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COMMONWEALTH GOVERNMENT.

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AND

IMPORTANT SPEECHES

BY

THE PRIME MINISTER
(THE RIGHT HON. J. B. CHIFLEY).

No. 129.

PERIOD—1ST AUGUST, 1947, TO 6TH SEPTEMBER, 1947.

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INDUSTRIAL.

INDUSTRIAL RELATIONS—CONFERENCE, DECISIONS.

On 3rd August, 1947, the Prime Minister (Mr. Chifley) said—

"While I survey with satisfaction the great increase in the industrial capacity of Australia, the existence of full employment in the community, the progress made in providing a degree of economic security for our people, I am gravely concerned with the shortages of houses and of goods needed by the people and the delays in carrying out works vital to the maintenance and development of this country.

"Manpower shortages will not permit the accumulated needs of the war years to be overtaken and current requirements to be met at once or in the immediate future. I am convinced, however, that Australians united in effort—as they were in war—can attack and overcome more speedily a situation that is detrimental to the economy of the nation and the best interests of its people.

"To-day, Australia has the greatest opportunity in its history. There is a world shortage of basic commodities which Australia excels in producing. High prices are obtainable for our exports. New markets are opening for both our primary and secondary products. Internally, industry has vast plans for expansion, and there is opportunity for intense activity in the building of houses, hospitals, schools, factories and development of roads, airports, railways, water conservation and electrical schemes. If we do not take full advantage of this opportunity it will be mainly because individual Australians have failed—failed to realize that Australia's good is their good and that of their children.

"I appeal then to every individual Australian to give of his best in whatever occupation he may follow. To do less is a denial of the needs of his fellow Australians. Let each Australian then develop a new spirit—a new vision of the personal importance of his efforts to this country and his fellows. I appeal to the leaders of the trades union movement to exercise firm discipline over the units they lead, to prevent unauthorized strikes, to eliminate inter-union disputes, to avoid disputes over small matters, and to concentrate their efforts and thoughts on the production this country so sorely needs. I call on each unionist to give unswerving loyalty to such leaders. I call on the employers of this country for more production, for the utmost efficiency in their methods, for a greater personal interest in the industrial problems of the human beings who are their employees, for the provision of better working conditions for those employees, for a broad tolerance towards workers suffering from the strain of war and experiencing a natural reaction to war-time conditions. Above all, I ask them to be ready and generous in sharing with their employees the benefits of the increased production that I feel confident will take place.

"I ask that all parties in industry will avoid those things that have been sapping the industrial strength of this country and preventing the achievement of higher living standards for our people. I invite

willing acceptance of the principle of conciliation and arbitration and trust that all will co-operate in giving a fair trial to the new scheme of arbitration and conciliation which will soon be in operation.

"This country cannot but be affected by the economic changes taking place beyond its boundaries. It is vital that our own economy be stabilized to meet possible repercussions from abroad. Steady work by each and every Australian will be the most powerful factor in achieving this. Given this, we protect ourselves, we give the best aid to Britain in its sore plight, we make a contribution to the solidity and welfare of the British Commonwealth of Nations, and we do something for the stricken people of countries devastated by war—peoples afflicted with a spiritual and physical misery never known in this country and the depths of which are so abysmal as to be almost beyond comprehension.

"I am pleased with the results of the conference over which I presided in Canberra, and I feel that the people of Australia have much to hope for from the operation of the machinery for closer consultation between employers, employees, and the Government that has been established."

On 3rd August, 1947, Mr. Chifley, the President of the Australasian Council of Trades Unions (Mr. P. J. Clarey, M.L.C.) and the President of the Associated Chambers of Manufactures (Mr. L. Robinson) said—

"The three constituent bodies associated with industry, the Government, the Associated Chambers of Manufactures of Australia and the Australasian Council of Trade Unions having met in conference have reached the following conclusions:—

"1. Increased production is essential for the continuance of satisfactory Australian living standards; their improvement; the meeting of many shortages in both capital and consumable goods, and for the relieving of the inconveniences and hardships at present being experienced by Australian citizens. These shortages relate to the things which intimately concern the life of Australian men and women, such as housing, clothing and many other commodities. The parties, therefore, agree that every effort should be made to stimulate and promote production to the highest possible point, consistent with existing manpower and productive resources. This is a matter in which all must co-operate. It is the function of not one section of society, but of all. The parties believe there are ways in which this increased production can be achieved, notwithstanding the belief that all sections of the community are now honourably playing their part. It is suggested that the three constituent parties endeavour to stimulate production by means of more efficient management, where possible, the introduction of up-to-date plant and machinery, the elimination of waste, by using every effort to reduce labour turn-over by cutting out unnecessary absenteeism, and to prevent the abuse of sick leave provisions. This appeal is made not only in the interests of the people of Australia,

but also that the people of Australia can play their part in making more commodities available to the people of Britain, and enabling commodities to be secured from other countries in the world for our convenience and welfare.

"2. Consideration of the production needs of Australia have indicated that two major bottlenecks exist toward the overcoming of which the influence of the three parties should be exerted to the fullest. The major bottleneck, that of coal, is one which the parties feel can be best solved by the recently appointed Joint Coal Board, which is now concentrating its efforts on a solution of this great economic problem. We make an earnest appeal to the coal miners and those closely engaged in the production of coal, and its distribution, to assist to their utmost. The other major bottleneck is that of man-power. The economic expansion of Australia during the last seven years has made a great demand for additional men and women for industry. The parties suggest that many persons who gave fully and freely of their services during the war period to help the nation in its period of stress should, as far as possible, make themselves available to industry to overcome the grave shortages resulting from an almost complete war-time cessation of production of consumable goods which must now be made available, in addition to normal peace-time requirements of the nation.

"3. It was evident to the conference that, from a general review of the economic and employment position, free or private enterprise in the past and at present is the major avenue for providing work. It is, therefore, the avenue providing the greatest measure of employment. Complete understanding between the controllers of enterprise and representatives of the workers is, therefore, essential if industrial relations are to be established on a satisfactory basis.

"4. The matter of prevention and settlement of industrial disputes between employer and employee is fundamental to the efficient and smooth running of industry. All parties to the conference agree that the conciliation and arbitration machinery provided by the Commonwealth and the States provides a means whereby differences between employer and employee should be readily determined. In the settlement of industrial disputes, conciliation should be exercised to the fullest before final resort is made to arbitration. It is desirable in the interests of the community that industrial disputes should be reduced to the barest possible minimum. The trades union representatives have expressed their disagreement with unauthorized strikes arising without consultation, either with the trades union concerned, the Trades and Labour Council of the States, or the Australasian Council of Trade Unions in the Federal sphere.

"5. The right of the worker to share in the proceeds of industry is one which has received the full consideration of conference. It is agreed by all parties that increased standards of living are only possible from constantly increasing production of goods and services required. The right of the worker to receive his proportionate share of increased

production is recognized, but the manner in which this should be granted to workers in industry is subject to difference of opinion. The employers have suggested that a satisfactory solution would be for the introduction or extension of incentive payments, which would give a daily or weekly benefit to the worker from the results of his immediate higher production. The trades union attitude is one of distaste for incentive payment, based on past experience. The Australasian Council of Trade Unions intimated to the conference that it is prepared to make a full and complete investigation into modern incentive payment systems to determine whether such systems would be of advantage to the worker and the community. The employers intimated to the trades union representatives that they were prepared to place before them information requested and give assistance so that this investigation could be thoroughly undertaken.

"6. The holding of this conference to achieve better understanding between the partners of industry has indicated that view points on matters of policy and principle have varied greatly. The conference, however, has enabled both parties in a free and frank manner to state their views and the reasons for them. Conference is, therefore, of the opinion that frequent consultations of this character are essential for securing better industrial relations and undisturbed continuity of production. It is agreed that similar conferences should be held at six monthly periods so that economic trends, industrial and other problems might be fully considered.

"7. The parties agree to advise each other as to matters which they feel should be considered by conference so that they may be able to investigate such matters with a view to decisions being arrived at when conference meets".

Those present were—

COMMONWEALTH GOVERNMENT.—The Prime Minister (Mr. Chifley), the Minister for Labour (Mr. Holloway), the acting-Attorney-General (Senator McKenna), the assistant-secretary of the Department of Labour (Mr. H. A. Bland), the Director of Industrial Welfare (Mr. L. G. Baxter).

AUSTRALASIAN COUNCIL OF TRADE UNIONS.—The president (Mr. P. J. Clarey, M.L.C.), the vice-president (Mr. J. A. Cranwell), the secretary (Mr. A. E. Monk), and Messrs. L. Austin, New South Wales, C. Crofts, Victoria, E. J. Hansen, Queensland, A. V. Thompson, South Australia, and J. H. O'Neill, Tasmania, members of the executive.

ASSOCIATED CHAMBERS OF MANUFACTURES.—The president (Mr. L. Robinson), the New South Wales president (Mr. J. Adamson), the New South Wales vice-presidents (Messrs. J. P. Tivey and R. J. Webster), the Victorian president (Mr. C. H. McKay), the Victorian deputy-president (Mr. E. F. Atkins), the Victorian past-president (Mr. C. A. H. Derhan), the Queensland president (Mr. H. S. Gresham), the South Australian past president (Mr. F. T. Perry), the acting-director (Mr. A. N. Curphey), the New South Wales director, Mr. C. R. Hall), the Queensland secretary (Mr. L. Suggers) and an officer of the Metal Trades Association (Mr. J. Lambert).

ARBITRATION ACT—CONCILIATION COMMISSIONERS.

On 15th August, 1947, Mr. Chifley said—

"Cabinet decided to-day on the appointment of sixteen Conciliation Commissioners. The deputy Industrial Registrar and Conciliation Commissioner (Mr. E. H. Rowlands) will be the Chief Commissioner.

In addition, all the other existing commissioners, within the age limits laid down by the Act, will be appointed. They are Messrs. A. A. Blakeley, G. A. Findlay, G. A. Mooney, D. V. Morrison, J. H. Portus and M. M. Stewart. The following nine additional appointments will also be made:—

Brigadier A. S. Blackburn, V.C. (South Australian barrister); Messrs. R. H. Beers (Secretary of the Victorian Department of Labour and Chief Inspector of Factories), G. H. Buckland (Australian Workers Union, Victoria), J. R. Donovan (Executive Officer of the Commonwealth Transport Advisory Council), J. V. Dwyer (General Secretary of the Amalgamated Postal Workers' Union, New South Wales). F. D. Kelly, M.L.C. (New South Wales), N. Roberts (Commercial Representative, Department of Munitions, Victoria), A. R. Wallis (General Secretary of the Clothing Trade Employees Federation, Victoria), and W. J. Wallwork (Stipendiary Magistrate, Western Australia).

(For earlier references, please see No. 125, page 14.)

UNEMPLOYMENT—FIGURES.

On 1st September, 1947, the Minister for Labour (Mr. Holloway) said that unemployment in Australia was at record low levels and continued to fall month by month. At 31st July, 1947, the number of unemployed persons receiving financial benefits totalled 5,364 males and 192 females, nearly 700 below the total for June, 1947. At 31st July, 1947, the Commonwealth Employment Service held unfilled vacancies for 42,100 males and 30,700 females, a rise of some 3,000 on the previous month, the total number of vacancies being over 100,000.

(For earlier references, please see No. 126, page 31.)

PEACE.

JAPAN—VISIT OF DR. EVATT.

