before Cabinet and put up a fight for ex-servicemen

who are compelled to pay such high rates of interest to those people—I do not know whether they are Jews; they certainly are not Christians—who are charging 10 per cent., 12 per cent., or 15 per cent.? When I built my first house, I went to a bank—I shall not mention the name of it, because to do so at the present time might not be fair—and was charged an interest rate of 8½ per cent. I thought the rate was absolutely extortionate, but I had to pay it.

**Senator Grant.**—How long ago was that?

**Senator BROWN.**—It was a long while ago. It must have been well over 30 years ago.

**Senator Grant.**—The rate was 8 per cent. then?

**Senator BROWN.**—It was really 8½ per cent. The interesting point is that certain action was taken by the State government. I have not the details now, but—

Senator Laught interjecting,

**Senator BROWN.**—I beg your pardon?

**Senator Laught.**—The honorable senator is raising the matter.

**Senator BROWN.**—Do not be stupid! The honorable senator, with all his brilliance as a lawyer, cannot remember such details over all those years. I cannot remember the exact details, but certain action was taken. I admit that I do not know whether it was taken on a Federal or a State level. However, interest rates came down to 6 per cent. I remember it well, because the rate of 8½ per cent. that I was paying was not reduced. My wife was told about this reduction one day, so she went to the bank and had a row with the bank manager. She discovered that he was the superintendent of her first Sunday school. He put up as good a case at that time as the Minister puts up now. It is remarkable how these people with high morals can put up an argument for usury and be followers of the lowly Christ who turned the usurers out of the temple. There can be no argument for it.

**Senator Pearson.**—Do not be so silly.

**Senator BROWN.**—It is not silly.

**Senator Pearson.**—Of course it is silly.

**Senator Grant.**—What is silly?

**Senator BROWN.**—There is another intellectual golomynka from South Australia.

**The CHAIRMAN (Senator the Hon. A. D. Reid).**—Order!

**Senator BROWN.**—I nearly called him a troglodyte.

**Senator Pearson.**—Ridiculous!

**Senator BROWN.**—It is not ridiculous.

**Senator Hannaford.**—Do not look at me. I was not interjecting.

**Senator BROWN.**—I shall apologize.

**Senator Hannaford.**—I should think you would.

**Senator BROWN.**—I apologize deeply and most profoundly to the honorable senator from South Australia.

**Senator Hannaford.**—How very profound!

**Senator Grant.**—It was Senator Pearson who interjected.

**Senator BROWN.**—Oh, it was Senator Pearson? He is a very good friend of mine. Of course, he is being facetious. Some honorable senators are serious when they interject; others are facetious. Being somewhat facetious myself sometimes, I have a soft spot in my heart for friend Pearson. How can any person justify charging an interest rate of 10 per cent. or more to an ex-serviceman who, because of certain difficulties, has not been able to get money from the War Service Homes Division? He is compelled to pay that price. I do not care whether it is for eighteen months, eighteen years or eighteen hours; no argument can be adduced by any intelligent Christian senator to justify the charging of an interest rate of 10 per cent. or more to an ex-serviceman.

**Senator Pearson.**—I rise to order. I do not think the honorable senator has the right to reflect on honorable senators on this side of the chamber by saying that, if we do not agree with his arguments, we are not Christians.

**The CHAIRMAN.**—Order!

**Senator BROWN.**—I have never said that honorable senators opposite are not Christians. I was pointing out how difficult it would be for any Christian to justify an interest rate of 10 per cent. or more. I should not like to stand in my place in this chamber, as Senator Spooner with his sophistry and powers of argument has done, and seek to justify charging that interest

rate to ex-servicemen who gave of their best for this country. It is not beyond the capacity of this Government to produce more money at this stage to ensure that these men shall have the necessary money lent to them at an interest rate of less than 10 per cent. All the argument in the world will not convince me to the contrary. We know that under our banking system money can be issued, that failure to produce money at certain times is only a matter of expediency and at other times one of policy. Money can be produced. We know that the Government can liquefy frozen assets. Australia's assets are big enough and our taxation powers are great enough to enable the Government to issue money for the purpose of lending it to ex-servicemen at the reasonable interest rate of 2½ per cent. or less.

**Senator McKENNA** (Tasmania—Leader of the Opposition) [12.14].—Having listened to recent utterances, I wish to make a brief contribution to the debate. I have already expressed my great concern in this chamber about the way in which some ex-servicemen are being exploited in the matter of interest rates during their waiting period. The rates that are being charged, which are as high as 15 per cent. and 16 per cent., are completely unconscionable, and are a disgrace to those who are exacting them. I wish to put one thought to the Minister for National Development (Senator Spooner) with a desire to be helpful. The Commonwealth has no power in the field of home-building as such. It may enter this field only because this is a repatriation service. It derives its power, accordingly, from the defence head of power, which has been upheld repeatedly in the courts. Since that power exists, there is also power to do anything incidental to the execution of the power. Surely the determination of terms and conditions applying to the acquisition of homes, and the setting up of ex-servicemen in homes, is incidental to repatriation! I suggest, very seriously, to the Minister that the Commonwealth may have power, under the defence power, to legislate against the extortionate rates of interest that are being exacted in what the Minister claims to be a relatively small percentage of cases. I do not care how small the percentage is. If that is being done, even to a few people, it is something

with which the Government should be concerned, and I think that the Government should look through its armoury to see whether it has some protective mechanism.

**Senator Hannaford**.—Could not the States control this matter?

**Senator McKENNA**.—The States could do so. They have power to determine interest rates. It is true that that is within the jurisdiction of the States, but I am suggesting that, in this particular matter, it is the immediate and primary responsibility of the Federal Government to protect ex-servicemen.

**Senator Hannaford**.—Would the honorable senator not say that that was also the responsibility of State governments?

**Senator McKENNA**.—I frankly admit that the States have the necessary power, but I maintain that the protection of ex-servicemen is the particular responsibility of the Commonwealth Parliament. I trust that that will not be denied. I do not think that, if something unconscionable is being done, it is sufficient for the Commonwealth to say, "The States have power to deal with it. Let them do it".

Since the States have not taken action to prevent this practice, the next and obvious step is for the Commonwealth to ask, "Well, have we the necessary power"? I suggest to the Minister that, as the States have not moved, the matter is the responsibility of the Government of which he is a member.

