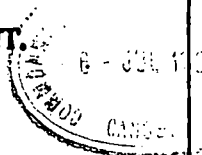


CP702

COMMONWEALTH GOVERNMENT



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# DIGEST OF DECISIONS AND ANNOUNCEMENTS

AND

## IMPORTANT SPEECHES

BY

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

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No. 137.

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PERIOD 1st JULY, 1948, TO 21st AUGUST, 1948.

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## SERVICE PAY RATES.

### PERMANENT FORCES—RETIREMENT SCHEME.

On 1st July, 1948, the Prime Minister (Mr. Chifley) announced that the Defence Forces Retirement Benefits Board would comprise—

Messrs. H. C. Newman (Treasury), F. X. Hassett (Naval Board), W. M. Anderson (Military Board), J. E. Hewitt (Air Board).

(For earlier references, please see Nos. 134, page 6; 135, page 35.)

### REPATRIATION—TEACHING.

On 3rd August, 1948, Mr. Chifley said—

“ Cabinet decided to-day to authorize the Repatriation Commission to extend its functions for the establishment of courses of training or other measures to serve the necessities of treatment. The commission will be authorized to—

Make available facilities for post-graduate and under-graduate teaching and studies in medicine in all the aspects which the teaching authorities (universities and the like) consider are covered by the types of patient under treatment and the facilities available at the commission's medical institutions.

Establish courses of training in the nursing of tuberculous diseases for the certificate in Victoria or any other State which may later inaugurate such an additional nursing qualification.

Establish courses of training in the nursing of psychiatric diseases.

Afford training and instruction in physiotherapy, occupational therapy, medical and psychiatric social studies, clinical psychology, radiological and pathological technique.

## THE GOVERNMENT.

### ACTING MINISTERS.

On 3rd July, 1948, the Prime Minister (Mr. Chifley) said—

“ The Attorney-General (Dr. Evatt) will be Acting Prime Minister and the Minister for Post-war Reconstruction (Mr. Dedman) will be Acting Treasurer during my absence overseas.”

On 21st July, 1948, Mr. Chifley said—

“ The Minister for External Affairs (Dr. Evatt) is leaving Australia on the first stage of his journey overseas on 22nd July, 1948. I will act as Minister for External Affairs and the Minister for Health and Social Services (Senator McKenna) will act as Attorney-General as from 23rd July and for the period of Dr. Evatt's absence abroad.”

## PEACE.

### GERMANY—BERLIN POSITION.

On 6th July, 1948, the Minister for External Affairs (Dr. Evatt) said that following the cutting off by the Soviet authorities of all surface methods of supplying Allied occupation forces and the German population in the three western sectors of Berlin, the British, United States and French Governments, in their determined employment of emergency supply measures, were protecting their undoubted juridical rights.

The presence of occupation forces in Berlin was clearly authorized by the agreement of 1944 nominating Berlin as the centre of Allied control of Germany and setting up machinery for Allied government of the city. The agreement had been subsequently amended to provide for the participation of France and had been made public in joint four-power statements issued with the declaration on the surrender of Germany, on 5th June, 1945. The agreement became operative before the Potsdam Agreement, so that the Soviet contention that the western powers have brought four-power control to an end by violating the Potsdam Agreement was clearly inadmissible. In the interests of world peace, it was hoped that all outstanding matters affecting Berlin would soon be discussed between the western powers and the Soviet Union, but no permanent easing of tension could result unless the Soviet Union recognized clearly and unequivocally the undoubted occupation rights of the western Allies. These had been hardly won in the common struggle against Hitler and could not be set aside or nullified by unilateral acts.

On 11th July, 1948, the Prime Minister (Mr. Chifley) said\*—

"It is unthinkable that the western Allies should do other than hold on in Berlin. There is no question that Australia supports the western Allies."

On 18th July, 1948, Mr. Chifley said—

"I went to Berlin to gather some real background information of the position. The British Foreign Secretary (Mr. Bevin) thought it highly desirable for me to get the atmosphere of the position and to talk to German trade union and political leaders.

"I have nothing more to say on the Berlin position than what I said when I was there—that for the western powers to take any other stand was unthinkable."

#### GERMANY—BERLIN POSITION, AIR LIFT.

On 2nd August, 1948, Mr. Chifley said—

"Cabinet decided to-day to offer to the British Government the use of ten Douglas Dakota aircraft to assist in the air lift to Berlin, if required.

"If the offer is accepted, the 'planes will be flown by Royal Australian Air Force crews to Britain, where the uses to which the aircraft are put will be determined by the British authorities."

#### ITALY—TREATY, RATIFICATION.

On 12th July, 1948, Dr. Evatt announced that the Australian instrument of ratification of the peace treaty with Italy had been deposited on 9th July, 1948, and the state of war between Australia and Italy had ended as from that day.

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\* At Berlin.

## ROUMANIA, BULGARIA, HUNGARY, FINLAND—TREATIES, RATIFICATION.

On 13th July, 1948, Dr. Evatt said that the Australian instruments of ratification of the peace treaties with Roumania, Bulgaria, Hungary and Finland had been deposited on 10th July, 1948, and the state of war between Australia and those countries had ended as from that day.

## JAPAN—MINISTER'S STATEMENT, JULY, 1948.

On 22nd July, 1948, Dr. Evatt said—

"It is becoming evident that peace and stability in the Pacific and in Asia will be attainable only so far as there is peace and stability in Europe. The problem is not regional, it is global. The situation in Berlin and Europe generally, where there is an acute dispute between Russia on the one hand and the western democracies on the other, must have a direct effect in delaying any peace settlement with Japan. Australia's concern in the European situation is direct and vital.

"Certainly no peace will endure unless it is based on justice and reached by free agreement in accordance with the principles of the United Nations Charter. The next meeting of the United Nations may well become a turning point in world history. I am hopeful that the Assembly will bring public opinion to bear on both political and economic aspects of international disputes and so contribute to the prevention of a third world war."

## EXTERNAL TERRITORIES.

### PAPUA-NEW GUINEA—COPRA.

On 7th July, 1948, the Minister for External Territories (Mr. Ward) announced that the Australian New Guinea Production Control Board would relinquish control of marketing the Territory of Papua-New Guinea production of copra. The present rate of production of copra, over 40,000 tons a year, was about two-thirds of the potential output of the remaining coconut plantations and groves of the territory and negotiations were in course with traders in the territory to secure an orderly changeover of marketing activities under a system of export licences. The board, which was established during the war to secure from the territories the maximum possible production of copra and other tropical produce, would then wind up its affairs.

## BRITISH COMMONWEALTH OF NATIONS.

### CO-OPERATION—PROPOSED SECRETARIAT.

On 5th July, 1948, the Prime Minister (Mr. Chifley) said\*—

"Suggestions have been made for the establishment of a British Commonwealth of Nations Secretariat but there is no evidence at present of anything of a concrete character."

(For earlier references, please see No. 98, page 46; No. 114, page 3.)

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\* At London.

### PRIME MINISTER'S BROADCAST.

On 12th July, 1948, Mr. Chifley broadcast over the British Broadcasting Corporation and Australian Broadcasting Commission networks. Mr. Chifley said—

"Good evening. I speak to-night to the people of Great Britain, to my own people in Australia and to listeners in the Pacific and North American areas.