On 5th August, 1947, the Prime Minister (Mr. Chifley) said—

"I have received the following message from the Supreme Commander, Allied Powers (General of the Army Douglas MacArthur):—

Dr. Evatt has completed his visit to Japan and has sailed for home. It has been a source of pleasure and satisfaction to everyone to have had him here. He has represented your country with skill and distinction and has added to its national prestige. He has been of marked assistance with regard to occupation problems and has made a distinct contribution to the furthering of a treaty of peace. It is needless to add that he has rendered more vivid the indissoluble ties of cordiality and friendship forged between our two countries during our common struggle in the Pacific. Thank you for permitting him to come."

On 12th August, 1947, the Minister for External Affairs (Dr. Evatt) said—

"During my visit to Japan—chiefly a fact-finding mission—I had full and frank discussions about the occupation and the problems that will confront the Allies in writing the peace. I am satisfied that the way is clear to the making of a peace settlement that will be a stable foundation for the security of the Pacific.

"I had frequent discussions with the Supreme Commander, Allied Powers (General MacArthur), and with leading officials of the occupation, diplomatic representatives of other Powers, and a few of the

Japanese parliamentary and trades union leaders. From these discussions and personal observation I am able to appreciate still better the undoubted achievements of an extremely difficult and complex military occupation and administration. My consultations with General MacArthur showed a broad agreement on the steps to be taken in preparing the treaty, on the principles that should be contained in it, on the type of supervisory machinery that should be established under it and on many of the other important matters with which the settlement must deal.

"It has been most encouraging to find that all my discussions and observations have amply confirmed the soundness of the policy that the Australian Government has consistently advocated towards Japan. The two great objectives are the security of Australia and other Allied Powers from a resurgence of Japanese aggression, and a positive programme for assisting Japan to develop gradually into a democratic and peaceful member of the society of nations. Almost equally important is the method of peace-making. The peace treaty should be negotiated as soon as possible along democratic lines by all powers that played a substantial part in the Pacific war. Because of her outstanding war effort, Australia is clearly entitled to be a party principal to the settlement, and that is now universally recognized.

"The military occupation has now almost accomplished its primary task, which was the complete physical disarmament and demilitarization of Japan. It has taken important initial steps towards the democratic reconstruction of Japan, for example through the adoption by the Japanese people of a new constitution and the encouragement of trades unions. The peace treaty could and should contain provisions destined to secure the accomplishment of the long-term objectives—to prevent any re-growth of a war potential and to stimulate and consolidate the growth of democracy in Japan. These problems will form the subject of discussions between members of the British Commonwealth on 26th August, 1947. That beginning will be followed by a conference of all the Powers that took a substantial role in achieving victory in the Pacific war.

"I was greatly impressed by the bearing and behaviour of the Australian servicemen and the rest of the B.C.O.F. in Japan. They have greatly assisted in the success of the occupation and have demonstrated to Japan and the world at large Australia's major interest in the Pacific. The co-operation between the B.C.O.F. and the United States forces has strengthened an association and comradeship that did so much for Australia during the crisis in the Pacific war."

JAPAN—ADVISORY COMMITTEE.

On 12th August, 1947, the Advisory Committee on Japanese Settlement had its first meeting. Members of the committee are—

Sir Frederic Eggleston, chairman, the Solicitor-General (Professor K. H. Bailey), vice-chairman, the chairman of the Canteens Trust (Brigadier A. S. Blackburn), the chairman of the Australian Broadcasting Commission (Mr. R. J. F. Boyer), the president of the Australasian Council of Trades Unions (Mr. P. J. Clarey, M.L.C.), Miss Constance Duncan, the leader of the

Australian Antarctic Expedition (Sir Douglas Mawson), Professor A. H. McDonald, the president of the Legion of ex-Servicemen (Mr. B. McDonald), the Secretary of the Associated Chambers of Commerce (Mr. P. R. Wilkins), Professor H. L. Sadler, Senator Tangney and Messrs. Beazley, Sheehan, Corser, Harrison, McEwen and Ryan, Ms.H.R.

(For earlier references, please see No. 128, page 22.)

JAPAN—BRITISH COMMONWEALTH CONFERENCE.

On 16th August, 1947, the Prime Minister (Mr. Chifley) said—

"The Minister for External Affairs (Dr. Evatt) advised Cabinet to-day that representatives of Britain, Canada, South Africa, New Zealand, India, Pakistan, Burma and Australia would meet at Canberra on 26th August, 1947, to discuss the question of a peace settlement with Japan. The provisional agenda of the conference will be procedural questions; basic objectives; control or supervision of Japan; territorial provisions; disarmament and demilitarization; political provisions; economic and financial provisions; and reparations.

"The general policy in relation to Japanese settlement may be summarized as follows:—

There should be no delay in going ahead with the Japanese Peace Conference. In the absence of a peace settlement there will be increasing tendencies for major matters of permanent importance to be dealt with on a piecemeal basis or to be postponed.

Australia's war effort entitled her to be recognized as a party principal in the peace settlement. Australia has earned this position by her war effort which, in General MacArthur's words, "contributed immeasurably" towards Pacific victory.

Australia accepts the democratic principle that despite their varying contributions to the common victory all nations which played any substantial part in the Pacific war should be represented at the peace conference.

The voting procedure suggested by the United States (that is, two-third majority) is just and democratic and any attempt to apply the veto system would be unjust and must be resisted.

The peace settlement for Japan need not be a long drawn out affair, but could be completed early in 1948. Indeed its fundamentals have already been accepted in the basic policy formulated in the Far Eastern Advisory Commission and later confirmed in substance by the present Far Eastern Commission which was a development of the broad principles of the Potsdam declaration. The foundations of the peace have also been laid through the constructive pioneer work already performed in Japan by General MacArthur, as a result of which military disarmament is now practically completed.

The basic policy of the Far Eastern Commission prescribed certain measures which were the physical disarmament of Japan, the removal of militarist and Fascist elements, the trial and punishment of war crimes and the destruction of Japan's capacity to wage war.

The basic policy of the Far Eastern Commission also laid emphasis upon the positive tasks of building a peaceful and democratic Japan. This called for reform of the social, political and economic life of Japan. For example, trade unions should be actively encouraged and the educational system liberalized. These positive tasks are necessarily long-term in character.

The settlement must take account of South and East Asia and the Pacific as a whole. A peace should be established in accordance with the objectives of the United Nations Charter—a peace which should give security from future aggression and at the same time help to raise the standards of living of all the peoples of South and East Asia and the Pacific. The gradual economic development of Japan should be part of a general plan for the economic betterment of East and South-East Asia and the Pacific as a whole. It would be unjust if her population obtained privileges and benefits denied to the countries which she has devastated.

In order to achieve these objectives, an Allied supervisory authority should be established in the treaty of peace in order to consolidate the important gains already made and ensure a bona fide observance of the treaty provisions and especially to prevent any re-establishment of a war potential. In addition, the supervisory authority should have as one of its functions, the co-ordination of the Japanese economy with those of the Pacific and East Asiatic regions.

The future of Japan depends first upon the determination of the Allied Power to pursue vigorously the objectives laid down by the Far Eastern Commission, and secondly upon the energy, sincerity and co-operation of the Japanese themselves in carrying out the great reforms already planned.

The peace treaty should therefore be not vindictive but just and firm. Australia desires to achieve by democratic procedures of peace-making a stable and lasting peace in the Pacific based on security from aggression and the welfare of all Pacific peoples. This great objective will be assisted if the peace conference is expedited, thereby furnishing an example of Allied co-operation which should also assist in the final European settlement.

"Cabinet expressed satisfaction with the progress made in connexion with the Japanese peace settlement, as a result of Dr. Evatt's recent mission to Japan and gave approval to the general principles and purposes to be followed and the democratic procedures proposed for the peace settlement".

JAPAN—BRITISH COMMONWEALTH CONFERENCE.

On 26th August, 1947, the British Commonwealth conference met at Canberra. The following communiqués were issued:—

August 26th: Discussions at the conference are of a provisional character and are for the purpose of exchanging views between the nations represented. The subjects to be discussed for this purpose will be—

1. Procedure—The proceedings and machinery for making the peace settlement with Japan, including composition: level of representation: time: place: voting: time-table for peace settlement procedure: subsequent procedure.
2. Basic objectives of settlement.
3. Territorial provisions.
4. Disarmament and de-militarization.
5. Political provisions.
6. Economic and financial provisions.
7. Reparations.
8. Machinery for enforcement—arrangements for termination of occupation: control organization (composition, manner of voting, place of meeting, executive action, relation to United Nations): termination.
9. Form of peace settlement (one instrument or two: participation of Japan; coming into force; adherences.)

August 26th: At the short afternoon session, there was a general exchange of views on Peace Conference procedure including the system of voting. In the course of the discussion on the latter subject, views were expressed on the United States proposal that decision at the Peace Conference should be by a two-thirds majority.

The consensus of opinion was that the first meeting of the Peace Conference should be held as soon as possible. It was also the general understanding that the initial conference should be on a Governmental or policy making level.

August 27th: To-day's sessions were devoted to an examination of the basic objectives of the settlement and the territorial provisions that should be incorporated in the peace treaty. Consideration of these problems was simplified by the existence of the statements made at Cairo, Yalta and Potsdam. Allied agreement on fundamental principles had also been reached on the basic policy and other policy decisions of the Far Eastern Commission.

An examination of these documents shows that there will be no complicated frontiers to define in the Japanese Peace Treaty since Japanese territories are all insular. The Potsdam Declaration states specifically the 'Japanese sovereignty

shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor islands as we determine'. It will be for the Peace Conference to decide which of the minor islands shall remain under Japanese sovereignty.

Against this background, the delegations exchanged views on certain strategic aspects of the changes proposed and on its effect on the economy of Japan and heard statements from the commander-in-chief of the British Commonwealth Occupation Force (Lieutenant-General H. C. H. Robertson), the Assistant Undersecretary in the British Foreign Office (Mr. M. O. Denning), the head of the Canadian diplomatic mission in Tokyo (Dr. E. H. Norman) and the Australian representative on the Far Eastern Commission (Major J. Plimsoll) on the military, social, political and economic development of Japan under the occupation and on the prospects for the post occupation period. Stress was laid on the great contributions these territorial changes will make towards preventing a recurrence of Japanese aggression, as they will deprive Japan of vital military, naval and air bases and control of certain essential raw materials".

August 28th: The discussion of the disarmament and demilitarization of Japan was completed. Delegates expressed the view that Japan should remain completely disarmed and demilitarized, that all armament manufacture should be forbidden, and that internal order should be maintained by a non-military police force.

Conference examined in detail measures that might be necessary to ensure that the Japanese should not be permitted at present to conduct research in the field of atomic energy or to develop or use atomic energy.

Complete prohibition of the building of any kind of naval vessels, as decided on by the Far Eastern Commission, and the limitations that should be imposed on the operation of Japanese commercial shipping confined to insular trade were discussed. Views were also exchanged on the question of the control to be exercised over the future of civil aviation in Japan. It was felt that manufacture of aircraft should be completely prohibited in Japan.

Conference has devoted a great deal of time to the subjects of the disarmament and demilitarization of Japan because of their extreme importance in securing a stable peace in the Pacific.

Conference considered the principles of the political provisions that should be incorporated in the Peace Treaty. It paid particular attention to the present Japanese Constitution which carried out many of the principles which the Allied Powers would like to see permanently in effect in Japan such as the guarantee of fundamental human rights.