**Senator Hannaford**.—The point is, have we the power to do anything?

**Senator McKENNA**.—That is the very point I am making. I am saying that we have complete power over defence, and that the courts have upheld our power to repatriate, long after a war has ended, the men who served in the forces. That power goes on for years. It has continued ever since World War I. as an extension of the defence power. The High Court of this country has upheld that power specifically, and has pointed out that a condition that is most essential to the defence of the country is that men who are prepared to enlist and risk their lives in its defence should be promised certain things and have expectations of security if they should be injured. The High Court has pointed out

that if those conditions were not forthcoming, there would be few volunteers for service in the forces. That power has been upheld in a number of cases, so that it is the defence power under which the Government legislates concerning homes for ex-servicemen. Apart from that authority, the Commonwealth has no power to legislate in respect of homes. Therefore, this bill that we are now discussing derives its constitutional authority from the defence head of power operating in peace-time, and I am asking the Minister whether the Government has considered the fact that, under the defence power, it may regulate rates of interest chargeable to ex-servicemen in connexion with their repatriation.

**Senator Spooner.**—Does the honorable senator think that the ex-servicemen would like that to be done?

**Senator McKENNA.**—I think that the Minister ought to examine the position. I should say that an ex-serviceman whose need is such that he is prepared to pay interest at the rate of 15 per cent, or 16 per cent, would welcome intervention, from any quarter, that would relieve him of the necessity to pay such an extortionate rate of interest.

**Senator Kendall.**—The ex-servicemen need money.

**Senator McKENNA.**—That may be so, but the opportunity exists for the sharks to come in, and it is clear that some of them are taking advantage of it. If this Government has power to act, it should exercise that power.

**Senator Spooner.**—I know the difficulties that are involved, and I do not think that it would be possible to get ex-servicemen to support such a move.

**Senator McKENNA.**—I am putting the position to the Minister, and I again ask whether the Government has considered invoking power that it may have. If, on inquiry, there is ground for belief that it has such power, I ask whether the Government will exercise it.

**Senator CRITCHLEY** (South Australia) [12:20].—As the bill contains no reference to interest rates, I refrained from discussing that matter at the second-reading stage. However, since the matter of interest rates has now been raised, I hope that the Minister will reply to the comments of Senator

Ashley. When the Minister was replying to the second-reading debate he said something to the effect that we should not exaggerate the rates of interest that are being charged. I assure the Minister that honorable senators on this side of the chamber appreciate that there are many applicants for war service homes to whom finance is the least important problem; but we are concerned—and I am sure the Minister is also concerned—with the plight of ex-servicemen to whom finance is a great problem. As I have said on previous occasions, I have had nothing but courtesy from officials of the War Service Homes Division in Adelaide. I know that those officers feel the same way as I do about this problem of finance.

I know of young ex-servicemen with large families—in one instance, the young couple concerned have six children—whose applications for war service homes have been approved but who have obtained interim finance for their homes at exorbitant rates of interest. Those are people with limited incomes, and they are the ones to whom these high rates of interest cause great hardship. In many cases, these exorbitant rates of interest mean that they are not able to furnish their homes adequately. Many ex-servicemen in this position were living with their relatives, or in rooms for which they had to pay rent while their homes were being erected. I appeal to the Minister to do something to protect ex-servicemen from these exorbitant rates of interest, because they impose hardships to which ex-servicemen should not be subjected.

**Senator O'BYRNE** (Tasmania) [12:24].—Recently, I informed the Minister for Repatriation (Senator Cooper) that the fact that the War Service Homes Division was unable to give a guarantee to an ex-serviceman that he could obtain temporary finance from a financial institution was giving rise to complaints that were becoming more and more numerous. This, to me, is a classical example of the law of supply and demand, in which this Government believes so firmly. The policy of the Government has resulted in a delay between the approval of an application and the making of the advance, during which the number of those demanding homes increases and the suppliers play "hard to get". The people who charge

these high rates of interest know very well that the ex-servicemen who approach them are being pressed by their wives to exercise their undoubted right under the War Service Homes Act to apply for assistance to obtain a home.

As honorable senators are aware, housing costs have sky-rocketed during recent years, and the average cost of a home to-day is between £3,500 and £4,000. The cost of building or buying a house to-day is at least £3,500. Many of the building contractors who formerly built houses for ex-servicemen who obtained finance through the War Service Homes Division have ceased to do so because of the inordinate delays in obtaining payment.

The ex-serviceman is in a difficult position because he cannot obtain assistance quickly from the War Services Homes Division. If a house that is a bargain comes on to the market, by the time the division's assessor is ready to make an inspection, the house has been sold to another person. In many instances, a person who has a house to sell that can be regarded as a bargain would prefer to sell it to an ex-serviceman, but generally he cannot afford to wait for payment until the War Service Homes Division has made an advance to the ex-serviceman. In those circumstances, the dealers and the agents get the pick of the houses that come on to the market. An ex-serviceman who wants to buy an existing house has to wait until the bitter end, so to speak—and there are no bargains at the end of the trail.

Other honorable senators have referred to the time that elapses between the making of an application for assistance to the War Service Homes Division and the granting of a loan by the division. In that interval, the ex-serviceman is in a cleft stick. He is open to exploitation. Money lenders and others have him at their mercy. This debate will serve some purpose if it has the effect of directing the attention of the public to the numerous cases of hardship that occur. The Minister for National Development (Senator Spooner) wishes to pass lightly over this matter. I assure him that in many cases I have assisted ex-servicemen in their efforts to get from the War Service Homes Division a guarantee that a loan will be made within, say, fifteen months, but I have found that it is just as

difficult to get a decision from the War Service Homes Division as from the Department of Trade, the Department of Primary Industry, the Department of Customs and Excise and other departments. There is a great deal of vacillation by government departments at the moment, due to the uncertainty of Government policy. The War Service Homes Division has a very good reputation, but it is being dissipated rapidly by indecision and vacillation.