"We live in difficult times, the world is suffering an uneasy peace. I have just returned from Berlin where I went so that I might get a first-hand picture of a very difficult position. Economic and political problems of a character never before encountered in our history have to be faced daily. There is little respite from them. But we are a sturdy race. Our Commonwealth is composed of very determined people. If I needed any reminder of that fact, I have only to look at what the people of Britain have suffered and are suffering and what they are doing to lift themselves up towards a happier way of life.

"During the past week I have had the opportunity of talking with the British Prime Minister (Mr. Attlee) and a number of his Ministers. It is natural that the British people are wondering what will be the outcome of the talks, while my own people at home will be interested to know what tasks lie ahead of them. My mission here at London, primarily, was economic. But I have also had more than one talk with the Foreign Minister (Mr. Bevin) from whom I have obtained a very full picture of the world scene. I am having talks with the Minister of Defence and with the Service Ministers.

"Perhaps I can best sum up my objective in coming to London in a sentence: I want to obtain, and to give, a clear understanding of the economic difficulties that confront the people of Britain and Australia. We want to determine, as well as circumstances will permit, our joint policies for the future.

"I say to my own people that the path is not easy, that the going is hard and will continue to be hard. Sir Stafford Cripps said last week that Britain was running into debt on her overseas trade to the tune of more than a million pounds for every working day. Australians know that our future is linked with Britain, not only by ties of race and kinship, but because of hard, practical reasons.

"There is a bond of gratitude between Britain and Australia because of the gallant part played by Britain in the war and in the post-war struggle to re-establish herself, and, at the same time, to assist others.

"The next three years may very well be the most crucial in the history of the British peoples. The key to the situation lies in production and I say to every Australian that hard work is not only a national duty but a stern responsibility if we are all to survive.

"I am not being alarmist. I have the advantage of knowing not some of the facts, but all the facts. I have talked with the best brains in Britain; men who devote day and night to the task.

"The Australian people have had imposed on them severe restrictions in order that the use of dollars should be reduced. The Australian Government realizes that, without substantial imports of capital equipment from America, the progress of the country's development will be seriously delayed. Nevertheless, the Australian Government is prepared to take appropriate action in the future; however strong it may be. I also add, in view of incorrect reports, that I did not come to Britain to demand more dollars. My mission has been aimed at obtaining the fullest information so that economic policy, particularly as it affects dollars, can be laid down with reasonable certainty and that the efforts of the United Kingdom and Australia can be properly co-ordinated.

"To the British people, I say that I believe that much can be done in Australia to expand production of beef, dairy products and wheat. We have good seasonal prospects in Australia and it is hoped, for example, that lamb production this year will be 10,000,000 above an average year.

"I know that numbers of people in England, Scotland, Ireland and Wales are interested in going to Australia. The fullest understanding exists between the British and Australian Governments on this matter and to those who feel that delays are endless, I point out that, first, the ships have to be available, and, secondly, we have to pursue vigorously, which we are doing, a housing construction programme. Time is the arresting factor.

"It has been my privilege and pleasure during my stay to meet Their Majesties and the Princess Margaret and I have assured them, on behalf of the people of Australia, of the warmest welcome when they visit us next year.

"Let me, in saying good-night to you, tell you that the Australian people are constantly thinking of you. Our servicemen fought alongside you in two wars. We are standing by you now in fighting for economic stability. That may be, as I have said, a long fight, and each obstacle must be faced with the same courage that the people of Britain have shown in the last ten years. It will be our privilege, and, indeed, our duty, to help in every way we can."

On 25th July, 1948, Mr. Chifley broadcast over some commercial stations—Mr. Chifley said—

"Good evening. As you know, I have just returned from a mission to London. My objective was primarily to discuss economic problems of mutual interest to the British and Australian Governments, but I also dealt with a number of other matters. All told, I attended two meetings of the British Cabinet and also talked with eleven members of the British Government—and with some of the Ministers I talked more than once.

"In addition, I visited Berlin, where I spent some hours with British, American, French and Australian authorities so that I might obtain first-hand information and be able to gauge the atmosphere

of the situation in the German capital. While there, I also talked with German trade union leaders and with members of the German civil administration in Berlin. Berlin presents a sad picture of the devastation of war. I have previously visited some of the worst war devastated cities, such as Hiroshima, Yokahama, Tokio, Manila and Rangoon. But, excepting Hiroshima, which was completely destroyed by the atomic bomb, I have not seen anything like the destruction in Berlin. Masses of bricks and rubble, gutted buildings, now mark this once beautiful city. It is a grim warning of the tragic consequences of war.

"On my way to London, and also on my way back, I talked with the British Commissioner-General at Malaya (Mr. Malcolm Macdonald) and with the British Governor of Singapore (Sir Franklin Gimson). I obtained from Mr. Macdonald a full background picture of the position in Singapore and Malaya.

"As the result of my talks at London, I can say that there is the fullest understanding between the British and Australian Governments on the economic matters that affect our common and national interests. Of course, we are in constant touch with each other by cable and often by radio-telephone. I told the British people, on your behalf and on behalf of all Australians, that it would be our privilege, indeed our duty, to help them in every way possible. I was glad to see that, despite great economic difficulties, London and its people looked brighter than when I visited there in 1946. The gaping holes made by the "doodle bugs" and V2's have been patched up. The people are better dressed. There are more things in the shop windows. British production is steadily increasing and their courage is an example to the world.

"While at London, I also said, and I give you a further reminder now, that the road ahead for the British peoples everywhere and, indeed, for nearly all the non-dollar countries, is going to be long and hard. I don't want anybody to think, because I have said that, that the British Commonwealth is not going to come through. It is going to be a tough fight, but I have not any doubts that we shall pull through. I feel confident that with the growing strength of the Dominions, the British Commonwealth can be made stronger than ever.

"One of the keys to the problem is increased production. The Macquarie electorate contains centres of both primary and secondary production. On the industrial side, there are places such as Lithgow, Portland and St. Mary's. Primary production of a varied nature is to be found in almost every part of Macquarie. Australia is pledged to assist Britain in every way possible and increased production is necessary to fulfil that pledge. In addition, our own welfare, the expansion and development of our country, are both wrapped up in our own capacity to do better.

"Work—hard work—overtime, where necessary, must be undertaken as part of our national duty. We want to develop and build a greater Australia for our children. Further, our strategic position is not what it was. This is a shrinking world and Australia cannot feel immune just because, geographically, she is situated down under in the Southern Hemisphere. We have to build and maintain a strong Australia and, I repeat, hard work is the only way to achieve that. We owe that not only to our own people but to our Allies and, particularly, the United Kingdom. Let me illustrate to you how the world has shrunk. In fourteen and a half days, I covered just on 28,000 miles by air. In other words, I travelled about 2,000 miles every day and did eight days work as well. I stopped at or passed over about a dozen different countries.

"There is no such thing to-day as the Far East. In fact, Asia and Europe have been brought almost as close to us as New Zealand. An island that is 450 miles away from Darwin and was just a spot on the map could very easily become of intense interest to Australia. I want Australians to realize that they must think and act as Australians. They must think and act in terms of the nation. Economic welfare, security and a contented future are all wrapped up in what we do as individuals and as a community.

"In your homes to-night, you are safe and secure. Your families are around you. You are assured of full employment. You have boundless opportunities ahead of you. By contrast, I have seen places and talked with people in the grip of misery and hardship, indeed, with no future at all. Uneasy countries, worried peoples are to be found everywhere. The devastating hand of war has caused unbelievable material damage and worked shocking havoc in people's minds. The heritage that has come to us, the great chance for the future must not be frittered away. I ask the people of Macquarie, as I ask all Australians, to stand together for the national good and for their own good."