Among other subjects dealt with was the exclusion from public office of persons who had been removed because of their ultra-nationalistic and militaristic affiliations, and Conference considered ways and means of continuing to exclude those who remained undesirable.

Other subjects discussed were the Japanese Public Service, education, ultra-nationalistic societies, special police and para-military organizations. These subjects are already dealt with to some extent in the Potsdam Declaration and in the Basic Policy and other Policy Decisions of the Far Eastern Commission, and discussion of these subjects was, therefore, facilitated by the consideration already given to them and by the wide area of agreement that had already been achieved on these subjects among the eleven members of the Far Eastern Commission.

Conference took note of the steps taken by the Supreme Commander and the Japanese Government to dissociate Shinto from the Japanese State. It was evident that the pre-war system of providing State subsidies for Shinto shrines, clergy, and organizations should not be resumed after the Treaty.

Conference considered matters relating to treaties between Japan and other nations and the precedents set in the treaties with Italy and the satellite powers were carefully examined. In this connexion, Conference considered the question of the admission of Japan to the United Nations and the International Court and to such bodies as the Food and Agricultural Organization and the International Labour Office.

It was suggested that Japan should renounce all rights and interests both public and private located outside Japan and that these would be expropriated by local administrations.

Conference devoted attention to means by which Japanese who had co-operated with the occupation authorities would be given full protection against victimization after the Allied Forces were withdrawn. It seemed obvious that

full legal validity should be given to all acts of Japanese nationals done in accordance with directions or policies of the occupying authorities, and also that full legal validity should be given to acts of the occupying authorities whether before or after the coming into force of the Peace Treaty. Conference discussed various suggestions for giving effect to this.

August 29: Conference devoted most of its time to a consideration of economic aspects of the Peace Settlement. A key problem was that of devising security restrictions which would achieve Allied objectives and at the same time permit Japan to sustain herself. It was recognized that if the nature and degree of the restrictions made a workable Japanese economy impossible, the Allied powers would inevitably be faced with either the need to subsidize the Japanese economy or the development of conditions in Japan which would be inimical to the establishment of democracy. It was accordingly felt that, subject to the over-riding requirement of security, it would be in the long-term interests of the Allied powers that the Japanese economy should stand on its own feet.

Conference gave a great deal of attention to the security controls necessary, following its deliberations yesterday on disarmament and demilitarization. It seemed to be the general view that the economic restrictions imposed should be of a kind which would be capable of clear definition and ready enforcement and that they should not be multiplied unnecessarily. It was suggested, for example, that the sort of controls that might be imposed would be the prohibition of production in some industries of strategic importance; the limitation of production and productive capacity to definite levels in certain other key industries; such prohibitions and restrictions to be supplemented by appropriate import controls.

Delegates felt that, within the scope of the considerations of security, treaty provisions should be designed to assist the removal of the causes of low standards of living and economic instability and that provision should be made for acceptance by the Japanese Government of minimum international standards in industrial and commercial conduct.

It was also recognized that effective democratic growth in Japan must be based on sound economic conditions and related to changes in the distribution of economic power. Otherwise there was a danger that the constitutional changes brought about in Japan would lose their significance and the former governing and monopolist classes might re-assert their authority, possibly in indirect and concealed ways. In the light of this approach, Conference examined such matters as trade unions, land reform and the dissolution of the Zaibatsu (the banking and financial combines which formerly controlled a large part of Japan's industrial power).

Conference noted the growth in trade unions since the surrender and the statement of principles which was laid down last year by the Far Eastern Commission (the membership now being 5,000,000) and it seemed to be generally felt that some provisions should be made in the treaty to preserve the right of workers' association and to afford opportunity for the continued growth and activity of trade unions.

Conference noted the steps taken so far by the Supreme Commander and the Japanese Government to dissolve the Zaibatsu and stress was laid on the necessity for confirming this task.

It was further represented that, to prevent unjustifiable exploitation of labour, especially child labour, dumping, abuse of patents and trade marks and discrimination against foreign firms and interests, Japan should be compelled to comply with the obligation of international bodies operating in the economic field which were deemed appropriate, for example, some of the conventions of the International Labour Office.

Conference turned to the question of reparations and discussed the various categories that might be made available to claimant countries, and examined the factors involved in the light of the Potsdam declaration.

September 1: Conference completed its discussions on the supervisory machinery that should be established in Japan to implement the terms of the Peace Treaty. Conference discussed such matters as the composition, method of voting, functions, powers and means of enforcement of the supervisory body. No detailed proposals were considered.

On 2nd September, 1947, Dr. Evatt said—

"We can look back on the week's work with great satisfaction. We have all worked together towards the attainment of our common aim, the establishment of a just and lasting peace in East Asia and the Pacific. It has been a great pleasure to preside over the first conference to include a new India, a new Dominion of Pakistan, and Burma. These states share the desire of all of us for freedom and democracy, and in their great tasks they will have the full support of all other members of the British Commonwealth.

"We came here as separate sovereign states to exchange views in order to understand more clearly one another's policies, rather than to commit ourselves to a specific solution to a great problem. But more important than mere formal agreements is the spirit which animates us all. We want a settlement that will be the basis for a stable peace in the Pacific, free from the threat of Japanese aggression. We want to encourage democracy in Japan. We do not desire to prejudice future peace by yielding to mere resentment and vindictiveness. The restrictions we desire to impose on Japan and its economy are those necessary in the interest of security. In curbing effectively and permanently Japanese ability to wage war, we must at the same time leave her an outlet for peaceful development. But at the same time we have taken account of the difficulties of the peoples who suffered at Japanese hands.

"The future of Japan is not an isolated problem but one which must be approached in relation to its neighbouring States and to the world as a whole. The solution can lie in a comprehensive international effort to raise standards of welfare throughout the whole of Southern and Eastern Asia and the Pacific. Japan must contribute her utmost towards raising those standards; and if she does so she will share in the improvement. Australia does not want Japan to become a starvation area in the Far East, nor does Australia want the Far East to be a starvation area in the rest of the world. In making the peace settlement, we should not devote our attention exclusively to the defeated nation.

"That is the basis for a realistic and, I believe, a statesmanlike peace. I believe that these views are shared by the United States, whose vast war effort contributed so much to winning the Pacific war, and by General MacArthur, under whose leadership the threat of Japanese invasion was flung back from Australia and the occupation of Japan successfully undertaken.

"The great desire of the peoples of the whole world to-day is peace. To-day there is neither war nor peace. Our efforts to establish a better international order, based on the United Nations, will be held back if we do not speedily make peace and conclude settlements which will form the basis for world recovery and development. The peoples of the British Commonwealth and their Governments here represented are striving to bring about an early settlement with Japan based on justice and achieved by democratic methods."

Delegates to the conference were:

AUSTRALIA.—The Minister for External Affairs (Dr. Evatt), the Minister for Defence (Mr. Dedman), and the Minister for Commerce (Mr. Pollard).

BURMA.—The Minister for External Affairs (Thakin Lun Baw), and the Secretary of the Department of External Affairs (U. Shwe Baw).

CANADA.—The Minister for Defence (Mr. B. Claxton) and the High Commissioner to Australia (Mr. K. A. Greene).

INDIA.—Sir B. Rama Rau and the High Commissioner to Australia (Sir Raghunath Paranjpye).

NEW ZEALAND.—The Prime Minister (Mr. Fraser) and the High Commissioner to Aust (Mr. J. G. Barclay).

PAKISTAN.—Mirza Mohammed Rafi.

SOUTH AFRICA.—The Minister of Justice (Mr. H. Lawrence).

UNITED KINGDOM.—The Minister for British Commonwealth Relations (Viscount Addison) and the Minister of State (Mr. H. McNeill).

SHIPBUILDING.

DE-REQUISITIONING—OPERATION.

On 7th August, 1947, the Prime Minister (Mr. Chifley) said—

"General de-requisitioning of vessels now controlled by the Commonwealth Government through the Australian Shipping Board under the administrative direction of the Minister for Shipping (Senator Ashley) by powers conferred upon National Security (Shipping Co-ordination) Regulations will commence on 18th August, 1947, from which date also increases in freight rates of many cargo items will become operative. With some few exceptions, ships will be de-requisitioned as they come into position for re-delivery to owners. The exceptions will, for the present, include some intrastate shipping in respect to which negotiations are continuing.

"After the outbreak of war, a number of Australian passenger and other vessels were taken by the Government for the direct use of the armed services, and the bulk of the remainder of the Australian Mercantile marine was requisitioned in 1941 under National Security (Shipping Control) Regulations. The Shipping Control Board, appointed under the regulations, succeeded later by the Australian Shipping Board, was given wide powers to direct the trade in which the requisitioned vessels would engage, and to govern the rates of freight chargeable.

"In 1943, it was decided that close collaboration was essential with the Commonwealth Prices Commissioner in relation to freight rates and the shipping regulations were amended. With minor exceptions, the freight rates prevailing on 12th April, 1943, have remained unchanged.

"Since 1943 there have been heavy increases in costs under any headings and the Commonwealth Government, as part of its general plans for price stabilization, has met the difference between the revenues received and costs incurred in the chartering and operating of the requisitioned vessels. A review has been made to ascertain the extent to which the revenue from freights will require to be increased to enable shipowners to operate their vessels at a reasonable profit

level on the requisitioned vessels being released from control under National Security (Shipping Co-ordination) Regulations—and it is apparent that substantial freight increases are inevitable.

"The Government has decided to permit increases on a large number of cargo lines and to continue for the present a governmental subsidy on freights in respect to certain other goods. The freight increases, whether to be met by shippers directly or by the Government as subsidy, are very considerable. The extent of the increases—about £2,000,000 a year—cannot be stated in the form of a percentage on the 1939 rates or on the 1943 rates as they cover many different lines and vary with different trades.

"The schedule has been carefully worked out by government officers and shipowners in collaboration and the Government is satisfied that the additional rates approved and necessary to enable shipowers to pay their way and earn a reasonable profit on their coastal shipping operations. Owners have shown no anxiety to increase freights unnecessarily but are conscious of the competition, actual and potential, from other forms of transport, and of the fact that costs cannot rise steeply without danger to their industry. Details of the approved increases and of the cargo items eligible for freight subsidy will be published.

"Specific increases which the Government will subsidize for the present include coal and sugar. Other items eligible, under certain approved conditions, for Government subsidy are breakfast foods, dried and processed fruit, invalid and infants' food, milk products, stock foods, textile and clothing (excluding floor coverings and furnishings) and timber. These items are illustrations and the commodities named are subject to precise definitions.

"The Government will not subsidize limestone, barley, produce, steel products or general cargo not specifically provided for. The cargo items eligible for subsidy have been selected in relation to the Government's overall economic policy.

"The Government is giving no undertaking as to how long it will continue to contribute to the shipping freight costs of goods now designated as eligible for subsidy under approved conditions. The Government will also keep under review the general level of shipping freight rates with a view to revision if it should become apparent, after a reasonable period of experience, that this is necessary in the interests of shippers, shipping operators, or the national economy.

"In common with every other country, Australia suffered from tonnage shortages during the war and since. The Australian coastal fleet has been augmented during the war by Australian-built ships and by tonnage chartered from Britain and other countries. It is still necessary to retain on charter a considerable number of British vessels, mostly engaged in the coal and bulk iron ore trades, and the local shipbuilding programme is continuing.