The shortage of funds for war service homes must be attributed to the policy of the Government. The War Service Homes Division is doing its best, but it cannot get anything definite from the Government. It is being asked to carry the baby in this matter. In some instances, an ex-serviceman's approach to the War Service Homes Division for a loan is his first contact with a Government department. His reaction is, "What have I struck here?" He knows that his friends, Joe Brown and Bill Smith, are living comfortably in nice homes, but he finds that when he applies to the division for a loan to build a home for himself, there is a hole-in-the-corner attitude. He is told that he cannot have a loan from the division then, but that if he arranges to obtain temporary finance there is a good chance that he will get a loan from the division eventually.

The criticisms of the Government that have been voiced so ably by the honorable senators who have spoken in this debate may have done something to alleviate the plight of the many ex-servicemen who are waiting for loans from the War Service Homes Division. Every ex-serviceman has an undoubted right to a house. An irrevocable promise was made to ex-servicemen during the war that, after the war, they would be provided with facilities to obtain adequate housing accommodation for their wives and families. I believe that the provision of the additional money that is required would not materially affect our already unstable economy. There are human beings in great need. By neglecting such an important aspect of rehabilitation, the Government is not only creating confusion in the minds of ex-servicemen, but is treating them unjustly. I hope that the Minister will make special representations to Cabinet on this matter and that he will try to make his colleagues realize that widespread discomfort and frustration are

being caused by the stringent economic policy which the Government is applying to this section of the community. I hope that steps to ameliorate the plight of these people will be taken by the Government in the near future.

**Senator SPOONER** (New South Wales—Minister for National Development) [12.31].—I think it is fair to say that if I had taken a point of order, the remarks made by some honorable senators would have been ruled to be out of order. The bill contains certain provisions, and we should address ourselves only to those provisions. Senator Critchley, in opening the debate, recognized that to be the situation.

**Senator O'Flaherty**.—It would be quicker to take the bill clause by clause.

**Senator Ashley**.—We are taking it as a whole, are we not?

**Senator SPOONER**.—We are taking it as a whole.

**Senator Ashley**.—I do not think the Chair would uphold the Minister's point of order.

**Senator Grant**.—It would be upheld by Senator Reid.

**The CHAIRMAN**.—Order! That is a reflection on the Chair. I ask Senator Grant to withdraw his remark.

**Senator Grant**.—I withdraw it. You are a very good Chairman. I am sorry.

**Senator SPOONER**.—I did not raise the issue because I believe that war service homes are of great importance. I do not want to restrict debate on that subject. The other point I wish to make is that I resent—I would like Senator Brown to pay me the courtesy of listening to me.

**Senator Brown**.—I am listening to you, but I do not have to look at you all the time.

**Senator SPOONER**.—I resent a statement from a person such as Senator Brown that I am putting to this committee the case for the money lender. I am putting to the committee the case for the ex-servicemen. I am proud to be an ex-serviceman, and I should take a great deal more notice of Senator Brown if he also were an ex-serviceman. I think it is a poor approach to the matter to say that I am here to put the case for the money lender. I am being as fair and as equitable as I can.

Senator Ashley raised the question again of increased deposits. It is true that the limit of the loan available is £2,750. So, because building costs have increased and a house costs more, a greater deposit is required. That is one side of the picture. The other side is that incomes have increased and, by and large, people are in a position to make larger deposits than previously. The fact that so many people are waiting for finance for war service homes shows conclusively that the payment of larger deposits is not beyond the financial capacity of ex-servicemen.

Reverting to the question of interest, I again stress, in reply to Senator McKenna, that I very much doubt whether any group representing ex-servicemen would want the Government to make any change in existing arrangements other than the major change of providing more money. A sum much greater than £30,000,000 is required. Another £5,000,000, if provided, would not do much to reduce the size of the waiting list.

**Senator Byrne**.—What do you estimate the unsatisfied demand for war service homes to be, expressed in terms of money?

**Senator SPOONER**.—I could not answer that off the cuff, but it is a very substantial sum indeed. If the appropriation were increased by as much as £15,000,000, there would still be a long waiting period for ex-servicemen. One has to remember that the attraction is not only in the low interest rate; it is also in the long period of repayment, the administration of the scheme by "diggers" for "diggers", and the low insurance premiums that are payable. These features make the War Service Homes Division the first port of call for an ex-serviceman who wants a home. We are making up the leeway; we are making progress. In spite of all the objections about high interest rates during the waiting period, an ex-serviceman, of course, is in a much better position than is a civilian. He knows, first, that his advance will be available in fifteen months. The civilian either gets an advance from a bank or an advance is refused; he cannot be placed in a situation where he knows an advance will be available to him in fifteen months. The ex-serviceman has in his hand the letter of advice that an advance has been approved, and he is able to raise temporary finance in the meantime. I

will not be put in the position of defending the man who lends money to ex-servicemen at a high rate of interest. If Senator Brown is fair, he will admit that in my original speech, I said that I should not like to have to square with my own conscience the lending of money to ex-servicemen at high rates of interest. I should be angry if I were put in the position of defending it. We must look at the position realistically from the viewpoint of what is best for ex-servicemen. This situation applies only to about 50 per cent. of those persons who obtain war service homes. The remainder take group homes, and so on. Of the former, only a comparatively small proportion pays a high rate of interest. The question of what is a high rate of interest opens a wide field of debate. I should think that not more than 2 or 3 per cent. of the ex-servicemen pay in excess of 10 per cent.

I think that I have extended courtesy to the Senate by letting it debate a subject that is not within the four corners of the bill. As we have a long list of items on the business sheet to be considered I conclude my remarks and move—

That the question be now put.

Question put. The committee divided.

(The Chairman—Senator the Hon. A. D. Reid.)

Ayes .. ..	27
Noes .. ..	23
Majority .. ..	4

AYES.

- |                  |                   |
|------------------|-------------------|
| Anderson, K. M.  | Pearson, R. W.    |
| Buttfield, N. E. | Reid, A. D.       |
| Cooper, W. J.    | Robertson, A. R.  |
| Gorton, J. G.    | Scott, M. F.      |
| Hannaford, D. C. | Seward, H. S.     |
| Hannan, G. C.    | Spooner, W. H.    |
| Henty, N. H. D.  | Vincent, V. S.    |
| Kendall, R.      | Wade, H. W.       |
| Laught, K. A.    | Wardlaw, R.       |
| McCallum, J. A.  | Wedgwood, I. E.   |
| McMullin, A. M.  | Wordsworth, R. H. |
| Mattner, E. W.   | Wright, R. C.     |
| O'Sullivan, N.   | Teller:           |
| Paltridge, S. D. | Rankin, Annabelle |

NOES.