## TARIFF.

### WESTERN CUSTOMS UNION.

On 8th July, 1948, the Prime Minister (Mr. Chifley) said\*—

"The matter of the Western Customs Union would have to be a subject for discussion between Britain and the Dominions if it cut across Imperial preference in any way.

"Australia has assumed that no finality will be reached on the Western Customs Union without consultation with the Dominions. There has been no intimation yet by the British Government that it will be specially discussed with the Dominion Governments."

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\* At London.



## MIGRATION.

## GOVERNMENT POLICY—BRITISH MIGRANTS.

On 8th July, 1948, the Prime Minister (Mr. Chifley) said\*—

"I have had discussions with the Minister for British Commonwealth Relations (Mr. Noel-Baker) and further discussions will be held later. We have dealt with migration generally rather than any specific plans—matters such as ships and related problems. Many physical difficulties are in the way of mass migration and a lot of study and thought will be necessary and I do not think that mass migration is physically possible in the near future. I am satisfied that the British Government has been very co-operative in regard to shipping.

"There have been discussions regarding the transfer of some British industries to Australia but the tendency has been for British firms to establish branches in Australia or to expand existing branches. That has been going on fairly rapidly because of the sound Australian economy; the market in Australia; and the fact that Australia is a focal point of development of eastern trade."

(For earlier references, please see No. 111, page 44; No. 122, page 16; No. 123, page 30.)

## GOVERNMENT POLICY—PRIME MINISTER'S STATEMENT.

On 18th July, 1948, Mr. Chifley said:—

"I had long discussions at London with the Minister for British Commonwealth Relations (Mr. Noel-Baker) and the Minister for Transport (Mr. Barnes). Despite the shipping shortage, I hope that the rate of migration will be stepped up very considerably for British migrants, displaced persons in Europe and Italians. At Berlin, I discussed with the United States authorities the possibility of securing additional displaced persons for Australia."

## GOVERNMENT POLICY—MINERS.

On 19th July, 1948, Mr. Chifley said:—

"The British Government is endeavouring to use Polish miners. They are used in Wales. Difficulties are being encountered in Yorkshire. At the moment, trained Polish miners are not available for Australia but some Italian miners might be available. The matter would have to be discussed with the Australian Coal and Shale Employees Federation. One of the difficulties is knowledge of the English language and it would be necessary to teach them the rules and regulations of working."

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\* At London.

## BRITAIN.

### FINANCIAL POLICY—DOLLAR IMPORTS, PRIME MINISTER'S STATEMENT.

On 8th July, 1948, the Prime Minister (Mr. Chifley) said\*—

"My mission to London is mainly on matters of economic interests common to both British and Australian Governments. I hope that, as a result of the mission, the common bond between us will be strengthened in the best interests of both Governments. Cables cannot fully cover the ground that can be covered by talks.

"Australia forms part of the dollar pool. It has been almost always a drawer on the dollar pool. We have been striving to cut down expenditure in many fields. The judgment as to what constitutes essentiality in dollar expenditure causes controversy but Australia feels that she must not draw any more dollars than are essential.

"In 1948-49, Australia anticipates making very substantial reductions in dollar expenditure and in the amount to be purchased from the British Treasury. The precise programme is difficult until revenue from Australian exports are known—an example being the revenue from Australian wool sold in the United States. Time often alters early figures. Further, rising prices often alter quantities."

On 18th July, 1948, Mr. Chifley said—

"I make it clear that I did not go to London to beg for dollars. The main objective of the visit was to find out how best we can co-ordinate the policies of the two governments having regard to the shortage of dollars; how Australia can share in the availability of goods from Britain, previously obtained from the United States and other hard currency areas; and to discuss a long-range policy regarding dollars.

"The European recovery programme provides only for Britain's dollar deficit and not for the Dominions' dollar deficits. It is doubtful if the European recovery programme makes full provision for the dollar deficits of Britain. One of Britain's problems is the increasing price of dollar imports. Although production is increasing—and increasing splendidly in some industries—some of the increased dollar earnings are offset by rising prices in America. As British leaders have said, increased production is one of the keys of the problem. It is also necessary in Australia if Australia's economic welfare is to assist in giving increased help to Britain—particularly in foodstuffs. I have not given thought to means of increasing production but the working of overtime is essential.

"It is no use disguising the fact that a long hard road is ahead because of the difficulty in getting dollar goods. It would be very foolish to think that either Britain or Australia can solve that as a short-term problem.

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\* At London.

"The only solution to the present disequilibrium in dollars will be for the United States and other dollar countries to buy something equivalent in value to what they sell. That course seems unlikely so the sterling area countries must do the best they can with the dollars available. We have to face the inevitable by doing the best we can in the years ahead on the dollars available and in the meantime to produce our utmost.

"The Australian Government must be prepared to examine all avenues of trade to see how dollars can be saved. There is a complete understanding with the British Government as to the precise position and how best Australia can render assistance to Britain. The Australian Government has already planned reductions in dollar expenditure."

On 19th July, 1948, Mr. Chifley said—

"The Australian Government is trying to divert imports into the sterling area and the latest figures are—

In May, 1947, 27 per cent. were from Britain, and in May, 1947, this had increased to 53 per cent. Imports from the total sterling area at the same dates were 44 per cent. and 66 per cent. respectively. Imports from the dollar area on the same dates were 39 per cent. and 13 per cent. Total imports for the same dates were £23,000,000 (Australian) and £31,000,000 (Australian) respectively.

"It is hoped to get dollar imports down still lower but there is always the problem of ever-rising prices in the United States."

#### FINANCIAL POLICY—STERLING, APPRECIATION.

On 19th August, 1948, Mr. Chifley said—

"I was aware that consideration was being given by the New Zealand Government to this matter\* and the Commonwealth Government had also been giving consideration to it. But I have no official intimation from the New Zealand Government of the contemplated action. It is not the intention, in the present circumstances, as indicated by me in the House of Representatives on 26th February, 1948, to appreciate the Australian £1."

(For earlier reference, please see No. 133, page 11.)

#### PRIMARY INDUSTRIES.

##### EXPORTS TO BRITAIN—PRIME MINISTER'S STATEMENT, JULY, 1948.

On 8th July, 1948, the Prime Minister (Mr. Chifley) said†—

"Australian exports to Britain depend largely on seasonal conditions. Australia anticipates being able to increase exports this season."

(For earlier reference, please see No. 114, page 24.)

\* To appreciate the New Zealand £1 to parity with sterling.

† At London.

# AGRICULTURAL MACHINERY—TRACTORS. CONTROL REVOKED.

On 29th July, 1948, the Minister for Agriculture (Mr. Pollard) announced that control over the distribution of tractors to agricultural users would cease on 31st July, 1948.