"Ships under the direction of the Australian Shipping Board including the requisitioned ships, have been operated as if they were one fleet. Traffic committees, on which government officers and representatives of the shipping companies met, considered total shipping resources in relation to cargo accumulations and the necessity for according priorities to most needed goods. A principal objective is to get full loads for ships and the necessity to use vessels to their utmost capacity naturally makes it extremely difficult to arrange for regular services and this movement will doubtless continue. Before deciding to de-requisition coastal vessels, the Government has sought assurances from shipowners that co-ordinated direction of traffic will continue while the necessity remained. Owners have volunteered full co-operative and assistance and a committee representative of owners and of the Commonwealth Directorate of Shipping will continue the overall direction of ships in relation to the country's needs.

"I pay tribute to the assistance received during the war years, and later, from the British Government. Australia contributed its resources without reserve to the common pool and had been supported generously by the British Government. Valued assistance at emergency periods had been given by the United States War Shipping Administration. I can speak highly of the expert and willing assistance given to the Commonwealth Government by the Australian shipping companies."

(For earlier references, please see No. 126, page 41; No. 128, page 30.)

PRICES.

GOODS "DECLARED"—SCHOOL FEES, REVOCATION.

On 7th August, 1947, the Minister for Customs (Senator Courtice) announced that fees charged by religious, scientific, charitable or educational institutions had been removed from National Security (Prices) Regulations.

GOODS "DECLARED"—TAXI FARES, REVOCATION.

On 7th August, 1947, Senator Courtice announced that fares charged for buses, taxis and hire cars operating within a State had been released from National Security (Prices) Regulations.

ORDER OF PRECEDENCE.

NEW TABLE ANNOUNCED.

On 7th August, 1947, the Governor-General announced that the King had approved of the following Commonwealth Order of Precedence:—

1. The Governor-General (includes officer actually administering the Government of the Commonwealth).

2. Governors of States (or Lieutenant-Governors of States when administering the Government), according to the population of their respective States; the Governor of a State to have, within its territory, precedence next to the Governor-General. (A Lieutenant-Governor, who is not also Chief Justice, shall, when not administering the Government, rank with the Chief Justices of the States.)

3. The Prime Minister (or Acting Prime Minister).
4. (*a*) Foreign Ambassadors.
(*b*) Foreign Ministers and Envoys.
5. Federal Executive Councillors under summons to the Council.(*a*)
6. The President of the Senate.
7. The Speaker of the House of Representatives.
8. High Commissioners in Australia for His Majesty's Governments elsewhere. (NOTE.—Precedence *inter se* of such High Commissioners shall be:—(1) United Kingdom, (2) Canada, (3) New Zealand, (4) South Africa, (5) India, (6) Eire).
9. Privy Councillors.
10. Chief Justice of the High Court.
11. Judges of the High Court of Australia, according to seniority.
12. Senior Officers in command of the Naval, Military and Air Forces of the Commonwealth, according to seniority in their respective Services.
13. Premiers of States, according to the population of their States.
14. Chief Judge of the Commonwealth Arbitration Court.
15. Other Federal Judges according to the date of appointment.
16. Chief Justices of States, according to the population of their respective States.
17. Members of the Senate.
18. Members of the House of Representatives.
19. Heads of Churches.
20. Executive Councillors of States under summons, according to population of States. Those of each State in a body, according to the population of their States.
21. Presidents of Legislative Councils of States, according to population.
22. Speakers of Legislative Assemblies of States, according to population.
23. Members of Federal Executive Council (not under summons).
24. Consuls-General.
25. Knights of the various Orders and Knights Bachelor according to their precedence in the United Kingdom.
26. Executive Councillors of States not under summons, ex-Ministers of States, and gentleman authorized to retain the prefix "Honorable".
27. Judges of the Supreme Courts of States, according to the date of appointment.
28. Members of the Legislative Councils of States, according to the population of their States.
29. Members of the Legislative Assemblies of States, according to the population of their States.
30. Mayors of Capital Cities, according to the population of their States.
31. The wives of the foregoing to enjoy the precedence of their husbands.
32. In the absence of any special instruction from the King, the precedence of persons entitled to precedence in the United Kingdom or other parts of the Empire, or in foreign countries, in relation to the abovementioned Officers to be determined as a matter of courtesy by the Governor-General.

N.B.—The observance of the list at Commonwealth functions in any State should, as regards the precedence *inter se* of the Officials of that State, be subject to any modifications rendered necessary by existing laws in that State.

(*a*) the summons means the summons issued by the Governor-General or by the Secretary of the Executive Council from time to time to attend meetings of the Executive Council. It does not mean the appointment of the office of Member of the Executive Council.

(For earlier references, please see No. 105, page 60.)

NETHERLANDS EAST INDIES.

POLICY—MEDIATION.

On 7th August, 1947, the Prime Minister (Mr. Chifley) said—

"I refer to reports of an American offer to mediate in the Dutch-Indonesian dispute.

"The decision of the Security Council was that the two parties should cease hostilities and then submit to arbitration or other peaceful means of settling the dispute. When that decision was taken by the

Security Council, it was interpreted by the Australian Government as meaning that the two parties would submit their case to an arbitrator who would give a decision which would be binding on the two parties, the arbitrator acting as an agent for the Security Council. Consequently, any offer merely of good offices does not adequately meet the situation.

"Reports are current that Republican authorities do not find mediation acceptable, nor do they find the good offices of only one country acceptable. While it is understood that the Netherlands Government had accepted the American offer, it must be accepted by both parties before negotiations can commence. It might be recalled that previously the Indonesians accepted the good offices of Britain, the United States, and Australia, which were put forward separately, but these, at that time, were not acceptable to the Netherlands authorities.

"The present situation is full of dangers as, while there is a truce, there is no negotiation or contact between the two parties, and incidents are likely to occur each day which might make negotiations more difficult. The period between the cessation of hostilities and the commencement of negotiations should be as short as possible.

"If both parties consider it would help to terminate this interim period and to commence negotiations immediately, the Australian Government, for its part, will be prepared to act jointly with the United States Government in a capacity of mediator and arbitrator. This offer is made in the spirit in which the Australian Government raised the matter in the Security Council—that is in a spirit of impartially and with only one desire, to see, as soon as possible, a peaceful settlement of the prolonged dispute in the Netherlands East Indies".

(For earlier references, please see No. 128, page 32.)

CIVIL AVIATION.

I.C.A.O.—REGULATIONS.

On 8th August, 1947, the Minister for Civil Aviation (Mr. Drakeford) announced that Australian air navigation regulations had been revised to bring them into line with the Chicago Convention, and to give effect to recommendations and decisions of the International Civil Aviation Organization created under that convention. The new regulations came into force on 10th August, 1947.

SOUTH PACIFIC AIR TRANSPORT COUNCIL—SECOND MEETING.

On 14th August, 1947, Mr. Drakeford said that the second meeting of the South Pacific Air Transport Council, which had concluded that day, had had as its chief task the policy for the conduct of British Commonwealth Air Services in the Pacific area and consideration of the reports of British Commonwealth Pacific Airlines and Tasman Empire Airways Ltd. The Council had agreed to the composition and

functions of the Trans-Pacific Committee and the Trans-Tasman Committee and had drawn up directives which would govern Tasman Empire Airways and British Commonwealth Pacific Airways in the operation of their services. It was agreed that the companies should be left the greatest initiative in the day-to-day management of their affairs in line with the Government's over-riding interest in matters of major policy and finance.

The meeting agreed that British Commonwealth Pacific Airlines Ltd. would begin its operations of the Trans-Pacific service early in 1948 with the Skymaster aircraft already being operated on its behalf by Australian National Airways over the route. Arrangements were being made for orders to be placed for four "Solent" flying boats for Tasman Empire Airways.

Council reviewed the fare on the air service between New Zealand and Australia and agreed that certain reductions should be made.

Council received a report from the Australian delegation regarding the operation of regional services from Australia in the area to Fiji and West 170° E. Regional services operated by New Zealand were still in the hands of the Royal New Zealand Air Force but it was expected that by 1st October, 1947, those services would be taken over by New Zealand National Airways Corporation.

The rival claims of Nadi and Nausori as Fiji's international airport had proved a problem. A commission of the interested governments had been appointed to investigate the matter in Fiji in February, 1948.

(For earlier references, please see No. 117, page 3; No. 122, page 40.)

INTERNAL ROUTES—INTRA-STATE SERVICES, PREMIERS DISCUSS.

On 21st August, 1947, the conference of Commonwealth and State Ministers considered a submission by the Minister for Civil Aviation (Mr. Drakeford) requesting the State to consider afresh the question of expressly authorizing the Commonwealth instrumentality to engage in intra-state aviation on a permanent basis and asked those States that were unwilling to transfer full powers to authorize Commonwealth airlines to operate intra-state services under the same conditions as private operators. The Premiers explained the position in their respective States, but no agreement was reached on the proposal.

REVIEW OF OPERATIONS, 1946-47.

On 28th August, 1947, Mr. Drakeford said that in 1946-47 Australian airlines did record business.

Passengers increased by almost 70 per cent. on 1945-46, while freight carried increased by 145 per cent. On internal air transport services 860,111 passengers were carried, nearly nine times the 1938-39 total of 99,511. Total weight of freight carried was 12,247 tons, compared with 693 tons in 1938-39.

BRITISH-AUSTRALIA SERVICE—QANTAS, AGREEMENT: DIRECTORS.

On 5th September, 1947, Mr. Drakeford announced that Messrs. A. R. McComb and D. McVey had been appointed members of the board of directors of Qantas Empire Airways Ltd.

(For earlier references, please see No. 128, page 26.)

WAR CASUALTIES.

ROYAL AUSTRALIAN AIR FORCE.

On 11th August, 1947, the Minister for Air (Mr. Drakeford) said that the latest Royal Australian Air Force casualty list, containing the names of seven personnel formerly reported missing and now presumed dead, would be one of the last of its kind. Only sixteen more cases of missing remained to be cleared up.

PRIMARY INDUSTRIES.

DAIRY INDUSTRY—MILK, STATES CONTROL.

On 12th August, the Prime Minister (Mr. Chifley) said—

"I have communicated with the State Premiers asking them to resume control of milk prices from 1st October, 1947.

"In October, 1945, the Commonwealth provided producers with a guarantee of subsidy and prices. This afforded a stability to producers' returns during a difficult transitional period in the industry and prevented increases in retail prices. In addition, special payments have been made to producers who experienced adverse seasonal conditions at various times. The total cost of maintaining stable retail prices in the last two years approximated £4,500,000.

"The sudden removal of a subsidy of this magnitude might cause an appreciable increase in the price of milk, which would be undesirable not only because of the effect on the cost of living but also because it might reduce consumption of a highly nutritional food. The Government has decided to continue a modified subsidy scheme to be operated by the States. The amount of subsidy available will be calculated at 4d. a gallon on milk consumed in metropolitan areas during the six 'off-season' months of the year, and in country areas now receiving subsidy at two-thirds of present rates (excluding drought relief). Present subsidy rates vary considerably according to State locality and period of the year, but the new scheme represents overall a subsidy of about two-thirds of the old scale.

"The States will not be required to distribute the subsidy on any particular basis but can choose their own methods. The only conditions are that the subsidy will be used for the benefit of consumers of whole milk and that a satisfactory control of prices operate in areas receiving the benefit of subsidy. The arrangement will operate for twelve months.

"In all States, except Tasmania, milk boards have been established with authority to control the supply, distribution and price of milk in metropolitan areas. The action now taken will restore to those authorities their previous powers, and give the States an appreciable subsidy to cushion the effect of any price rises that may be necessary as a result of the transition from Commonwealth to State control. As the amount of subsidy will be less than formerly, some price increases may be necessary but the extent and duration of any price increases will depend on the method by which the subsidy is used by the States. The change-over has been timed to coincide with the 'flush' season in most States, when subsidy payments are usually at the lowest levels."