- |                 |                   |
|-----------------|-------------------|
| Amour, S. K.    | McKenna, N. E.    |
| Arnold, J. J.   | McManus, F. P.    |
| Ashley, W. P.   | Nicholls, T. M.   |
| Brown, G.       | O'Byrne, J. H.    |
| Byrne, C. B.    | O'Flaherty, S. W. |
| Cameron, D.     | Poke, A. G.       |
| Cole, G. R.     | Ryan, J. V.       |
| Cooke, J. A.    | Sheehan, J. M.    |
| Grant, D. M.    | Toohy, J. P.      |
| Harris, J.      | Willesee, D. R.   |
| Hendrickson, A. | Teller:           |
| Kennelly, P. J. | Critchley, J. O.  |

Question so resolved in the affirmative.

Bill agreed to.

Bill reported without amendment; report adopted.

Third Reading.

Motion (by Senator Spooner) proposed—  
That the bill be now read a third time.

Senator HENDRICKSON (Victoria) [12.44].—I agree entirely with the bill brought down by the Minister, but I want to register my objection to certain statements made by the Minister. The Minister has explained to the Senate that the cause of all the trouble is the lack of money. He has also tried to prove to the Senate and to the returned soldiers who are awaiting homes, that some concession is to be granted as a result of this bill. All that is to be done is to enlarge substantially the number of ex-servicemen awaiting homes. No more money is to be made available. In fairness to returned servicemen from any war, including World War II., surely some of the £108,000,000 surplus shown in the budget could be made available to ex-servicemen who have homes in view. They have to buy them from "spec" builders, and if they want to take advantage of the war service homes legislation they have to obtain temporary finance elsewhere at a very high rate of interest.

Sitting suspended from 12.45 to 2.15 p.m.

Senator HENDRICKSON.—The Minister tries to make out that this Government has done more for ex-servicemen than has any other government. It is only right that ex-servicemen of the Korean war should be treated similarly to ex-servicemen of both world wars. However, returning to the subject of war service homes, I point out to the Minister that speculative builders want their money as soon as the work is finished. I could speak at length about the case of an ex-serviceman I know, a married man with three children, who has had to pay 12 per cent. interest on an outside loan because his war service homes loan would not be available for twelve months.

I am not blaming either the Minister or the division for the present state of affairs, nor do I excuse previous governments. But, surely, more money can be allocated to the War Service Homes Division, in view of the fact that it is expected that revenue

do not intend to regard it as a formality, for one purpose if for no other. We took a stand on this matter on the second reading. We regard it as a highly important matter on which the Government, in our opinion, is not measuring up to its political and social responsibilities.

**Senator Spooner.**—But it has already passed the second reading stage.

**Senator Byrne.**—Sometimes we demonstrate our attitude in other ways within the Standing Orders by forcing divisions, divisions which, perhaps, we cannot win, but which demonstrate on our part a strong, confirmed and determined attitude in relation to some question before the Chair. On this occasion, we have decided that our attitude shall be determined by speaking on the motion for the third reading, not repeating arguments adduced earlier, but adding to them and supplementing them. Therefore, I submit that the point of order taken by the Attorney-General is not well taken.

**Senator O'Byrne.**—A very important principle is involved in the point of order. When introducing this bill, the Minister asked the Senate to agree that so much of the Standing Orders be suspended as would prevent the bill being debated without delay. The Standing Orders provide that when the report from the committee to the President is adopted, the bill is to be read a third time. That means that after a bill has been read a first time and a second time and passed through the committee stage, and after it is reported to the President that the bill has been considered in committee, the time has come for a full consideration of the first and second readings, and the committee stage. In other words, honorable senators are given a further opportunity to consider the bill on the motion for the third reading. If the Chair rules that the third reading, to all intents and purposes, is superfluous—a mere formality—I submit that would cut across the whole intention of our parliamentary procedure. I submit that the third reading gives to honorable senators an opportunity, after the bill has been read a first and second time and after it has passed through the committee, to consider other aspects. Therefore, Senator Cameron is quite in order, and the point of order should not be upheld.

**The PRESIDENT (Senator the Hon. A. M. McMullin).**—While not ruling that

Senator Cameron is out of order, I think that when speaking to the motion for the third reading honorable senators should, as far as possible, confine themselves to new matter or the correction of misapprehensions arising in debate at an earlier stage. If Senator Cameron keeps that in mind, he will be in order; if he revives the debate that has taken place on the second reading, he will be out of order.

**Senator CAMERON.**—The new matter to which I direct attention is that homes can be provided, and that it is no excuse to say that it is not financially possible to provide them. The Minister for National Development (Senator Spooner) has emphasized that lack of finance prevents the Government from providing these homes. The new aspect to which I am directing attention is that the main point is whether manpower and materials are available.

I was proceeding to show that similar positions have arisen in the past. I was about to say that I was elected to the Senate in 1938 and that at that time the very arguments used here to-day by the Minister for National Development were adduced against providing money for urgently needed homes. We were told then that finance was not available. Then 1939 came, and although money was not available for home-building, it immediately became available for war purposes. Those who are now ex-servicemen were then provided with food, clothing, shelter, medical attention, housing and everything else to a far greater degree than many of them had enjoyed in 1938. What is the position now that they have returned from their war service? They are told again exactly what they were told in 1938. They are told that finance is not available for homes. I emphasize that the men and materials are available; and that is the all-important consideration. What is physically possible is also financially possible. The ex-serviceman who is provided with a home is paying two interest bills—one on his home and the other on the war debt. Many ex-servicemen, having fought for this country are virtually denied homes, and must pay interest to the money sharks who capitalize on the weaknesses of the law.

The reality of that cannot be ignored, and I warn the Government that the more difficult it makes the ex-serviceman's task

of getting his own home, the more difficulties it will encounter itself. The present overall position is bad enough, but the Minister's attitude contains the inference that the Government intends to do no more in the way of providing houses than it is obliged to do. The Minister says that he is an ex-serviceman; but he has not at heart the interests of ex-servicemen who are not so fortunately placed as himself. If he had, his approach to this question would be very different. I do not want to delay the passage of this measure and merely put forward my views for the consideration of the Government.

Question resolved in the affirmative.