## EXPORTS—1947-48 FIGURES.

On 11th August, 1948, Mr. Pollard said that exports in 1947-48 showed heavy increases in many exported commodities over 1946-47, and in some cases had regained the volume of exports in 1938-39. Combined exports of dairy products (butter, cheese and processed milk) were higher than pre-war. Other products which were exported in greater quantities were hares and rabbits, bacon and hams, preserved meat in tins, fruit in liquid, jams and jellies. Eggs and egg products, poultry, oats and barley were much higher than pre-war. Those in which there was a minor downward trend were sausage casings, citrus, wheat and flour. Those in which there was a substantial decline over 1938-39 were beef, lamb, mutton, apples and sugar. Comparative figures were—

—	Unit of Quantity.	Years.		
		1938-39.	1946-47.	1947-48.
Butter .. .. .	'000 lb.	229,543	133,642	185,122
Cheese .. .. .	"	35,924	53,662	51,163
Meats—				
Bacon and hams .. .. .	"	1,739	6,649	5,531
Preserved by cold process—				
Beef .. .. .	"	271,964	180,339	230,504
Lamb .. .. .	"	158,333	112,095	103,280
Mutton .. .. .	"	28,156	52,208	19,396
Pork .. .. .	"	30,716	18,705	3,720
Rabbits and hares .. .. .	'000 pairs	3,995	5,385	12,671
Preserved in tins .. .. .	'000 lb.	14,896	119,713	94,320
Sausage casings .. .. .	cwt.	23,099	17,714	17,595
Milk and cream .. .. .	'000 lb.	19,107	105,959	97,785
Fruits, dried—				
Currants .. .. .	"	53,219	12,558	22,551
Raisins .. .. .	"	110,992	78,957	70,308
Fruits, fresh—				
Apples .. .. .	Cental	2,111,139	387,458	1,408,507
Citrus .. .. .	"	274,229	167,910	273,849
Fruits, preserved in liquid .. .. .	'000 lb.	81,478	71,689	84,973
Wheat .. .. .	'000 bus.	63,129	12,176	60,454
Flour (wheaten) .. .. .	'000 cntl.	14,501	15,302	15,942
Jams and fruit jellies .. .. .	'000 lb.	13,872	65,434	58,877
Sugar (cane) .. .. .	ton	443,021	117,379	100,460

## PETROL SUPPLIES.

### RATIONING—CONTINUANCE.

On 5th July, 1948, the Minister for Shipping and Fuel (Senator Ashley) said that a meeting of the Cabinet Sub-committee on Fuel had been held that day to consider the report of the Director of Rationing

(Mr. Cumming) regarding the operation and administrative methods of petrol rationing in Australia. The sub-committee decided to recommend that either by legislation or by continuance of existing Defence (Transitional) Act Regulations, power be taken to continue petrol rationing until 31st December, 1949. The sub-committee had decided that there would be no immediate reduction in petrol rations, but that all State Liquid Fuel Boards would, in conjunction with the existing review now being undertaken of licences in the business/pleasure group (classes 3 to 6), review a number of important proposals in regard to the administration of the petrol rationing plan. Further severe restrictions in petrol consumption could be avoided only by petrol users co-operating to the utmost in effecting all practical economies.

## LITERARY CENSORSHIP BOARD.

### MEMBERS APPOINTED.

On 5th July, 1948, the Minister for Trade and Customs (Senator Courtice) announced that the Literary Censorship Board would comprise—

Professor L. H. Allen, chairman, Professor J. F. M. Haydon and Mr. K. Binns, with Sir Robert Garran as Appeal Censor.

## AUSTRALIAN MILITARY FORCES.

### SALVAGE SERVICE—CESSATION.

On 9th July, 1948, the Minister for the Army (Mr. Chambers) said that the Australian Army Salvage Service had ceased to exist as from 1st July, 1948. Commands and military districts would continue in the peace-time army to exercise the functions performed previously by the service. Although the service sold more than £5,000,000 worth of recovered materials, that represented only a fraction of the vast quantity which it recovered.

## AUSTRALIAN BROADCASTING ACT.

### TELEVISION.

On 12th July, 1948, the Postmaster-General (Senator Cameron) said that tenders would be called for two television transmitters for installation on an experimental basis at Sydney and Melbourne and, alternatively, for six transmitters for trial purposes in each State capital city, in addition to sets for receiving the experimental programmes. When tenders were received they would be considered by the Cabinet sub-committee on Broadcasting which would report to Cabinet.

(For earlier references, please see No. 136, page 37.)

## WHEAT STABILIZATION SCHEME. CONFERENCE WITH STATES—DECISION.

On 12th July, 1948, the Minister for Commerce and Agriculture (Mr. Pollard) said that a conference that day with the State Ministers for Agriculture had resulted in the following decisions:—

The Commonwealth Government shall guarantee a price of 6s. 3d. a bushel f.o.r. ports bulk basis for wheat grown and delivered by wheat-growers.

The guaranteed price shall vary according to an index of production costs for each season starting with the 1948-49 crop.

The guarantee shall apply to the wheat crop marketed through approved organizations for the period up to the end of the 1952-53 season.

Approved organizations shall be the Australian Wheat Board and those organizations which are empowered by the State Parliaments with authority to receive wheat and to market it as the agents of the Australian Wheat Board.

The Commonwealth shall ensure the guaranteed price in respect of the export from any one season's crop, provided that this guarantee shall not apply to the quantity of export in excess of 100,000,000 bushels.

A stabilization fund shall be established by means of a tax on wheat exported to meet the guaranteed price above mentioned.

The tax shall apply when the export price is higher than the guaranteed price, and shall be 50 per cent. of the difference between the two but shall not exceed 2s. 2d. a bushel.

The tax shall apply to the 1947-48 and later wheat crops.

No refunds of tax from the fund shall be made (except for the 1945-46 and 1946-47, amounts already approved) except after consideration at some future date. The Commonwealth agrees that it will not hold an excessive amount in the fund, and it will consider a refund of tax to the oldest contributing pool whenever the financial prospects of the fund justify it.

The State Ministers agree to recommend to their governments the passage of legislation necessary to ensure—

The home-consumption price equal to the guaranteed price.

The authorizing of an approved organization to receive from wheat-growers all wheat voluntarily delivered for sale as part of an Australian pool.

That legislative authority exists in each State to empower the direction of wheat by the Australian Wheat Board at any time to an approved organization as defined above.

The regulation of wheat-growing on marginal areas which have been reconstructed under the plans approved for the elimination of uneconomic wheat areas, and the establishment of a committee to advise in cases where action to regulate wheat-growing on marginal areas is necessary.

The conference agrees, subject to acceptance by the respective State governments—

That States, where they desire to do so, will constitute State wheat boards composed of a majority of growers' representatives elected by a ballot conducted by the State.

That each State board will nominate growers' representatives who are growers to the central authority in accordance with the present grower representation on the Australian Wheat Board.

That it will be optional for any State board to act either in an advisory or an administrative capacity as decided by the State concerned.

Where a State Government does not desire to create a State Wheat Board, the machinery of the central authority (the Australian Wheat Board) is to function.

Where no State board is created, growers' representatives to the Australian Wheat Board will be elected by a ballot of growers conducted by the State.

(For earlier references, please see No. 128, page 19; No. 129, page 35; No. 136, page 34.)

## SOUTH-EAST ASIA.

## MALAYA—PRIME MINISTER'S STATEMENT.

On 18th July, 1948, the Prime Minister (Mr. Chifley) said—

"I cannot say I am very happy about the position in Singapore and Malaya. I had long discussions on my way to London and again on 17th July, 1948, with the British Commissioner-General (Mr. McDonald). He is in the best position to judge and believes that the situation can be brought under control satisfactorily."

## MALAYA—EXPORT OF ARMS.

On 19th July, 1948, Mr. Chifley said—

"The export of arms and war material from Australia to Malaya are matters that have not come before the Government for consideration. I do not recall any request by the late Sir Edward Gent. There is a long standing embargo on the sale of arms to anybody or any country."

On 21st July, 1948, Mr. Chifley said—

"The Customs Act provides for a prohibition on the export of arms, ammunition, explosives, military and naval stores. From the inauguration of the Commonwealth, there has been an export prohibition in one form or another on goods in this category. The existing prohibition, which came into operation in 1935, provides that none of these goods may be exported without the consent in writing of the Minister for Customs.