(For earlier references, please see No. 111, page 8; No. 123, page 4.)

DAIRY INDUSTRY—CREAM CONTROL, RE-IMPOSITION.

On 14th August, 1947, the Minister for Agriculture (Mr. Pollard) announced that a new Cream (Disposal and Use) Order would operate on 1st September, 1947.

Under the new order, cream might be used only for the manufacture of butter and cheese at a registered or licensed dairy factory, at the farm where the cream was produced or under the authority of and in accordance with the terms and conditions of a permit. The use of cream for pastry cook and similar purposes would cease. Hospitals and like institutions and manufacturers of ice-cream should apply for a permit to obtain cream. Issue of permits to sick persons would be confined to persons suffering from duodenal or peptic ulcer, ulcerative colitis, or typhoid fever or other prolonged fevers, or active pulmonary tuberculosis.

The Commonwealth Government had in mind an extra 3,000 to 5,000 tons of butter for shipment to Britain and a quick survey of the quantities of cream being sold for use as such indicated that that quantity would be available if the public co-operated and did not seek ways and means of circumventing the restriction on the disposal and use of cream.

(For earlier references, please see No. 120, page 15.)

POULTRY INDUSTRY—EGG CONTROL.

On 15th August, 1947, Mr. Chifley said—

"Extension of the period of Commonwealth control over eggs to 31st December, 1947, was approved in May, 1947, to facilitate the formation of an Australian-wide Egg Marketing Organization.

"The Minister for Agriculture (Mr. Pollard) reported to Cabinet to-day on recent discussions of the Australian Agricultural Council. Cabinet approved the distribution of surplus funds resulting from the operations of the Commonwealth Egg Control scheme up to 30th June, 1947, to the States, in the ratio in which egg producers in the various States have contributed them, for the purpose of investment in the proposed Australian Egg Equalization Committee Ltd. to provide the

margin of security necessary to finance the scheme; in the event of no Australian-wide company being formed the distribution of these funds to be further considered; and providing the respective State Egg Marketing Board with some working capital and subject to a careful review of the financial position the sum of £100,000 is named for this purpose. Cabinet also approved the transfer of any profit made by the Controller of Egg Supplies during the period 1st July–31st December, 1947, to such authority (Australian Egg Equalization Committee Ltd.) or authorities (State Egg Boards) which have the responsibility for the marketing of Australian egg production subject to such funds being utilized for the maintenance of egg prices between January and June, 1948. If the transfer is to be made to State Egg Boards the funds are to be allocated on the basis of production for the period 1st July–31st December, 1947.

"Cabinet also approved of the preparation of a bill to be submitted to the Federal Parliamentary Labour Party to establish an Australian Egg Board with powers to control exports, to buy and sell eggs and to ensure that the long term contract with the British Government is observed."

(For earlier references, please see No. 116, page 6.)

POWER ALCOHOL DISTILLERIES.

On 16th August, 1947, Mr. Chifley said—

"Cabinet to-day considered a report by the Cabinet sub-committee on secondary industries on negotiations between the Commonwealth Government and the Colonial Sugar Refining Co. Ltd. concerning grain alcohol distilleries.

"Cabinet approved of an agreement with the Colonial Sugar Refining Co. Ltd. for the purchase of certain plant at Cowra, New South Wales, and Warracknabeal, Victoria.

"Cabinet authorized the Secondary Industries Commission to arrange for the utilization by industry of land, buildings and remaining plant and equipment at the Cowra; Warracknabeal; Wallaroo, South Australia; and Collie, Western Australia, distilleries through the Commonwealth Disposals Commission, the Contract Board and the Department of the Interior.

EXPORTS TO BRITAIN—POULTRY.

On 19th August, 1947, Mr. Pollard said—

"Australia will export £A.1,000,000's worth of frozen poultry to Britain in 1947. In the first seven months of 1947 the entire 1946 figure has been more than doubled, with 1,455 tons of boiler fowls, 587 tons of chickens, 446 tons of turkeys, 104 tons of ducks, totalling 2,592 tons valued at £A.673,305. Allowing for the seasonal drop in the next three months, the estimate for the twelve months is 4,000 tons."

CANNED FRUITS.

On 25th August, 1947, Mr. Pollard said—

"About 1,000,000 cases of canned fruits have been shipped by the Australian Canned Fruits Board to Britain from the 1946-47 pack, leaving 500,000 cases yet to be shipped. Australia had set aside the maximum quota of canned fruits for Britain during the current year. From the 1945-46 pack, shipments to the Ministry of Food were 977,300 cases."

GIFTS.

On 26th August, 1947, the Postmaster-General (Senator Cameron) said that food parcels which proved to be undeliverable in Britain were shipped back to Australia and returned to the senders. It had been agreed with the British Post Office that, in regard to future postings of gift parcels containing only foodstuffs or soap, those which proved to be undeliverable would be treated as abandoned parcels and the contents distributed to the best advantage.

TALLOW.

On 29th August, 1947, Mr. Pollard said—

"Approval has been given for the export to Britain of 250 tons of edible beef tallow and 250 tons of edible mutton tallow. This is in addition to shipments of oleo sterine, an edible fat, obtained in the manufacture of industrial margarine, which has been exported freely to Britain."

RABBIT SKINS.

On 22nd August, 1947, Mr. Pollard said that rabbit skin exports in 1946-47 were approximately three times greater in weight and fourteen times greater in value than in 1938-39. Exports of rabbit carcases in 1947 would exceed pre-war figures.

CANNED MEAT.

On 25th August, 1947, Mr. Pollard said that nearly 40,000 tons of canned meat would be exported during 1947. The total included 25,000 tons under contract to the British Ministry of Food, 1,500 tons supplied to the Red Cross and other relief organizations, 1,300 tons likely to be required for international relief, and 1,059 tons required for service use, leaving an estimated 11,000 tons for private export. The figures did not include canned meat sent in gift parcels to Britain, estimated at 1,000 tons. The overall ceiling permitted by the Rationing Commission for canned meat production for 1947 was about 48,000 tons. The quantity left for local trade would be about 10,000 tons. Pre-war production of canned meat in Australia had never reached a third of the 1947 estimated total.

SUGAR AGREEMENT, REVISION.

On 4th September, 1947, Mr. Chifley said—

"The Commonwealth Government has agreed in principle to the request recently made by the sugar industry for a variation in the Sugar Agreement to enable the wholesale price of sugar to be increased by £4 2s. 8d. a ton (½d. per lb. retail).

"I have consulted with the Premier of Queensland (Mr. Hanlon) regarding the matter and we agreed to recommend to the respective Parliamentary Labour Parties that legislation be introduced for this purpose.

"The retail price of sugar in Australia has existed at 4d. a lb. capital cities since 1933, despite greatly increased costs of production in recent years. The increase in price will enable these increased costs to be met and will assist in rehabilitating the industry whose production has fallen to low levels and whose capital equipment has greatly depreciated during the war.

"The increase in the wholesale price of sugar will allow retailers an additional 10s. 8d. a ton and wholesalers an additional 1s. 8d. a ton profit.

"The increase in price will not take place until the Sugar Agreement has been signed between the two Governments and the Commonwealth Parliament has passed an amending Sugar Agreement Act.

"The temporary shipping freight subsidy on sugar will be withdrawn when the increased price come into operation.

"There are other aspects concerning which I will have to consult with Mr. Hanlon before the revised agreement is finalized."

(For earlier references, please see No. 112, page 30.)

HOUSING.

COMMONWEALTH-STATES AGREEMENT—COSTS AND STANDARDS.

On 13th August, 1947, the Minister for Housing (Mr. Lemmon) released details of the report on State housing authority standards and methods prepared by the Deputy Director of Housing (Mr. L. P. D. O'Connor), who undertook the investigation as a result of a decision by the Premiers Conference that an official should confer with each State to ascertain whether helpful suggestions of mutual benefit could be made to reduce costs of dwellings erected under the Commonwealth-States Housing Agreement. Mr. O'Connor had found that the main reasons for the present increased costs of Government sponsored housing over pre-war were—

Shortages of building materials, increased labour, increased costs of materials, reduced productivity of labour, time taken to complete dwellings, greater overhead, larger profits and lack of competition among contractors.

Mr. O'Connor suggested a number of economies in the construction practices of the States, the chief being—

Reduction in number of plan types, use of brick-on-edge for the inner leaf of external walls and for internal partitions, construction of brick veneer dwellings, reduction in size of timber structural members and elimination of front fences and side fences to building line.

Dealing with disparities between the States in building costs of government-sponsored housing, Mr. O'Connor found that costs per square for an 1,100 square feet single-brick dwelling given for June, 1947, by State housing authorities were—

Sydney, £140; Melbourne, £132; Brisbane, £131; Adelaide, £110; Perth, £95; Hobart, £112 (timber—no brick dwellings being erected).

The value of suggested economies according to States ranged downwards from £157 in regard to brick dwellings and from £112 downwards in regard to timber. Economies suggested by the Commonwealth to the States, if applied to the programme under the Commonwealth-States Housing Agreement for 1947-48 would, it was estimated, represent a saving of £1,400,000. The report stressed the need for constructing houses in large estates and letting contracts where possible for 500 houses at a time.

(For earlier references, please see No. 118, page 36; No. 122, page 28.)

COMMONWEALTH-STATES AGREEMENT—COSTS AND STANDARDS, PREMIERS CONFERENCE DECISION.

On 21st August, 1947, the conference of Commonwealth and State Ministers decided—

"That conference notes that clause 4 of the Commonwealth and States Housing Agreement 1945 has been implemented by the adoption of the standards agreed on at the February, 1947 conference of Commonwealth and State officers.

"Conference notes receipt of report on economies by Mr. L. P. D. O'Connor and desires the matter reviewed in detail at the annual conference of housing officers in January, 1948. Meantime, all States undertake to carry out to the fullest extent practicable, the economies suggested in that report."

RECONSTRUCTION.

TRADE AND EMPLOYMENT—PREPARATORY CONFERENCE, AUSTRALIAN DELEGATION.

On 13th August, 1947, the Prime Minister (Mr. Chifley) said—

"My attention has been drawn to a number of statements on what the Australian Government has decided or may be expected to decide in the course of its consideration of the trade negotiations now proceeding at Geneva. The position in regard to these negotiations is quite fluid. They have not yet reached the stage where it is practicable to assess the balance of possible trade benefits and concessions.

"The Cabinet sub-committee is keeping in constant touch with the progress of the negotiations but in the circumstances has not yet formed even a tentative view as to possible recommendations to the Government.

"With regard to the negotiations with the United States, the Australian delegation, has, in view of the offer of a reduction in the wool duty, been authorized to re-open negotiations. The Australian delegation has also been asked to furnish further information regarding the offers and responses on a number of other commodities. This has not yet been received.

"In the circumstances, any statements regarding the attitude of the Government in respect of tariff offers and responses should be treated with caution. When possible the Government will make an official announcement in the matter."

(For earlier references, please see No. 124, page 5; No. 125, page 9; No. 126, page 20; No. 127, page 3.)

GOVERNMENT'S PLANS—REGIONAL DEVELOPMENT, SNOWY RIVER REPORT.