Bill read a third time.

### COMMONWEALTH RAILWAYS BILL 1956.

#### Second Reading.

Debate resumed from 18th October (vide page 726), on motion by **Senator Paltridge**—

That the bill be now read a second time.

**Senator CRITCHLEY** (South Australia) [2.37].—The Opposition raises no objection to this bill, though it provides plenty of scope for discussion. The simple fact is that the construction of a new railway has rendered redundant the old section between Hawker and Brachina. Down the years, lengthy discussions, conferences and royal commissions, in which both the South Australian Government and the Commonwealth Government have been concerned, have taken place in regard to this section of the line. Authority for the construction of the new standard gauge railway from Stirling North to the Leigh Creek North coal-field is contained in earlier Commonwealth and South Australian legislation. The new line is the outcome of a royal commission, which was appointed because of the wide differences between the South Australian Government, the Commonwealth Government and those whom the railway was serving. Both governments agreed that the findings of the commission should be accepted, and this new line is the result.

The bill gives the Commonwealth Railways Department, or in other words, the Commonwealth Government, power to do what it likes with the section of line that is now redundant. If one has due regard for the service that this section has ren-

dered to that part of South Australia north of Quorn one must come to the conclusion that the expense involved in uprooting the line and the three associated sidings is hardly worth while.

I recall that when I entered the Senate one of my first jobs was, together with my colleague, Senator O'Flaherty, and other South Australian members, to make representation seeking improvements and new trucking facilities at the Hookina siding. Hookina, which in those days was only a small township, is very much affected by construction of a new railway line on the other side of the ranges. I do not speak in any parochial sense—for it is true of our older settlers everywhere—when I say that the early occupants of that area were second to none in helping to develop South Australia. I shall not call them "pioneers" because that term tends to be used these days in speaking of earlier generations. One cannot but marvel at the change that has taken place in a few short years.

I do not doubt the wisdom of our very able Commonwealth Railways Commissioner in deciding to operate a line, more suitable and more economical, on the other side of the ranges. Indeed, if Leigh Creek had developed in the early days at it has now there would probably have been no line on the eastern side. But one cannot help feeling sad for the older people who, having worked so hard there for so long, will no longer be able to see the old R.T.'s and R.X.'s puffing along the line—perhaps stuck up half way between this town and that while a billy of tea was prepared.

The Minister tells us that those living along the redundant section will have no more than 10 miles to travel by direct route to the nearest portion of the line. That is true, but the travelling of a direct route in some of that country is tantamount to climbing over the top of Parliament House.

The township of Quorn has been hit very hard. It has been a very progressive town, and its people, who have been of a generous and independent nature, have made it, despite the greatest of problems, a very pleasant centre from the point of view of hospitalization, education and civic

pride. Everywhere one can see evidence of good citizenship, which we all want for the development of this country.

The town's hospital has been good. Its schools are good. Its business has been good. The late Honorable R. W. Foster, a Quorn resident, pioneered many of the advancements that were made there in the early days. As far as I know, his descendants are still in business in that town. Big stock sales are held regularly in Quorn as a result of the existence of the rail facilities. Such sales have had a big effect on the business activity of the town, besides creating employment. The business of the markets will not be depleted to any great degree by this new line, although it will be necessary to go a certain way around to get to the markets. The rail men themselves, as fast as possible, are being removed to Port Augusta or Stirling North. At present, transport and accommodation problems at Port Augusta are acute and it is an economic problem for the Railways Commissioner to find transport for his employees from Quorn to Port Augusta. However, there are signs that, as time goes on, the commissioner will overcome that difficulty.

It is with some concern and more than a passing feeling of sadness that I look upon the closing of this part of the South Australian railways. I suppose it is only an intimate knowledge of the surrounding country and the conditions that can make one feel this way about the closing of a railway after many years. These people have suffered a hardship. I urge the Minister for Shipping and Transport, in all sincerity, that when the opportunity arises, he lose no opportunity of doing what he can to persuade the Government to establish some form of industry in this area. I understand that representations have been made by the South Australian Government and all members of the South Australian Parliament, particularly those who know the locality well, on this matter. They have a very intense feeling on the subject and are using every endeavour to ensure that the right and decent thing is done for the beautiful town of Quorn.

There is only one other point that I want to raise: In a South Australian paper, published yesterday, I notice a report that the

Leader of the Opposition in the South Australian House of Assembly had drawn the attention of the Premier to a report that the Federal Government had introduced this legislation. A part of the report read—

He asked if any action by the State Parliament would be necessary to enable this to be done and what was the future of the narrow gauge line between Brachina and Copley. The Premier replied that the closing of the Hawker-Brachina section was covered by State Parliament legislation but presumed the Commonwealth would also close the Brachina-Copley section which would be a duplication of the 4' 8½" line, but would ask the Crown Solicitor to investigate whether the proposed bill was within the rights of the Commonwealth.

That indicates the attitude of the South Australian Government. I have not much fear on that point, because the State and the Commonwealth have co-operated throughout the years in this regard. The enthusiasm of the South Australian Parliament has made modern progress possible in this area. It has resulted in the erection of the power house at Stirling North and the development of Leigh Creek brown coal, which has been a god-send to the State, whether it be a socialized enterprise or not. I feel sure that the Commonwealth can expect no serious opposition from the South Australian Government. I have no more to add except to express my sadness at this change. My memories are of trains travelling through these ranges for many years. If this were the proper place to do so, I could entertain the Senate with tales of drovers, stockmen, firemen and cleaners, in the good old, tough old days on that northern track.

**Senator LAUGHT** (South Australia) [2.50].—I desire to support the bill. I appreciate the remarks made by Senator Critchley, particularly in regard to his association with the north. It is sad to see a railway line fall into disuse anywhere. But, in the matter under consideration, we have the knowledge that the 41 miles of rails and equipment will be used in the maintenance of the existing railway. In other words, there will not be waste; the existing track will be put to good use. However, we must face the facts, both engineering and economic.