"Following the outbreak of disorder in Malaya recently, numbers of applications have been received by the Customs Department for permits to export automatic pistols and revolvers and ammunition therefor to individual persons and individual companies in Malaya for the self-protection of themselves or of their employees. Applications have been made also for permits to export small bulk shipments through commercial houses. These applications have been granted subject to the following conditions:—

That, from the perusal of the order and related documents, the Collector of Customs at the port of export is satisfied as to the bona-fides of the case.

That the goods are covered by an import licence issued by the police authorities in Malaya.

That the goods are consigned to the Chief Police Officer in the district in which the consignee resides.

"No applications have been received for the exportation to Malaya of any machine guns or sub-machine guns.

"As regards provisions of light machine guns or military equipment, no request has been made by the British Government for the supply of these weapons to Malaya. The Australian Army authorities already hold in custody 100 Sten guns which the British War Office has asked the Australian Government to dispose of as surplus equipment on its behalf. Should the British Government cancel this request and ask to have these guns delivered, they will be delivered as early as possible. If a request is received through the British Government for supply from Australian stores of similar equipment, to assist in the preservation of

law and order in the area, the request will be referred to Cabinet at its meeting on 2nd August, in view of Cabinet's previous decision that no export of military equipment was to be permitted. Should Cabinet decide to vary this view and supply equipment, in response to such a request, this will also be delivered."

On 30th July, 1948, Mr. Chifley said—

"The British Government, at the request of the Government of the Federation of Malaya, has asked for the early delivery of the 100 Sten guns belonging to them and held in Australia and has also asked whether the Australian Government would be ready to supply certain other automatic weapons, ammunition and equipment, which are required for the maintenance of law and order in Malaya, and which may be available here.

"In accordance with the statement I made on 21st July, 1948, the 100 Sten guns, with ammunition, were despatched by air yesterday and should be delivered at Singapore later to-day for onward transit to the Malayan authorities, together with a few other items of equipment required for testing purposes.

"The question of the supply of weapons and equipment from Australian stocks will, in accordance with my statement of 21st July, 1948, be considered by Cabinet at its meeting on 2nd August, 1948. Meanwhile, the extent to which the items required may be available here is being urgently examined."

On 2nd August, 1948, Mr. Chifley said—

"Cabinet decided to-day that, where a request has been, or will be, made by the British Government for arms and equipment for use by the Government of the Malayan Union, these will be made available from Australian supplies within the reasonable limits of their availability."

## INDUSTRIAL.

### INDUSTRIAL RELATIONS—PROPOSED CONFERENCE.

On 20th July, 1948, the Minister for Labour (Mr. Holloway) said—

"I would be in favour of the Prime Minister calling a conference of employees and employers to discuss how best to get a greater volume of production of essential goods. If a basis for an all-party conference cannot be reached, I am in favour of the Prime Minister calling a conference of union delegates for a discussion, with the same object in view."

On 11th August, 1948, the Prime Minister (Mr. Chifley) said—

"I have conferred to-day with the Minister for Labour (Mr. Holloway), the President (Mr. P. J. Clarey), the Secretary (Mr. A. E. Monk), the Assistant Secretary (Mr. R. R. Broadby) and Mr. C. Crofts of the Australian Council of Trade Unions on the need for greater production. A conference of trades unions will be convened at a later date. Details of the conference will be arranged by Mr. Holloway in conjunction with the A.C.T.U."



## SOCIAL SECURITY.

### PHYSICALLY HANDICAPPED PERSONS.

On 21st July, 1948, the Prime Minister (Mr. Chifley) said—

“To take full advantage of the knowledge and experience of existing staffs in extending the Government's plans for the rehabilitation of physically handicapped persons, it has been decided that the plan will, for the time being, be administered by the Department of Post-war Reconstruction.

“Legislation will be introduced to amend the Social Services Consolidation Act to vest the responsibility for the development of the scheme for rehabilitation of disabled members of the community in the Director-General of Social Services.

“The scheme will extend to invalid pensioners or claimants for the invalid pension and those receiving or claiming unemployment or sickness benefits who would become unemployable unless rehabilitation assistance is provided.

“The Department of Social Services has already established a rehabilitation centre in each State except Tasmania, where facilities of the Red Cross Society are used.

“Staff employed by the Department of Social Services on this work is almost wholly temporary, but the Department of Post-war Reconstruction, responsible for the rehabilitation of many thousands of ex-servicemen, has a considerable number of permanent officers on its staff. These officers are still required for this work. It is recognized, however, that the work of post-war reconstruction will gradually decline, and that many of the permanent staff of that department trained in rehabilitation work might appropriately be transferred to the Department of Social Services. The Minister for Post-war Reconstruction (Mr. Dedman) and the Minister for Social Services (Senator McKenna) have decided that—

The Department of Social Services shall continue to be responsible for the civilian rehabilitation plan.

Temporarily the Department of Post-war Reconstruction will take over, as the agent for the Department of Social Services, the administration of the rehabilitation scheme.

“The Department of Social Services will proceed with the establishment and appointment of its permanent staff for the rehabilitation plan but will, in the meantime, second the personnel so appointed to the Department of Post-war Reconstruction.”

### TUBERCULOSIS—CABINET DECISION.

On 3rd August, 1948, Mr. Chifley said—

“Cabinet to-day approved of a plan of control in regard to tuberculosis along lines already discussed with State Ministers of Health on 29th June, 1948, for conclusion with the States at the forthcoming conference of Commonwealth and State Ministers on 23rd August.”

## COMMONWEALTH LOANS. FLOTATION COSTS.

On 28th July, 1948, the Prime Minister (Mr. Chifley) said—

“During the war years and since, Commonwealth loan raisings have been conducted with remarkable economy and compare more than favorably with other countries. After provision is made for all charges—including advertising, brokerage, bank expenses and the Commonwealth Loans Organization—the cost does not exceed 5s. per cent. This cost is less than one-third of the cost rate regarded as appropriate in some overseas countries.

“From the war-time peak of 360 in all States, the Commonwealth Loans Organization staff has been reduced to 130. The remaining staff is regarded as essential. It provides a nucleus of highly-trained persons whose services are fully employed on loan subscription, conversions and national savings campaigns.

“The Sixth Security Loan, opening on 8th September, 1948, is an important operation. Apart from £15,000,000 of new money, an appeal will be made to 300,000 holders of £85,000,000 of Commonwealth securities maturing in September-October, 1948, to convert into the new loan.

“Visits to homes by the organization's representatives have been part of normal activities for a considerable period. This advice card sent to householders is necessary because, with money involved, precautions are necessary to protect both Commonwealth and public. This work is done under strict supervision.”

## HEALTH AND YOUTH WELFARE. INTERNATIONAL YOUTH CONFERENCE.

On 28th July, 1948, the Minister for Health (Senator McKenna) announced that the Australian delegation to attend the International Youth Conference at London in August, 1948, would comprise—

Miss Lyra Taylor, in charge of professional social work and research activities in the Department of Social Services; the co-director of national fitness in the Department of Health (Miss Kathleen Gordon); the Rev. G. Malloy of the Church of England Youth Department; the national secretary of the Young Christian Workers' Movement (Mr. F. McCann); and Mr. A. S. Livingstone, of the department of social studies at Melbourne University.