On 15th August, 1947, the Minister for Works (Mr. Lemmon) released a report on the diversion of Snowy River. Mr. Lemmon said—

"Shortages of power exist in New South Wales and Victoria, and there is a need to provide for the rapidly increasing demand brought about by continuous industrial development. It could be met by exploiting the full potentialities of the Snowy River and the costless reservoir of snow which forms its source. If developed to its maximum, power for Victorian and New South Wales requirements can be ensured for many years to come, as well as furnishing water for an extension to existing irrigation systems. Diversion of black coal to other States for general industrial purposes would then be possible.

"Full power development is possible only if the Snowy River is diverted initially to the head waters of the Murray River, but the report points out that it would be possible, if considered advisable, to divert the water again from the lower Murray to the Murrumbidgee Valley for irrigation purposes.

"If this unique natural asset is developed to its fullest advantage, 300,000 acres of intensely irrigated land can be served from the Snowy River, from which a gross annual return in the value of foodstuffs of at least £10,000,000 a year could be expected and, in addition, ultimately 750,000 horse-power produced. If, on the other hand, the waters be diverted direct to the Murrumbidgee River the same amount of irrigation can be undertaken, but the power developed would be at least 500,000 horse-power less. To make up this power about 1,300,000 tons of additional coal will have to be mined annually.

"From a commercial viewpoint the scheme would show profits of 8 per cent. after providing for working expenses and depreciation. This would be the expected dividend return if the scheme were to be

operated for profit, and would be a far higher yield than that shown by similar schemes run by utility companies here and overseas.

"The estimated cost of the Murray River diversion scheme, which includes a series of dams on the various tributary streams and on the Snowy and Murrumbidgee Rivers, with a tunnel 30 miles long under the Australian Alps to connect the Snowy with the Murray, and the electricity generating stations and power lines to Melbourne and Sydney with all equipment, may ultimately reach £65,000,000.

On 20th August, 1947, the conference of Commonwealth and State Ministers decided—

"That a committee be constituted, consisting of two representatives from the Commonwealth and two each from the States of New South Wales and Victoria, with power to co-opt such other assistance as may be needed from the three authorities, with a view to making a complete detailed investigation, the committee to report to a Premiers Conference as early as possible, but not later than twelve months hence."

"I hope that the States will, at least, agree to proceed immediately with the detailed investigation recommended. I feel that the report is so conclusive that it may well be accepted as proving the general feasibility and economy of the scheme, and that action may proceed immediately towards the diversion of the Snowy River to the Murray Valley, exploiting the waters to their maximum power capacity, without affecting the possibility of using them either in the Murray or Murrumbidgee Valleys to their fullest irrigation value."

(For earlier references, please see No. 102, page 15; No. 106, page 33; No. 115, page 21.)

NEW GUINEA.

WORKS MINISTER'S VISIT.

On 14th August, 1947, the Minister for Works and Housing (Mr. Lemmon) announced that he would visit New Guinea and Papua from 28th August, 1947, to 9th September, 1947, accompanied by the Director-General of Works (Mr. L. F. Loder). His department was preparing a major works programme in the territories. Many large works carried out by Allied forces during the war had been designed to last only a few years. The Commonwealth Government desired to maintain a number of installations as future assets, having in mind defence requirements and the development of the territories.

BRITAIN.

FINANCIAL POLICY—DOLLAR IMPORTS.

On 15th August, 1947, the Prime Minister (Mr. Chifley) said—

"A close watch is being kept by the Australian Government on all dollar imports, both United States and Canadian. The subject of sterling balances at London is being kept continuously under review.

"The problems facing Britain have been constantly discussed by the British Chancellor of the Exchequer (Dr. Dalton) and myself and by Dr. Dalton and the other Dominion Treasurers for over twelve months."

FINANCIAL POLICY—CABINET DECISIONS.

On 15th August, 1947, Mr. Chifley said—

"Cabinet to-night surveyed the economic position as it affects the United Kingdom and the position regarding dollar imports by Australia and Australia's sterling balances at London.

"Cabinet decided that there should be a severe rationing of the use of dollars for travel purposes and directed that a review be made of dollar expenditure on tobacco, motion pictures, and all imports of a less essential character and a re-examination of the newsprint importations.

"Cabinet also decided that there should be an overall reduction in petrol consumption to save 4,250,000 gallons a month. The reduction will be applied to private users to effect a 20 per cent. to 25 per cent. reduction in their ration, a reduction of 20 per cent. to 25 per cent. in the ration of private business users, a 20 per cent. to 25 per cent. reduction in the ration for pleasure boats and a 10 per cent. reduction in the ration for commercial users."

On 22nd August, 1947, Mr. Chifley said—

"Instructions have been issued to the Commonwealth Bank to impose severe restrictions on dollars advanced to all travellers.

"The film industry has been asked to meet the Commonwealth Government on 26th August, 1947.

"I have been in communication with the newsprint pool authorities and on 25th August, 1947, I will have a full review of newsprint imports from the Customs Department.

"The Customs Department will present a full review of all dollar imports to Australia, including tobacco.

"There is no need for the British Government to make any specific requests for restrictions on dollar imports because the Australian Government has always kept a reasonable check on the use of dollars. This check will now be very severe."

On 2nd September, 1947, Mr. Chifley said—

"Following consideration of the latest developments in the dollar crisis, Cabinet to-day decided on the following measures to reduce Australia's dollar expenditure.

Motor Chassis.—A cut of the order of 20 per cent. is to be made in the number of chassis approved for importation during 1948 as against the number approved for importation during 1947. The whole of this cut will be applied in the field of passenger car chassis and no reduction will be made in the chassis quotas for commercial vehicles. The detailed application of the cut to the various types of passenger car chassis is to be examined by an Inter-departmental Committee on which the trade will be represented. The most severe restrictions will be imposed on chassis for cars in the higher price ranges with possible total exclusion of certain makes.

Tobacco.—Import licences for American tobacco leaf are to be cut by 20 per cent. It is hoped that the reduction in releases of manufactured tobacco and cigarettes will be limited to about 10 per cent.

Petrol.—Cuts were announced following the meeting of Cabinet on 15th August, 1947, which were designed to achieve a saving of 10 to 12½ per cent. in current consumption. No further cuts are contemplated for the time being.

Newsprint.—A reduction of the order of 30 per cent. is to be made in newsprint import programmes.

Textiles.—Except for a few lines which are still in acute short supply, the issue of licences for the importation of textiles from dollar sources was temporarily suspended at the end of May, 1947. Cabinet decided that this policy should be continued for the time being pending completion of a comprehensive review of the supply position by the Rationing Commission.

Aircraft.—Apart from aircraft already on order, no further purchases of aircraft involving dollar expenditure will be authorized. Expenditure of dollars on spare parts for aircraft will also be closely supervised.

Capital Equipment and Raw Materials.—Machinery and other items of capital equipment are regarded as being in the highest category of priority and dollars will be made available to meet the essential requirements of Australian industry. In view of the present dollar crisis, however, manufacturers will be expected to co-operate by exploring fully the possibilities of obtaining machinery from other sources before they seek to import machinery involving dollar expenditure. The present method of dealing with applications for licences to import goods of this class is to be reviewed by an Inter-departmental Committee. The committee will also examine the principles to be adopted in dealing with applications for licences to import raw materials from dollar sources of supply.

Miscellaneous Imports.—Apart from the major items, Cabinet endorsed recommendations by the Minister for Customs (Senator Courtice) for restrictions on a wide range of miscellaneous imports from the dollar area in accordance with the general objective of reducing dollar expenditure on imports to the essential minimum.

Film Royalties.—Consideration is being given to the best means of reducing the dollar expenditure involved in remittances of film royalties to the extent of about 30 per cent.

Travel Expenditure.—Drastic restrictions will be imposed on the amount of dollars made available for personal travel and the allowance for businessmen will also be substantially reduced. As a corollary further restrictions will be imposed on travellers taking out jewellery and other valuables as part of their personal effects.

Remittances by Visiting Entertainers, Artists, and the like.—Up to the present visiting entertainers and artists have been allowed to remit their net earnings in Australia without restriction. It is no longer possible to continue this policy and the Exchange Control authorities have been instructed to take steps to limit severely the amount of such remittances where dollars are involved."

On 4th September, 1947, the Minister for Customs (Senator Courtice) announced the imposition of further restrictions on imports of goods from dollar areas. In future, licences would not be granted to import the following goods from countries in the dollar area:—

Axes, dictating machines, human hair clipping machines, electric household ironing machines, clothes washing machines, computor mechanisms for use in the manufacture of petrol pumps, electric stoves, oil or spirit heating and pressure lamps, piece goods for dress or furnishing purposes, corsets, crown seals, preparations for use in the manufacture of cordials, wooden blind rollers, preparations for use in the manufacture of cosmetics, building boards, golf club shafts, ice hockey skates, lacrosse racquets, paper of the following types:—carbon, cartridge, cellophane for wrapping tobacco manufactures, copying, cover and pressings, duplicating, gummed sheets and rolls, marble and foil, vegetable parchment, roofing and sheathing, surface coated and box makers, fruit wrapping, paper hangings and wall paper, paper for use in the manufacture of toilet paper, carton and container boards, cigarette papers, fashion plates and books, paper patterns except master patterns, fountain pens, rime recorders, rubber gloves, rubber tyres and tubes, musical instruments and accessories, fluorescent lamp materials for use in advertising signs, plastic pliable sheeting, pliofilm, home kinematographs, spectacles and spectacle frames, french chalks and other preparations of steatite.

In addition, imports of the following commodities would be admitted in reduced quantities:—

Canned fish; radio receiving valves; recording instruments, pyrometers and thermometers; chicle; proprietary medicines and raw materials for the manufacture of drugs and chemicals; miscellaneous manufactures of metal; hickory axe and tool handles; rubber thread for the manufacture of golf balls; books of all kinds; tissue paper for paper patterns; writing and printing paper; artificial teeth; cameras; cartridges; photo flash lamps; unrefined fish oils.

The review of goods imported from dollar areas was being continued and it might be necessary to impose restrictions on the importation of other commodities in the near future.

In regard to textiles, the present licensing treatment would be continued and only imports of essential utility types of cotton piece goods would be permitted. It had been decided to undertake a review of all outstanding licences issued before 27th May, 1947, for the importation of textiles from the United States, Canada and other dollar areas. In addition, outstanding licences for imports from dollar areas of musical instruments and accessories, cigarette papers and electric human hair clipping machines must be submitted for review.

FINANCIAL POLICY—SALE OF GOLD.

On 5th September, 1947, Mr. Chifley said—

"Australia has sold 150,000 ounces of gold to the United Kingdom.

"I recall that during the depression Australia had to part with practically the whole of her gold reserves to enable her to meet her overseas obligations. During recent years the Commonwealth Bank commenced rebuilding a gold reserve by purchasing and holding current production.

"The Government and the Commonwealth Bank would have liked to continue the policy of gradually rebuilding Australia's gold reserve

but the current dollar situation is so serious that it has been decided for the time being to sell current gold production to the United Kingdom as a special measure of assistance in her present difficulties".

(For earlier references, please see No. 123, page 19; No. 126, page 31; No. 128, page 34.)

FINANCIAL POLICY—PRIME MINISTER'S SPEECH.