I propose to address several remarks to the Senate on that aspect. First, I shall take up the point raised by Senator Critchley with regard to what happened in the South

Australian Parliament two days ago. I read, in the "Adelaide Advertiser" yesterday, that the Crown Solicitor has been asked by the Premier of South Australia to investigate whether the bill which had been introduced into this Parliament was within the constitutional rights of the Commonwealth. There is absolutely no doubt on that score, because section 3 of the Northern Railway (Alteration of Route) Act 1950 of South Australia reads—

The recommendation of the commission—

To which Senator Critchley referred—

on the question referred to it shall be binding upon the State, and the construction of a standard gauge line of railway between Stirling North and Brachina on the route recommended by the Commission shall be deemed to be a discharge of the obligation of the Commonwealth under the agreement to convert to standard gauge that part of the Port Augusta to Alice Springs railway which lies between Stirling North and Brachina.

So there appears to be no doubt at all about the constitutionality of this bill. I agree with Senator Critchley that there has been co-operation between the State and the Commonwealth in connexion with this matter in the past, and I see no possibility of litigation on whether the Commonwealth has power to pass this bill.

On the economic side, it can be stated that for the twelve months ended 31st March, 1956, the passengers conveyed from the three stations referred to by Senator Critchley numbered only 147—less than half a passenger a day. The goods traffic amounted to 236 tons, and the general revenue was of a corresponding order. So we must face the economic facts. Reference has been made to the effect of the change on the station people in that area. I understand that there are five stations to the east and ten to the west of this 41 miles of track. Those to the west will be inconvenienced by the new line. However, the new line will be more inconvenient to those stations in the east than the old line. We cannot provide for all eventualities, and I think the Senate will see the reason of this proposal.

Of course, this proposal has not been prepared by the Minister alone. In bringing this bill before the Parliament, he is fortified by the report on Commonwealth railway operations for the year 1955-56, which has just been handed to us. Therefore, there is justification for this bill. As a matter of fact, I feel that the Minister has a duty to

act on such a factual report. I agree with Senator Critchley that the town of Quorn should be considered in this matter, but I feel that the rehabilitation of employees on this section of railway and the rehabilitation of employees on the lower section, who will be affected because the railway will not run through their towns, such as Quorn, are being well cared for by the Commonwealth authorities. The bill before us does not specifically refer to this 41 miles of railway. It refers to a power to be given to the Commonwealth Railways Commissioner, which may be used in relation to any Commonwealth railway, whether it is between South Australia and Western Australia, in the Northern Territory, or even in the Australian Capital Territory. Consequently, we, as a Senate, should approach this matter from the stand-point of whether or not such a power should be granted by Commonwealth legislation. The first use of this power will be made to close the 41 miles of railway of which I have been speaking. I believe that the bill should be supported, because this is a proper power for the commissioner to have. Powers such as this are incorporated in the legislation of most of the States, which, of course, have been running railways for almost a century. I ask the Senate, therefore, to support the bill. It is unfortunate that certain people will be adversely affected by it, but I, as a South Australian, believe that it is right and proper that we should support this bill. I believe that the materials that will become surplus because of the closing of the line can be used to good advantage for other purposes.

In conclusion, I pay a tribute to the Minister and his department for the forward outlook that the Commonwealth Railways undertaking has adopted. I have inspected the railways in the Darwin area and between Kalgoorlie and Port Augusta, and I know that the services are being run efficiently. I believe that the bill is well worthy of support, from both the economic and engineering points of view.

**Senator O'BYRNE** (Tasmania) [2.57].—My comments on this measure will be very brief. I do not share the nostalgia displayed by previous speakers who spoke of the original installation of this 3-ft. 6-in. gauge line in South Australia. It may possibly have been instrumental in opening up vast areas of land, and it may have done a

good job in bringing goods to and taking them from the area, and in this way have contributed towards the development of Australia as a great nation. I, however, in supporting this measure, rejoice at the passing of a 3-ft. 6-in. gauge line. In Tasmania we are burdened with a 3-ft. 6-in. gauge railway, and we realize the desirability of the eventual abolition of all 3-ft. 6-in. gauge lines, and, for that matter, all 5-ft. 3-in. gauge lines. The lack of a standard-gauge railway throughout Australia is holding back the development of this country. I suggest that we should have a standard-railway gauge of 4-ft. 8½-in., which seems to be the international gauge, and the most economical one.

While the Government is fully justified in abandoning this line and in selling the rails and equipment, I should like to impress upon it the need to assist the States to administer their railways as efficiently as the Commonwealth Railways are administered. The Commonwealth Railways have reached a high standard of efficiency, mainly as the result of the use of diesel-electric locomotives, and they have proved to be of great value to Australia. It is a great pity that the States have to struggle along with uneconomical, over-capitalized steam locomotives, when they know what can be done with diesel-electric locomotives. It gives one much pleasure to read the report on the operations of the Commonwealth Railways and realize that at least one of Australia's railway systems is paying its way. Indeed, the Commonwealth Railways made a handsome profit last year. I personally have enjoyed the very good service that is given on the Commonwealth Railways, particularly on the Alice Springs line, on which one passes such old towns as Oodnadatta, which we read about in early accounts of the establishment of the overland telegraph service. Passengers who travel across the desert on the Trans-Australian Railway have only the highest praise for the service provided. I believe that we should endeavour to achieve a greater degree of co-ordination between the Commonwealth and the States in connexion with our railway systems. We should aim at the abolition of all 3-ft. 6-in. and 5-ft. 3-in. gauge lines, and concentrate on the introduction of a standard gauge for the whole of Australia. The railways could then get on with the job that they were originally in-

tended to do, which is the transport of bulk goods, and the employees would not be burdened with the morale-breaking feeling that they are working for a losing proposition, and that they can never run their services at a profit.

While I support the Government's intention to close this 41 miles of railway line, negative though the approach may appear to be, I strongly suggest that it should tackle the problem of standardization of rail gauges, and that it should introduce diesel electric locomotives in the State railway services, either by financing the State governments so that they may purchase these locomotives, or by lending locomotive units to the States. We might then have all our Australian railways on a paying basis. I commend the Government upon its introduction of this measure, and I wish it success.

**Senator SEWARD** (Western Australia) [3.3].—I am afraid that I cannot take the same view of this bill as that which has been taken by previous speakers. If the purpose of the bill were merely to close this one railway line, it might have my approval, but the bill seeks to give to the Commonwealth Railways Commissioner power to close any Commonwealth railway line without consultation with or approval by the Parliament. That is a very different matter from closing one specific railway line, particularly when we consider the repeated demands by the metropolitan press to close any railway that is not a paying proposition.