Major aspects of discussion at the conference would be—

Preparation for work, including training and vocational guidance; legislation specifically affecting young people in work (urban and rural); the status of young people in work; the position of women and girls and the family in relation to work; social security; the influence of mass media (press, films and radio) on young people; commercial provision for leisure (including commercially sponsored holiday camps and compulsory holidays for employees of business undertakings); travel, holidays and interchange; the contributions of the voluntary organizations to leisure, in age groups under and over eighteen; cultural life and developments in relation to work and leisure.

### NATIONAL HEALTH COUNCIL—APPOINTMENTS.

On 28th July, 1948, Senator McKenna announced the appointment to the National Health and Medical Research Council of a representative of the Australian Dental Association, and of an obstetrician representing the Australian Regional Council of the Royal College of Obstetricians and Gynaecologists.

### GOITROUS AREAS.

On 3rd August, 1948, the Prime Minister (Mr. Chifley) said—

"Cabinet to-day approved of the supply free of charge to State governments, municipalities and other approved public authorities of tablets containing potassium iodide for the prevention of endemic goitre. Reports of school medical officers have revealed the main goitrous areas in Australia as follows:—

NEW SOUTH WALES.—Hunter and Manning valleys (excluding Newcastle), 25,000 children; northern tablelands, 10,000; portion of central tablelands, 10,000; southern tablelands, 8,000; portion of non-metropolitan section of Cumberland, 2,500; total, 55,500.

VICTORIA.—Gippsland, 21,000 children; portion of central Victoria, 5,000; total 26,000.

QUEENSLAND.—Cairns Hinterland and Toowoomba valleys, 3,500 children.

SOUTH AUSTRALIA.—Adelaide Hills, 5,000 children.

WESTERN AUSTRALIA.—C. Leeuwin Hinterland (strongly suspect, not proven). 1,000 children.

TASMANIA.—Derwent Valley, Huon Valley, King Valley, North Midland, and portion of Midland, 25,000 children.

TOTAL.—116,000.

### INDUSTRIAL HYGIENE AND MEDICINE.

On 3rd August, 1948, Mr. Chifley said—

"A Division of Industrial Hygiene in the Commonwealth Health Department, first established in 1924, was abolished in 1932 and since then Health Department medical officers working part time on this subject have given advice on industrial problems.

"Cabinet decided to-day to establish a strong unit in industrial medicine at the School of Public Health and Tropical Medicine at Sydney University. The unit will include a senior medical industrial hygienist, with a team of workers including a chemist and a physicist. The duties of the unit will be—

To act as a training school for medical men and others needed to carry out investigations into industrial hazards and problems of industrial hygiene.

To advise the Government on all problems relating to diseases in industry.

As a research unit to initiate industrial hygiene field investigations into the cause, nature and extent of industrial health hazards.

### REPARATIONS.

#### SCIENTIFIC PERSONNEL.

On 3rd August, 1948, the Prime Minister (Mr. Chifley) said—

"The Minister for Post-war Reconstruction (Mr. Dedman) advised Cabinet to-day of a further report by the Employment of Scientific and Technical Enemy Aliens Committee. The report recommended that a further 48 German scientists and technicians be brought to Australia for employment."

## RECONSTRUCTION.

### SECONDARY INDUSTRIES—DIVISION OF INDUSTRIAL DEVELOPMENT.

On 3rd August, 1948, the Prime Minister (Mr. Chifley) said—

“Cabinet decided to-day that the Division of Industrial Development of the Department of Post-war Reconstruction be established on a permanent instead of its present temporary basis. The functions of the Division will be—

To encourage and advance industrial development necessary for Commonwealth responsibilities.

To exercise Commonwealth responsibilities in respect of the national policy of decentralization of secondary industries.

Generally to promote efficiency in industry, and in particular to study technical, production and managerial problems.

To encourage and assist in the dissemination and the application of new knowledge and new methods.

To undertake for publication continuing studies of the structure and operation of Australian manufacturing industries.”

## EXTERNAL COMMUNICATIONS.

### TELE-COMMUNICATIONS COMMISSION—APPOINTMENT.

On 3rd August, 1948, the Prime Minister (Mr. Chifley) said—

“Cabinet decided to-day to re-appoint Mr. G. U. J. Gowans as member of the Overseas Tele-communications Commission (Aust.) for three years from 23rd August, 1948. Mr. Gowans was appointed a member of the Commission from 25th January, 1947, in place of J. V. Barry, K.C.”

## FIGHTING FORCES.

### COMMONWEALTH RECONSTRUCTION TRAINING SCHEME—CLOSING DATE.

On 3rd August, 1948, the Prime Minister (Mr. Chifley) said—

“When the Government decided that there should be no general extension for the closing date for the receipt of applications under the Commonwealth Reconstruction Training Scheme beyond 30th June, 1947, provision was made whereby, under special training plans approved by the Minister for Post-war Reconstruction (Mr. Dedman), applications could be received after that date.

“Cabinet to-day approved of action taken by Mr. Dedman under the following special plans:—

No. 1. War-caused Disabled Persons.—Applications may continue to be accepted, subject to review in June, 1948.

No. 2. War Widows.—Applications may continue to be accepted, subject to review in June, 1948.

No. 3. Part-time Training.—Date for acceptance of applications extended to 30th June, 1948, in respect of the following classes of persons enrolled in the scheme as at 30th June, 1947, and to twelve months after date of enrolment in the scheme in cases where enrolment occurs after 30th June, 1947:—

Full-time trainee (including a trainee in subsidized employment) applying to take a part-time course concurrently with his full-time course.

Part-time trainee applying to take another part-time course concurrently with the first part-time course.

Full-time trainee (professional or vocational) applying to take a part-time course at the end of his full-time course.

Part-time trainee, applying to take additional part-time courses upon completion of a course not costing the full £60.

No. 4. Teacher Training.—Date for acceptance of applications extended to 30th June, 1948.

No. 5. Training of Natives in the Territory of Papua-New Guinea.—Date for acceptance of applications extended to 31st December, 1948.

No. 6. Training of Torres Strait Islanders.—Date for acceptance of applications extended to 30th June, 1948.

No. 7. Nursing Training.—Date for acceptance of applications extended to 30th June, 1948.

“Cabinet also approved of the continued operation of special plans Nos. 1, 2 and 3, with a further review in June, 1949.”

#### WAR SERVICE MORATORIUM—CONTINUANCE.

On 10th August, 1948, the acting Attorney-General (Senator McKenna) announced that amendments would be made to National Security (War Service Moratorium) Regulations to afford ex-service-men the same protection under State landlord and tenant legislation as they had under Commonwealth regulations.

(For earlier references, please see No. 128, page 20; No 135, page 34.)

#### WHEAT POOLS PAYMENTS.

##### No. 10 POOL—FIFTH ADVANCE.

On 3rd August, 1948, the Minister for Commerce (Mr. Pollard) announced a fifth advance of 5½d. a bushel for wheat in No. 10 pool. The advance would bring payments to 7s. 8½d. a bushel.

##### No. 11 POOL—THIRD ADVANCE.

On 3rd August, 1948, Mr. Pollard announced a third advance of 2s. a bushel for wheat in No. 11 pool. The advance would bring payments to 8s. 6d., less freight, for bulk wheat a bushel and 9s., less freight, for bagged wheat.

#### EXTERNAL AFFAIRS.

##### DIPLOMATIC CADETS.

On 6th August, 1948, the acting Minister for External Affairs (Mr. Chifley) said that applications had been invited for diplomatic cadets to commence training at Canberra University College in 1949.