On 20th August, 1947, Mr. Chifley said*—

"We are living in a world that is in economic difficulties. I have been very anxious about the general world economic position for some years but the situation has deteriorated more rapidly than was expected. I told you yesterday in some detail about the economic position of the United Kingdom. We must not attempt to delude ourselves that, if economic difficulties occur in Britain and perhaps eventually in the United States, Australia will not be affected. That would be a sheer and complete delusion. The position overseas to-day is that the United States has been exporting, in terms of values, a vastly greater quantity of goods than it has been importing. Britain made the Anglo-American Loan Agreement, which bound it particularly in regard to the convertibility of sterling balances, in the hope that the American loan money would carry it on until 1950, by which time there would have been a large measure of rehabilitation in Europe and the British export trade would have been built up in hard currency countries as well as in sterling countries.

"A number of things have happened. First—a thing which I have always feared—in a world of rising prices in which people believe that some degree of inflation is desirable, the money that Britain borrowed from the United States is not able to bring in the quantity of goods that Britain expected. I think the British Prime Minister (Mr. Attlee) said that instead of getting 100 per cent. volume his country has been receiving only 60 per cent. Associated with that fall in estimated production have been certain internal factors in the shape of unforseeable difficulties due to flood and cold.

"The rehabilitation of Europe has not progressed as the world hoped. In Europe to-day there is utter misery which must be unparalleled in the history of the world. At present the most strenuous efforts are being made to find some solution of this grave problem. It is becoming more and more apparent that we cannot have a prosperous Europe without a prosperous Germany, whatever our feelings in regard to Germany might be. One result of this disastrous situation is that the export market in Europe has not been restored because the countries of Europe have not the money with which to pay for exports. The dollar position has become more acute every day, particularly during the last few weeks—indeed, during the last few days. One of the main causes of this rapid deterioration in the situation is the problem of the

* At a conference of Commonwealth and State Ministers.

convertibility of sterling, but there are other factors with which I do not propose to deal now. Because of the difficulty of converting sterling currency some of the South American countries and certain Scandinavian countries are experiencing grave difficulties.

"The position of Britain, and to a lesser degree, the position of Canada, in regard to the dollar position has also deteriorated very considerably. I mention these matters to give you some idea of the present world situation, and without violating any confidences reposed in me. Another factor to be considered is the large balances held in Britain by a number of countries, including Australia. The Australian balance is, of course, very small compared with those held by India, Egypt and even by Ireland. I know that many of us would prefer to live in a world of our own, but we cannot. My Government realizes that this difficulty cannot be cured in a day, but it may be possible to ameliorate the consequences of the developments.

"One of the immediate effects on Australia will be a serious curtailment of imports, and that curtailment will apply not only to imports from dollar countries, including Canada, but also, to some degree, to imports from sterling countries. However, if everyone plays the game and works the right way I believe that the economy of this country is so geared that it will be able to withstand the economic repercussions. Of course, I emphasize that the serious developments I have outlined may not eventuate, but we must realize that we shall probably have to go without many of the imports we had hoped to receive. For that reason, I wish 'to play safe' in the plans we are making for the immediate future. I warn conference that should these developments eventuate it will be absolutely impossible for us to continue as we have in the past.

"At the same time, I do not want anyone to go away with the impression that I do not firmly believe in the future of Australia. With proper determination on the part of the governments and people of Australia, I am sanguine that there will be a vast expansion. It may be altered for a while, but I have a deep-rooted confidence—shared by industrialists and businessmen, many of whom are not of my political faith—that Australia can obtain maximum production and economic stability".

MERCANTILE MARINE.

SAFETY AT SEA.

On 15th August, 1947, the Prime Minister (Mr. Chifley) said—

"In 1929, a conference on safety of life at sea was held at London and Australia ratified the resulting convention after amending the Navigation Act and regulations to conform to its provisions. The British Government, in view of recent war experiences, proposes to hold a conference at London in 1948.

"Cabinet decided to-day to accept the invitation and send a delegation consisting of two technical officers from the Department of Shipping (one experienced in navigational problems and the other in marine

engineering problems), and two advisers, one nominated by Australian shipowners and one nominated by the Australasian Council of Trade Unions ".

CANBERRA.

HOUSING.

On 15th August, 1947, the Prime Minister (Mr. Chifley) said—

" The Minister for the Interior (Mr. Johnson) reported to Cabinet to-day that a deputation had waited on him requesting an amendment to the present policy of allocation of housing at Canberra to permit of an allotment to persons not in Government employ. At present 1,445 person are registered for tenancies of whom 710 are public servants, 425 are other Government employees, and 310 are persons not in Government employ. About 325 new houses are at present under construction and the Department of Housing anticipates an acceleration of the present building programme, probably 100 houses in the next six months, and ultimately reaching 300 to 500 houses in a year.

" Cabinet approved of the allotment of a quota of one in each ten houses built in the twelve months from 1st September, 1947, to persons not in Government employ, the quota to be reviewed at the end of the year. Fifty per cent. of the quota will be allotted to ex-servicemen ".

(For earlier references, please see No. 110, page 59; No. 126, page 5.)

EXTERNAL COMMUNICATIONS.

TELE-COMMUNICATIONS—BROADCAST NEWS.

On 15th August, 1947, the Prime Minister (Mr. Chifley) said—

" Cabinet decided to-day that the Overseas Telecommunications Commission be authorized to undertake the reception in Australia of any overseas news broadcasts required by press agencies or other similar bodies. A uniform flat rate will be applied for this service irrespective of whether the broadcasts emanate from a British Commonwealth or a foreign country. When transmission from Australia of news broadcasts on behalf of a press agency is required, the transmission will be effected by the Commission on a uniform flat rate charge whether to a British Commonwealth or a foreign country ".

COPYRIGHT.

MUSIC—PROPOSED LEGISLATION.

On 15th August, 1947, the Prime Minister (Mr. Chifley) said—

" Where copyright exists in a musical work, it is an infringement of copyright to give a public performance of the work except under licence from the owner of the copyright on terms agreed to by him.

"The Australian Performing Right Association has recently notified the Commonwealth Clothing Factory that, in respect of music rebroadcast to employees while at work, an annual licence will in future be required.

"Under an award in 1938, the Australian Broadcasting Commission pays to A.P.R.A. an annual sum of 6d. a listener's licence in respect of music broadcast from the national stations. The Federation of Commercial Broadcasting Stations pays to A.P.R.A. about the same amount. In effect, A.P.R.A. receives from the Australian broadcasting systems 1s. a listener's licence. This is greatly in excess of amounts paid to corresponding bodies in Britain, Canada and New Zealand. Negotiations to make a more satisfactory arrangement have been unsuccessful and no provision exists whereby A.P.R.A. can be compelled to submit to arbitration the Copyright Act providing only for voluntary arbitration.

"Cabinet decided to-day that a sub-committee comprising Dr. Evatt, the Minister for Health (Senator McKenna) and the Minister for Information (Mr. Calwell) consider an amendment of the Copyright Act, for submission to the Federal Parliamentary Labour party, to provide in principle for the fixing, by compulsory arbitration in default of agreement of a single, all-Australian fee for the public performance of copyright musical work."

TRANSPORT.

COMMONWEALTH RAILWAYS—COMMISSIONER.

On 15th August, 1947, the Prime Minister (Mr. Chifley) said—

"Cabinet decided to-day to extend for a further period of twelve months from 7th November, 1947, the term of Mr. G. A. Gahan as Commissioner of Commonwealth Railways."

TRANSITION.

CONTROLS—FURTHER BILL PROPOSED.

On 15th August, 1947, the Prime Minister (Mr. Chifley) said—

"The *Defence (Transitional Provisions) Act* 1947 continues in operation until 31st December, 1947, about 59 sets of regulations, 61 separate regulations in the General and Supplementary sets and 10 orders made under regulations now repealed, a total of 130. A preliminary survey indicates that it will be possible either to repeal or to allow to elapse before the end of the year about one-third of each class. However, it is probable that all regulations of any significance in force in 1947 will need to have their effect carried forward in 1948. The general inflationary conditions present at the end of 1946 are not likely to have changed by the end of 1947, and control over economic conditions generally will need to be continued.

"Cabinet to-day approved of the preparation of bills dealing with dairy produce acquisition (the setting up of an authority to deal with dairy produce purchased under contract by Britain, patriotic funds, enemy property, trading with the enemy and ship building.

"Cabinet approved the preparation of a bill to amend the Defence (Transitional Provisions) Act to provide for the repeal of as many as possible of regulations and orders which present circumstances suggest as unlikely to be required after the end of 1947 and to extend the life of the Act to cover until the 31st December, 1948—unless earlier repealed—regulations and orders necessary to deal with the transition period."

(For earlier references, please see No. 122, page 5.)

WHEAT STABILIZATION SCHEME.

POST-WAR PLANS, EXTENSION.

On 15th August, 1947, the Prime Minister (Mr. Chifley) said—

"When the wheat stabilization plan was announced, it was stated that it would be reviewed from time to time with a view to extension beyond the original five years, the intention being to provide a permanent guarantee, subject to regular review and adjustment to give an assured price for a reasonable period ahead.

"Cabinet decided to-day that the period of the wheat stabilization plan be extended to seven years to the 1952-53 season with a guarantee of 5s. a bushel bulk, f.o.r. ports."

(For earlier references, please see No. 110, page 15; No. 116, page 13.)

POST-WAR PLAN, PREMIERS CONFERENCE DECISION.

On 21st August, 1947, the conference of Commonwealth and State Ministers decided—

That Conference—

(1) Re-affirms its previous decision in respect of the need for a stabilization plan for the wheat industry.

(2) Endorses the decision to continue war-time powers for the 1947-48 crop only.

(3) Recommends an early special meeting of Commonwealth and State Ministers for Agriculture for the purpose of working out a plan satisfactory to all Governments and the wheat industry; and recommends that the wheat-growers be given an opportunity to submit their own proposals in writing and to present their views to the Ministers."

DROUGHT RELIEF—VICTORIA.

On 15th August, 1947, Mr. Chifley said—

"Cabinet decided to-day that up to £50,000 be approved for drought relief to cereal growers in Victoria for the 1946-47 season on a £1-for-£1 basis with the Victorian Government. The Commonwealth assistance will be contingent on the State submitting a satisfactory relief plan."

CONSTITUTION.

AMENDMENT—PROPOSED REFERENDUM, PRICES.

On 15th August, 1947, the Prime Minister (Mr. Chifley) said—

"Cabinet decided to-night to recommend to the Federal Parliamentary Labour party that a referendum be taken to amend section 51 of the Constitution on prices and rents. Although a previous Premiers Conference agreed to endeavour to pass legislation which would be supplementary to the Commonwealth powers, certain States have found it impossible to pass legislation through their parliaments."

INDIA.

EXCHANGE OF HIGH COMMISSIONERS.

On 15th August, 1947, the Minister for External Affairs (Dr. Evatt) announced that it had been agreed between the Governments of Australia and of Pakistan that an exchange of High Commissioners would take place as soon as each government could make the necessary arrangements. An Australian diplomatic representative would be appointed to Pakistan with head-quarters at Karachi. Sir Iven Mackay would become High Commissioner for Australia in the Union of India with head-quarters at New Delhi.

BANKING CONTROL.

NATIONALIZATION—PROPOSED LEGISLATION.

On 16th August, 1947, the Prime Minister (Mr. Chifley) said—

"Cabinet to-day authorized the Attorney-General (Dr. Evatt) and myself to prepare legislation for submission to the Federal Parliamentary Labour party for the nationalization of banking, other than State banks, with proper protection for shareholders, depositors, borrowers and staff of private banks."

NATIONALIZATION—PROPOSED LEGISLATION, BANK SHARES.