It has been stated by a previous speaker that this legislation is similar to legislation passed by the States. I can assure the Senate that no railway in Western Australia can be closed unless a special bill is passed by the Parliament for that purpose. Although the number of lines in the Commonwealth Railways system is relatively small the system may expand, and, if this bill is passed, the commissioner will have power to close a railway—conditional, of course, on his obtaining the consent of the Governor-General. The closure would not, however, have to be approved by this Parliament.

It was mentioned by, I think, Senator Laught that the passenger traffic on this particular railway was of very small volume. I think he said that it carried only about

140 passengers a year. I am not concerned with the passenger traffic. I think that the same argument could be applied in connexion with almost any branch railway line, because, generally speaking, they are inconvenient, the services are slow, and most people travel by car instead of by rail. What I am concerned about is the fact that the railway also carried fifteen horses, 1,519 cattle and 5,506 sheep in the year. It is obvious, therefore, that the railway gives property-owners in the district a facility for sending their stock to market. That, to my mind, is a major consideration, particularly when one remembers the statement of Senator Critchley that a range of hills or mountains lies between the new railway and the old one. Consequently, the settlers on the side of the range where the old line was built apparently have to get their stock across the range to the new line. That is a fact that must be borne in mind. In my State no line would be closed until an all-weather road was built to take its place, so that farmers would not be financially embarrassed in getting their stock to market because the line was closed.

I am concerned about the commissioner's power to close a line without the matter being dealt with in Parliament. Honorable senators from South Australia or from New South Wales, where the Commonwealth might have built a line, could give this Parliament information which would enable it to appreciate the significance of a measure which provided for the closing of a line. I was somewhat amused to observe the reference, in the Minister's second-reading speech, to the great importance that South Australia places upon contracts and agreements relating to this railway. They are not quite so concerned about agreements they entered into to run the Melbourne-Adelaide express to Port Pirie to feed the trans-Australia line service. I remind the Minister for Shipping and Transport (Senator Paltridge) that South Australia, many years ago, entered into an agreement to provide this service, but no attempt has been made to fulfil it.

**Senator Paltridge.**—The South Australian people say they have no rolling stock.

**Senator SEWARD.**—That may be so, but the trans-Australian railway is losing passenger traffic as a result of South Australia's not observing that arrangement. If

the South Australian Government provided an extra train to Port Pirie the passenger traffic on the trans-Australian railway would be greatly increased. This bill relates to a short length of line, and consequently may not be of major importance, but I regard as a matter of great concern any proposal to close a railway line which serves settlers, unless adequate alternative provision is made.

**Senator HANNAFORD** (South Australia) [3.8].—The subject of this bill relates to a portion of South Australia with which I have had a long association and, consequently, in which I am greatly interested. It is in the northern part of the State. The bill brings to fruition a plan that was adopted some years ago. Senator Seward expressed his fears about the proposal to close the line mentioned. He was apprehensive, also, that a measure of this kind would enable the Commonwealth Railways Commissioner to close any line, but he conceded that the approval of the Governor-General would be required before that could be done and that approval would be sought only after careful consideration by the Minister for Shipping and Transport. I am confident that there is no danger that railway lines will be closed indiscriminately while the present Minister for Shipping and Transport (Senator Paltridge) is in charge of railways.

The part of this line to be closed is between Hawker and Brachina, a distance of 41 miles. Some years ago, the proposal to close this line was considered by the Federal Parliament, and legislative backing was given to the appointment of a royal commission which was a joint responsibility of the Commonwealth and South Australian State Governments. The hearing took place in Adelaide, and lasted for a considerable time. The commission recommended that a new line from Stirling, which is adjacent to Port Augusta, be built along the western side of the Flinders Range as far as Brachina. I do not know the exact distance, but it was to be of standard gauge. This route was chosen to obviate the necessity of hauling heavy trains through the Flinders Range. The old line came down from Brachina to Quorn through what is known as the Pichirichi Pass to Port Augusta. It was a difficult line to maintain, and was costly because of the grades involved. Considerable trouble was caused

current season's harvest was not likely to be of embarrassing proportions. I stated that I thought that the carry-over at this time next year was likely to be some 50,000,000 bushels. That would not be an embarrassingly large carry-over for Australia. Unfortunately, however, there are still huge surpluses in other major wheat-exporting countries, particularly the United States of America, Canada, and the Argentine. On 12th September last the Minister for Shipping and Transport (Senator Paltridge), who represents in this chamber the Minister for Primary Industry (Mr. McMahon), supplied me with certain figures relative to carry-overs in answer to a question that I had asked on notice. The United States carry-over at 30th June, 1955—the latest date for which information is available—was 1,020,700,000 bushels; the Canadian carry-over was 493,700,000 bushels; and the carry-over in the Argentine was 77,900,000 bushels—a total of 1,592,300,000 bushels. Those are indeed large carry-overs, and so long as they exist they constitute a constant threat to wheat prices generally.

This situation has given the present Government, and particularly the Minister for Trade (Mr. McEwen), and every one associated with the Australian wheat industry, very great anxiety. I am very glad that the Minister for Trade has done everything humanly possible to reach an understanding with the United States on the methods that may be adopted by that country to dispose of its huge surpluses. With the indulgence of the Senate I propose now to read some remarks on this matter made by the Minister for Primary Industry at the last meeting of the Australian Agricultural Council, which consists of the Commonwealth Minister, who is chairman, and the State Ministers responsible for agricultural matters. The Minister for Primary Industry said—

The United States Government, in its efforts to move accumulated stocks into consumption, has adopted a wide range of devices—

I want the Senate to note particularly the word "devices"—

including gifts, barter transactions and sales for payment in the currency of the recipient country. There are also three party deals in which the United States makes grain available to one country in return for which that country exports goods to a third country. The third country then receives a long-term United States loan equivalent to the value of grain.

All these techniques include features which make competition on normal commercial terms extremely difficult.

The importance of concessional sales arrangements—

These are sales of the type to which the Minister had just referred—

is illustrated by United States exports in 1954-55. In that year no less than 50 per cent. of all United States wheat shipments were made under non-commercial arrangements, and even the 50 per cent. sold commercially was subsidized by an average of 75 cents per bushel.