#### AID ROADS AND WORKS ACT.

##### PETROL TAX, GRANT FOR ROADS.

On 6th August, 1948, the Prime Minister (Mr. Chifley) said—

“Representations have been received from many sources that the whole of the proceeds of taxation on petrol or a greater portion should be made available for roads purposes.

"The petrol tax is not imposed solely for this purpose and although for many years substantial roads grants have been made to the States, the major portion of this tax has been required to meet the expenditure of the Commonwealth for general purposes and in particular, the heavy commitments for war and post-war purposes. The tax is primarily a revenue impost, in common with those imposed on many other items, such as beer, tobacco and matches.

"About 90 per cent. of the petrol consumed in Australia for civil purposes is used for commercial and industrial purposes. To a great extent the cost is passed on to the general community in transportation and delivery charges.

"Since the greater portion of the tax is not finally borne by the users of petrol but by the general community, it is inappropriate to contend that the whole of the proceeds should be used for roads purposes.

"Since the war the petrol tax has been reduced by 1d. a gallon. As in the case of other forms of taxation, consideration is given to the possibility of effecting reductions as the financial commitments of the Commonwealth permit.

"The whole question of Commonwealth assistance for roads received very full consideration when the Commonwealth Aid Roads and Works Act was passed in May, 1947. This legislation provides for the payment to State Governments over a period of three years of considerably increased amounts and one of its features is that it provides for a special payment of £1,000,000 a year for the maintenance and construction of roads, other than main highways, through sparsely settled areas, timber country and rural areas. These payments are made in the first instance to State governments, since it is not the policy of the Commonwealth to give direct financial aid to local government bodies.

"Including the sum of £500,000 for expenditure by the Commonwealth on strategic roads and roads for access to Commonwealth properties, the amount so made available for roads purposes during 1947-48 was £6,300,000, compared with £4,800,000 in 1946-47. The question of the adequacy of the present grant is being kept under notice by the Government.

"It was inevitable that the war-time diversion of practically Australia's total economic resources should result in some deterioration in the condition of many roads. The question of restoration and improvement is not, however, solely one of finance. As a result of the suspension of many forms of ordinary economic activity during the war, resources of materials and man-power in Australia to-day are insufficient to meet all requirements. If a greater sum were to be spent on roads, it is obvious that there would be a reduction in the allocation of labour and materials to other types of economic activity and apart from purely financial considerations, the expenditure of money on roads must be viewed in that light."

## NATIONAL UNIVERSITY. INTERIM COUNCIL—APPOINTMENTS.

On 10th August, 1948, the Minister for Post-war Reconstruction (Mr. Dedman) announced appointments to the interim council of the Australian National University as follows:—

The Professor of Bacteriology at Sydney University (Professor H. Ward), the Professor of Botany at Adelaide University (Professor J. G. Wood), the Professor of Physics at Melbourne University (Professor L. H. Martin).

Original members were Professor R. C. Mills (chairman), Sir John Medley, Sir Robert Garran, Sir Frederic Eggleston, Sir David Rivett, Professor R. D. Wright, Professor Eric Ashby, Dr. H. C. Coombs, Mr. C. S. Daley, Mr. H. J. Goodes and the Vice-Chancellor.

(For earlier references, please see No. 118, page 26; No. 130, page 41.)

## BANKING CONTROL. LEGISLATION—NATIONALIZATION, HIGH COURT CASE, JUDGMENT.

On 11th August, 1948, the Prime Minister (Mr. Chifley) said—

“The matter\* is one upon which the Acting Attorney-General (Senator McKenna) will report to the Government.”

\* The judgment of the High Court in the following cases:—

### BANK OF NEW SOUTH WALES AND OTHERS v. THE COMMONWEALTH OF AUSTRALIA AND OTHERS.

Declare that the following provisions of the *Banking Act* 1947 are invalid—Part IV., Division 2, except insofar as it relates to the voluntary acquisition of shares and without prejudice to the question whether section 14 (1) is valid in relation thereto; Part IV., Division 3, sections 24, 25, 37 to 45 inclusive, 46, 59 and 60.

Order—

- (a) that the defendant the Treasurer and any Minister of the defendant the Commonwealth of Australia or any member of the Executive Council for the time being acting or purporting to act for or on behalf of the Treasurer of the Commonwealth of Australia be restrained from publishing or causing or permitting to be published any notice pursuant to sub-section (1) of Section 13 of the *Banking Act* 1947;
- (b) that the defendant Hugh Trail Armitage and every other person for the time being entitled by law or purporting to exercise the powers of the Governor of the Commonwealth Bank of Australia be restrained from appointing or purporting to appoint any person a director of any of the plaintiff companies;
- (c) that the defendant the Treasurer and any Minister of the defendant the Commonwealth of Australia or any member of the Executive Council for the time being acting or purporting to act for or on behalf of the Treasurer of the Commonwealth of Australia be restrained from giving or causing or permitting to be given any notice pursuant to sub-section (1) of Section 22 of the *Banking Act* 1947;
- (d) that the defendant the Commonwealth of Australia its officers and servants be restrained from requiring any of the plaintiff companies to take any action pursuant to sub-section (8) of Section 24 of the *Banking Act* 1947;
- (e) that the defendant the Treasurer and any Minister of the defendant the Commonwealth of Australia or any member of the Executive Council for the time being acting or purporting to act for or on behalf of the Treasurer of the Commonwealth of Australia be restrained from publishing or causing or permitting to be published in the *Commonwealth Gazette* any notice pursuant to sub-section (4) of Section 46 of the *Banking Act* 1947; and
- (f) that the defendant Hugh Trail Armitage and every other person for the time being entitled by law or purporting to exercise the powers of the Governor of the Commonwealth Bank of Australia be restrained from authorizing any person to act under Section 59 of the *Banking Act* 1947.

Defendants to pay costs of plaintiffs including reserved costs, if any.

THE BANK OF AUSTRALASIA AND OTHERS v. THE COMMONWEALTH OF AUSTRALIA AND OTHERS.

Declare that the following provisions of the *Banking Act 1947* are invalid:—  
Sections 24, 25, 37 to 45 inclusive, 46, 59 and 60.

Order—

- (a) that the defendant the Treasurer and any Minister of the defendant the Commonwealth of Australia or any member of the Executive Council for the time being acting or purporting to act for or on behalf of the Treasurer of the Commonwealth of Australia be restrained from giving or causing or permitting to be given any notice pursuant to sub-section (1) of Section 22 of the *Banking Act 1947*;
- (b) that the defendant the Commonwealth Bank of Australia its officers and servants be restrained from requiring any of the plaintiff companies to take any action pursuant to sub-section (8) of Section 24 of the *Banking Act 1947*;
- (c) that the defendant the Treasurer and any Minister of the defendant the Commonwealth of Australia or any member of the Executive Council for the time being acting or purporting to act for or on behalf of the Treasurer of the Commonwealth of Australia be restrained from publishing or causing or permitting to be published in the *Commonwealth Gazette* any notice pursuant to sub-section (4) of Section 46 of the *Banking Act 1947*; and
- (d) that the defendant Hugh Trail Armitage and every other person for the time being entitled by law or purporting to exercise the powers of the Governor of the Commonwealth Bank of Australia be restrained from authorizing any person to act under Section 59 of the *Banking Act 1947*.

Defendants to pay costs of plaintiffs including reserved costs, if any.

THE STATE OF VICTORIA AND ANOTHER v. THE COMMONWEALTH OF AUSTRALIA AND OTHERS.