On 19th August, 1947, Mr. Chifley said—

"I refer to reported falls in the market value of some bank shares to-day. These are entirely unwarranted, and shareholders are entitled to be warned against propaganda or other statements tending to depreciate the value of their holdings.

"The Government desires to make it clear that it does not advise shareholders to sell, but in order to protect the interests of those shareholders who nevertheless wish to sell, the Government has arranged with the Commonwealth Bank to purchase any bank shares which holders are desirous of selling. The purchase price will be not less than that quoted on the Stock Exchange on Friday, 15th August, 1947."

(For earlier references, please see No. 97, page 21.)

ANTARCTICA.

EXPEDITION—CABINET DECISIONS.

On 16th August, 1947, the Prime Minister (Mr. Chifley) said—

"Cabinet to-day received a report on the progress of the Executive Planning Committee of the Australian Antarctic expedition for 1947-48. Cabinet approved the committee's recommendations as follows:—

That scientific and meteorological stations be set up at Heard and Macquarie Islands during the forthcoming expedition and maintained for a period of at least five years.

That a systematic reconnaissance of the coast of the Australian Antarctic Territory be carried out over a number of years by the *Wyatt Earp* with a view to establishing a permanent scientific station on the Antarctic Continent itself.

That a ship be obtained, of much greater capacity than the *Wyatt Earp* and especially adapted for work in Antarctic conditions. The exact type of vessel required cannot be determined until further information is available as to the proposed landing site."

(For earlier references, please see No. 126, page 5.)

EXTERNAL AFFAIRS.

DIPLOMATIC CADETS.

On 19th August, 1947, the Minister for External Affairs (Dr. Evatt) announced that his department was recruiting a further batch of diplomatic staff cadets to undergo a two years' course of training at the School of Diplomatic Studies prior to appointment to the department.

HIDES.

CONTROL OF FOOTWEAR—PREMIERS CONFERENCE DECISION.

On 20th August, 1947, the conference of Commonwealth and State Ministers decided—

"That the Commonwealth should circulate copies of a draft bill for consideration by the State Parliaments, together with a statement setting out the principles on which Commonwealth control of footwear operated."

LOAN COUNCIL.

PROGRAMME FOR 1947-48.

On 20th August, 1947, the Prime Minister (Mr. Chifley) said—

"The principal business considered by the Loan Council to-day was the loan programmes of the Commonwealth and the States for the year 1947-48.

"The Loan Council had before it the report of the Co-ordinator-General of Works (Mr. Hoy) and endorsed the programme of works submitted by Mr. Hoy, but decided to limit the borrowing to 75 per cent. of the programme, the borrowing programme to be reveiwed in January, 1948, in the light of the circumstances then existing.

"It was also decided that semi-governmental and local authorities borrowing would be subject to the same 75 per cent. limitation.

"Under this arrangement, the Commonwealth and States will be entitled to borrow up to the following amounts, pending review later in the financial year:—

—	Government Programmes.	Semi-Governmental and Local.
	£	£
Commonwealth	12,900,000	..
New South Wales	16,151,000	8,181,000
Victoria	8,318,000	5,239,000
Queensland..	6,692,000	5,036,000
South Australia	4,982,000	136,000
Western Australia	2,708,000	450,000
Tasmania	1,531,000	678,000
	53,282,000	19,720,000

TARIFF.

EXPORTS PROHIBITED.

On 21st August, 1947, the Minister for Customs (Senator Courtice) announced that exportation had been prohibited of—

Agricultural machinery, namely, tractors; drills, grain and fertilizer cultivator; drills, seeds for cereal crops; harvesters, header; reaper threshers; reapers and binders; hay balers; rakes, side delivery; mowers; and spare parts for those machines; cattle, beef and dairy; cowpeas; ovaltine; urea, urea moulding powders and urea glue.

TRADING WITH ENEMY.

JAPAN.

On 22nd August, 1947, the Minister for Customs (Senator Courtice) announced that a licence under the Trading with the Enemy Act published in that day's *Commonwealth Gazette* authorized the resumption of private trade with Japan. Imports into Australia would be controlled under Customs (Import Licensing) Regulations. Imports would be accorded the same treatment as imports from hard currency areas and in general only essential goods not available in adequate quantities from local or sterling sources of supply would be permitted.

CONVERSION LOAN.

AUSTRALIAN OPERATION—AUGUST, 1947.

On 25th August, 1947, the Prime Minister (Mr. Chifley) announced that a conversion loan would open on 28th August, 1947. Holders of securities valued at £36,751,620 maturing on 15th September, 1947, would be invited to exchange their securities for 3⅛ per cent. bonds or inscribed stock repayable in 1959. The Treasurer would reserve the option of retiring the new securities in 1956. About 36,000 individuals hold the securities about to mature comprising about £8,100,000 bearing interest at 3¾ per cent. and £28,600,000 at 4 per cent.

MAN-POWER.

WOMEN WORKERS—MINISTER'S REQUESTS.

On 26th August, 1947, the Minister for Labour (Mr. Holloway) said that employers could provide greater opportunities for the part-time employment of women. Many employers were operating schemes for the part-time employment of women. Some schemes had been introduced during the war and others more recently. It had sometimes been found necessary to make internal adjustments to permit of the working of short shifts or to earmark certain types of work for part-time workers, but when those adjustments had been made a smoother flow and greater production had resulted from the increased numbers of workers.

Women, not at present employed, should undertake part-time work. The total number of women in employment as wage and salary earners, excluding rural and household domestic workers, was about 620,000, or only 20,000 below the peak war-time level, when man-power controls were operating. When account was taken of the greater numbers of women now occupied as employers or self-employed persons, it was very likely that the total number of women gainfully occupied was nearly as great as it was at the peak of the war.

Decentralization of industry throughout suburban areas and the country meant that opportunities for employment were very much more handy to women living at home than previously. Arrangements could often be made to make part-time employment fit in with household and other commitments.

JUDICIARY.

ARBITRATION COURT—APPOINTMENT.

On 27th August, 1947, the Prime Minister (Mr. Chifley) said—

"Judge R. C. Kirby, of the New South Wales District Court, has been appointed a judge of the Commonwealth Conciliation and Arbitration Court.

"When the Stevedoring Industry Act comes into operation, Mr. Justice Kirby will become chairman of the Stevedoring Industry Commission".

NATIONAL DEBT.

NATIONAL DEBT COMMISSION—ANNUAL REPORT.

On 27th August, 1947, the Prime Minister (Mr. Chifley) said—

"The National Debt Commission, which controls all sinking funds for the redemption of Commonwealth and State debts, met at Canberra to-day. The meeting was attended by the Chief Justice of the High Court (Sir John Latham), the Governor of the Commonwealth Bank (Mr. H. T. Armitage), the acting Secretary to the Treasury (Mr. G. P. N. Watt), the Solicitor-General (Profesor K. H. Bailey), and the representative of the States (Mr. A. T. Smithers), and myself as chairman.

"The main business of the meeting was the presentation of the annual report on the transactions for the year ended 30th June, 1947,

and consideration of the application of sinking fund moneys accruing during 1947-48. The receipts of the sinking fund for 1946-47 were about £25,950,000. The annual report covering these transactions will be presented to Parliament in due course.

"Receipts for 1947-48 are estimated at £26,873,000, being £17,625,000 on account of the Commonwealth and £9,248,000 on account of the States. Of the latter amount, £1,642,000 will be provided from Commonwealth revenue. The total contributions estimated to be available for the redemption of the debt of each State are as follows:—

New South Wales £3,612,000, Victoria £1,837,000, Queensland £1,340,000, South Australia £1,141,000, Western Australia £1,007,000, and Tasmania £311,000, total £9,248,000.

"The receipts of £26,873,000 were directed by the commission to be applied in the various markets in which Commonwealth and State securities are held—Australia, London and New York. The commission uses its funds for the redemption of Commonwealth and State securities either by repurchase of these securities on the market, or by redemption at maturity.

"The large sums applied in repurchases on Stock Exchanges ensure a regular market for security holders. When securities are acquired by the commission, either by repurchase or redemption, they are immediately cancelled and the public debt is reduced accordingly".

HEALTH AND YOUTH WELFARE.

CHILD HEALTH.

On 2nd September, 1947, the Prime Minister (Mr. Chifley) said—

"Cabinet decided to-day on the recommendation of the Minister for Health (Senator McKenna) that a division of child health be created in the Department of Health to be transferred subsequently to the National Health Service.

"The functions of the division will be to co-ordinate and extend existing pre-natal and infant welfare services; to continue research into the growth and development of infants and children, malnutrition and other diseases in children and related fundamental biochemistry and physiology; to conduct general education on infant and child health, including nutrition; to arrange, and if necessary, undertake special instruction to medical graduates and others in child health and nutrition.

"For the present the division will be located in the Institute of Anatomy, Canberra, and the functions of the division will be additional to those for which the Institute was founded—investigation of the anatomy and physiology of Australian animals and the development and maintenance of a museum of health and hygiene.

"Additional permanent positions will be created of a second medical officer to be an assistant to the Director; a senior biochemist to take charge of the increasingly important phase of the study of growth and nutrition; a second biochemist; and a nutritionist".

INCOME TAX.

UNIFORM TAX—RE-IMBURSEMENT TO THE STATES.

On 2nd September, 1947, the Prime Minister (Mr. Chifley) said—

"Under the war-time uniform tax scheme which operated until 30th June, 1946, tax re-imbursement grants paid to the States amounted to £34,255,000. At a conference of Commonwealth and State Ministers in January, 1946, it was agreed that a revised basis should operate as from 1st July, 1946. The revised basis was contained in the States Grants (Tax Re-imbursement) Act and provided that the aggregate of the grants in 1946-47 and 1947-48 should be £40,000,000. In respect of subsequent years, it was specified that the aggregate grant of £40,000,000 would be varied in proportion to variation in the States' populations and the resultant amount increased by half the percentage increase, if any, in the level of average wages per person employed over the level in 1946-47. In regard to grants in years after 1947-48, the legislation provided that a gradually diminishing part of the aggregate grant would be distributed in the proportions in which the aggregate grant of £40,000,000 was distributed to the States in 1946-47 and 1947-48, while a gradually increasing part would be distributed in proportion to the States' respective populations after adjustments had been made to those populations to take account of relative sparsity of population and the numbers of children aged five to fifteen years in each State.

"At the conference of Commonwealth and State Ministers in August, 1947, the State Premiers indicated that the re-imbursement grants would be insufficient to enable them to balance their Budgets in this financial year.

"Cabinet decided to-day that an additional re-imbursement grant of £5,000,000 be distributed by the Commonwealth and the States as follows:—

In 1947-48 the additional grant of £5,000,000 will be distributed among the States in accordance with the proportions in the first schedule to the *States Grants (Tax Re-imbursement) Act* 1946.

To the extent that, in subsequent years, the aggregate grant determined and distributed among the States in accordance with the provisions of the *States Grants (Tax Re-imbursement) Act* 1946 is less than £45,000,000, the amount of this deficiency will be made up by the Commonwealth and distributed among the States in accordance with the proportions in the first schedule to the Act of 1946.

"Legislation to authorize the payment of the additional grant will be submitted to the Federal Parliamentary Labour Party".

THE GOVERNMENT.

On 5th September, 1947, the Prime Minister (Mr. Chifley) said—

"The Minister for Health and Social Services (Senator McKenna) will act as Attorney-General and I will act as Minister for External Affairs as from to-day and during the absence overseas of Dr. Evatt".

By Authority: L. F. JOHNSTON, Commonwealth Government Printer, Canberra.