I ask the Senate to take particular notice of the last sentence. I think those observations will convey to honorable senators some idea of the real difficulty with which we are confronted and of the threat to the Australian industry which is inherent in this sort of thing.

**Senator Wright.**—Is there nothing in the International Wheat Agreement to prevent that?

**Senator PEARSON.**—There is nothing in the new agreement embodied in this bill to provide any specific means by which this sort of thing could be controlled. The United States Government has discussed the matter with the Australian Government on various occasions, and once or twice has indicated that it was prepared to discuss dumping—or, perhaps, one should say irregular methods of sale—with the Australian Government before it engaged in that sort of thing on a large scale. However, the matter is still the subject of discussion, and I commend the Minister for Trade on what he has done.

I think that in view of the situation in relation to surpluses in other countries, which I have mentioned, the United States is now seized of the difficulties which these surpluses present not only to other exporting countries but also to itself. As we all know the United States Government has supported wheat production by various devices, such as price-support programmes, which have resulted in the production of wheat on a rather uneconomic basis in that country. Doubtless it now feels almost as much embarrassed by its large production as do Australia and other exporting countries. I think it is evident that the United States is now discouraging wheat production on such a large scale. It is withdrawing some of the inducements which it previously offered to United States wheat-growers, and I think the acreage under wheat in that

country is declining as a result. Consequently, I am not at all pessimistic about the future of wheat in the markets of the world. Indeed, sales of Australian wheat are improving. They are very satisfactory in view of the present world situation. I want to repeat what I said on an earlier occasion. Although the volume of wheat covered by the International Wheat Agreement has been reduced, the agreement gives some security and offers some hope to Australian wheatgrowers and to the Government, which has entered into certain obligations in respect of export wheat.

With the permission of the Senate, I shall refer to another matter which I think can be appropriately discussed under this legislation, that is, the quality of wheat that we offer for export. For a long time, we have been satisfied with what is known as the fair average quality standard of wheat. It is neither a particularly low standard nor a particularly high standard, but it has been of great benefit to us and has satisfied overseas purchasers up to the present time. No difficulty has been experienced in selling Australian wheat, provided it has been of the fair average quality standard.

Apparently, buyers have now objected to wheat merely of a fair average quality standard, and whether we like it or not, we must face the fact that our job is to supply the world with wheat of the quality—baking quality and so on—which buyers demand. The South Australian Director of Agriculture, Dr. Callaghan, whose name is a household word in Australia, recently visited United States of America and Canada. Dr. Callaghan was formerly the principal of Roseworthy College, and he built that college up to a very high standard. He is also a wheat breeder of no mean repute and is well qualified after his trip abroad to express an opinion on this matter. He has been cited in the press as saying that we should adopt something along the lines of the Canadian method of grading wheat and offering it according to quality. Although we must pay great attention to anything said by Dr. Callaghan in this regard, I am not—and I am sure he is not—unconscious of the difficulties that such a step would pose in South Australia. I have no need to develop that point; indeed, I have not the time to do

so. Wheat growers and their organizations are familiar with the difficulties, particularly at this stage, in South Australia, where we are about to embark on a bulk-handling system.

World requirements can be met by a method other than that suggested by Dr. Callaghan. It may not be a better method or even as good a method as grading the wheat, but an alternative method—and perhaps a simpler method—is available. I am sure that our fair average quality standard of wheat could be raised by simply concentrating on the varieties which meet the buyers' requirements. I suggest that our seed wheat farms and those institutions which supply wheat for seed to farmers should refuse to supply or produce those wheats which are held in poor regard by our customers and should concentrate on breeding wheat which would meet their requirements. This method may take a little longer than the Canadian method. I know that the people whom I have mentioned direct their efforts on those lines at the present time. An effort should be made to combine the high-yield varieties and the high-baking varieties. In the course of time, and over not too many years, the standard of our f.a.q. wheat could be effectively raised so as to make it more attractive to those people with whom we transact business.

Everybody concerned should investigate this problem. The Australian Wheat Board, the various departments of agriculture, the Department of Trade at Canberra and everybody who has anything to do with the selling of Australian wheat should go into this matter thoroughly. Australian wheat-growers have very little to fear from competition which is not of an artificial type. I have referred to the type of competition in which America is inclined to engage. But we in Australia are fortunate that we can produce wheat and do produce wheat at a cost which makes it possible for us to market it successfully in competition with other countries, anywhere in the world, notwithstanding our freight differential, provided the competition is on a commercial basis. We can take great comfort from that. It is a credit to the wheat-growers that the cost has been maintained at a satisfactory figure. It is a credit to the

thinking about, and idle criticism of, the negotiations. It has been said that if more care had been taken, and more lively interest displayed in the negotiations, Great Britain would have joined in the agreement, but I remind honorable senators that Great Britain also stood out of the previous agreement. On that occasion also, the Government and the leaders of the industry were criticized. They have made it abundantly clear, however, that every effort was made to secure the signature to the agreement of Great Britain, which is the greatest importer of wheat in the world.

We must accept the fact that, although the agreement under discussion will reduce our quota from 45,000,000 bushels to 30,000,000 bushels, it is the best agreement that could be obtained. All responsible sections of the industry are prepared to admit that. What, then, will be the effects of the agreement on our economy? There are two prongs to our economy—the overseas and the domestic trade. As Senator Pearson has rightly said, our overseas markets for wheat are being adversely affected by the development by the United States of America of a policy of dumping its products here, there and everywhere.

**Senator Vincent.**—Senator O'Flaherty does not seem to mind that.

**Senator WADE.**—Senator O'Flaherty would be a suitable chairman for a semolina company. He does not speak for the industry.

**Senator Hendrickson.**—Senator Wade is not speaking for the industry, either.

**Senator WADE.**—I have been waiting for weeks to speak on this matter, but I did not like to interrupt Senator Hendrickson. I do not say that Senator Hendrickson does not know anything about wheat, but I gathered from Senator O'Flaherty's remarks that he is interested only in semolina.

**Senator O'Flaherty.**—I am not interested in semolina; I know nothing about it.

**Senator WADE.**—I thought so.

**Senator O'Flaherty.**—I mentioned it only as an illustration.

**Senator WADE.**—I ask for leave to continue my remarks at a later date.

Leave granted; debate adjourned.

Senate adjourned at 3.59 p.m.