THE STATE OF SOUTH AUSTRALIA AND ANOTHER v. THE COMMONWEALTH OF AUSTRALIA AND OTHERS.

THE STATE OF WESTERN AUSTRALIA AND ANOTHER v. THE COMMONWEALTH OF AUSTRALIA AND OTHERS.

Judgment in the same terms as in Bank of New South Wales and others.

*Latham C.J.*—

In these five actions, the validity of the *Banking Act 1947* has been challenged. In my opinion, the following sections of the Act are invalid:—

- Section 14 (2) relating to the transfer by the Commonwealth Bank of shares.
- Sections 17 to 20 relating to the taking over and control of the Australian Banks.
- Sections 23 and 24 relating to the acquisition of the assets of the Banks.

In my opinion declarations should be made accordingly and the appropriate injunctions granted.

*Rich J. and Williams J.* (delivered by Rich):—

We would give judgment to the plaintiffs in all five actions. In the action by the private banks incorporated in Australia and the States of Victoria, South Australia and Western Australia, we declare that Sections 13, 14, 17-21 inclusive, 22, sub-sections 8 (b) and (d), 24, 56, 59 and 60, and Parts 6 and 7 of the *Banking Act 1947* are void.

In the action by the three private banks incorporated in the United Kingdom, we declare Sections 22, sub-section 8 (b) and (d), 24, 25, 59 and 60 and Parts 6 and 7 of the act are void and consequential relief should be granted.

*Starke J.* (delivered by Dixon):—

His Honour says the following provisions of the *Banking Act 1947* are invalid:—

- Part 4, Division 2, except insofar as the acquisition of shares by agreement is concerned.
- Part 4, Division 3 is wholly invalid.
- Part 4, Division 4, taking over business of banks, is invalid except insofar as by agreement.
- Part 6 is wholly invalid.
- Part 7 is wholly invalid.
- Part 8 is inoperative.
- Part 9 is inoperative, except insofar as the provisions thereto may be applied to acquisitions by agreement, and in any case Sections 59, 60 and 62 are invalid.

Declarations should be made accordingly.

*Dixon J.*—

I am of opinion that Sections 17-20 of the *Banking Act 1947* are in conflict with Section 51 (31) of the Constitution and are void. Section 13 cannot be given a purpose independent of those provisions. Sections 40, 42, 43, 44 conflict with Section 75 (3) of the Constitution, with the result that Part 6 fails, and with the further result that, except for Section 12, Division 2 of Part 4 and Sections 24 and 46 (3) are invalid. Sub-sections 4-8 of Section 46 are contrary to Section 92 and are void. Consequential provisions fail.

*McTiernan J.*—

The following provisions of the *Banking Act* are invalid:—

- Sections 17-20 inclusive.
- Section 24, sub-section 8.



## LEGISLATION—NATIONALIZATION, HIGH COURT JUDGMENT, APPEAL.

On 13th August, 1948, Mr. Chifley said—

"I have consulted all members of Cabinet on the High Court's judgment in the Banking case and a decision has been reached to seek an appeal to the Privy Council at the earliest possible date.

"I direct attention to some aspects of the court's decision which it is desirable should be made clear to the public. A majority of the court has held that certain parts of the 1947 Act conflict with Section 92 of the Constitution, which guarantees interstate free trade. That, however, is a matter on which there has been sharp division of opinion among the justices of the court. In the Chief Justice's opinion, the Act was fully within the principles relating to Section 92 established by the Privy Council.

"Apart from Section 92, the fundamental question is the scope of the National Parliament's power to make laws with respect to banking. On that point, a majority of the court substantially upheld the major contentions put forward for the Commonwealth by the Attorney-General (Dr. Evatt) and rejected the narrow interpretation contended for by the private banks.

"The majority of the court also decisively rejected the special contentions put forward by the three plaintiff States.

"I am advised that the judgments of the Chief Justice and Mr. Justice McTiernan show that a few amendments in non-vital provisions would have enabled those justices to uphold the Act in all respects.

"Copies of the High Court judgments are being despatched to Dr. Evatt in London and will reach him early next week. I have arranged for the Solicitor-General (Professor K. H. Bailey) to go to London as soon as possible for consultation with Dr. Evatt."

## COAL INDUSTRY.

### PRIME MINISTER'S VISIT TO COALFIELDS.

On 12th August, 1948, the Prime Minister (Mr. Chifley) said—

"The Minister for Shipping and Fuel (Senator Ashley) and representatives of the Joint Coal Board will accompany me on a visit to Cessnock and Kurri Kurri on Sunday, 5th September, 1948. It is proposed that I address members of the Australian Coal and Shale Employees' Federation at those places."

## NATIONAL DEBT.

### NATIONAL DEBT COMMISSION—ANNUAL MEETING.

On 19th August, 1948, the Prime Minister (Mr. Chifley) said that the National Debt Commission had met that day when the annual report of transactions for the year ended 30th June, 1948, was presented, and consideration given to the application of sinking fund moneys accruing during 1948-49.

Receipts of the sinking fund for 1947-48 were £27,659,000. Receipts for 1948-49 were estimated at £28,785,000 being £18,592,000 on account of the Commonwealth and £10,193,000 on account of the States. Of the latter amount, £1,851,000 would be provided from Commonwealth revenue. Total contributions estimated to be available for the redemption of the debt of each State were—

New South Wales, £4,000,000; Victoria, £2,034,000; Queensland, £1,475,000; South Australia, £1,254,000; Western Australia, £1,092,000; Tasmania, £338,000; total £10,193,000.

The receipts totalling £28,785,000 were directed by the commission to be applied in the various markets in which Commonwealth and State securities were held—Australia, London and New York. The commission used its funds for the redemption of Commonwealth and State securities either by repurchase of securities on the market, or by redemption at maturity.

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

Members of the commission were—

The Commonwealth Treasurer (Mr. Chifley), chairman, the Chief Justice (Sir John Latham), the Governor of the Commonwealth Bank (Mr. H. T. Armitage), the acting-secretary of the Treasury (Mr. G. P. N. Watt), the Solicitor-General (Professor K. H. Bailey) and Mr. A. T. Smithers, representative of the States.

## GOLD MINING.

### ASSISTANCE.

On 20th August, 1948, the Prime Minister (Mr. Chifley) said—

“The Commonwealth has agreed to provide a measure of assistance to three gold-mining companies in the Kalgoorlie area and to review the case of another Kalgoorlie mine when the financial results of its operations during 1948 are available. The request of a mine in the Cue district for assistance is still under consideration.

“The Commonwealth’s agreement to provide this assistance, follows an application which was made by fifteen mines, through the Western Australia Chamber of Mines, to the Minister for the Interior (Mr. Johnson). The Chamber claimed that a number of the mines would be forced to close as the present price of gold did not allow a sufficient margin to meet the rising costs. It was pointed out that the closing of these mines would have a serious effect on the economy of Western Australia and might result in the abandonment of certain townships.

“Financial and technical investigations were made into the position of each mine. These investigations showed that a general form of assistance is not warranted. Many mines are still capable of paying good dividends even though rising costs are reducing the level of profits

to which the mines have been accustomed. A few of the mines included in the application are only salvage propositions, and Commonwealth assistance would not be justified under such circumstances.

"The mines which it has been decided to aid during the current year have been informed of the terms of assistance, and the position of the industry in Western Australia will be reviewed early next year. Most mines are experiencing difficulty in maintaining production rate because of labour shortages."