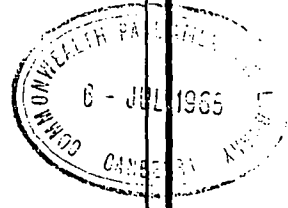


CP 702

COMMONWEALTH GOVERNMENT.



DIGEST OF DECISIONS  
AND ANNOUNCEMENTS

AND

IMPORTANT SPEECHES

BY

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

No. 131.

PERIOD—9TH OCTOBER, 1947, to 5TH NOVEMBER, 1947.

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**INCOME TAX.**  
**UNIFORM TAXATION—REIMBURSEMENT TO STATES,**  
**BILL INTRODUCED.**

*In Parliament.*—On 9th October, 1947, the Prime Minister (Mr. Chifley) introduced the States Grants (Tax Reimbursement) Bill. Mr. Chifley said—

“The object of this bill is to provide for the payment of an additional tax reimbursement grant to the States under the uniform tax plan. Under the 1946 act, a revised basis of tax reimbursement grants came into operation as from 1st July, 1946. Main provisions of that act were—

Aggregate grant in 1946-47 and 1947-48 to be £40,000,000, distributed among the States in accordance with the first schedule of the act.

In 1948-49 and subsequent years, the aggregate grant to be increased in accordance with the formula, which takes account of the variations in the States, populations, and one half of the percentage increase, if any, in the level of average wages per person employed, over the level in 1946-47.

In 1948-49 and subsequent years, the distribution of the aggregate grant among the States to be varied to an increasing degree in accordance with the adjusted populations of the States.

The grant to each State in any year to be not less than that received in 1946-47.

“At the conference of Commonwealth and State Ministers in August, 1947, the Premiers maintained that the aggregate grant of £4,000,000 would be insufficient to enable them to balance their budgets in 1947-48. It is clear that there has been a deterioration of State finances. Mainly because of the success of the Commonwealth Government's low interest rate policy, State debt charges—which constitute a major item of State expenditures—have in the aggregate not increased over the 1938-39 level. In the field of administration and social services, however, State expenditures are showing an unusually rapid increase, partly because of the impact of rising costs and prices.

“The Commonwealth Government does not desire to upset the basis of reimbursement provided for in the 1946 act, which, in the absence of a major change in the relations between the Commonwealth and any State or States having an effect on the finances of a State or States, was to operate for at least seven years. On this basis, the State governments are, in effect, guaranteed the reimbursement provided for in the act, irrespective of fluctuations in the financial position of the Commonwealth. Accordingly, the Government proposes that the States Grants (Tax Reimbursement) Act 1946 shall continue in operation, with the addition of a section to provide for—

The payment of an additional grant of £5,000,000 to the States in 1947-48.

The payment of an additional grant in subsequent years to cover any deficiency that may occur between the aggregate grant as determined under the present provisions of the act and £45,000,000.

“It is also proposed that in each instance the additional grant is to be distributed among the States in the same proportions as the aggregate grant of £40,000,000 is distributed at present”.

[The bill was passed.]

(For earlier references, please see No. 129, page 41.)

**ROYAL AUSTRALIAN NAVY.  
NAVAL BOARD—FOURTH MEMBER.**

On 9th October, 1947, the Minister for the Navy (Mr. Riordan) announced that Captain E. W. Anstice had been appointed Fourth Naval Member of the Naval Board.

**COMMONWEALTH LITERARY FUND.  
DECISIONS.**

On 9th October, 1947, the Prime Minister (Mr. Chifley) said—

“The Commonwealth Literary Fund Committee to-day awarded fellowships for 1948 to K. (Seaforth) MacKenzie, J. K. Ewers, and Miss Jean Campbell. A Commonwealth Literary Fund pension was awarded to J. W. Gordon (“Jim Grahame”)”.

**BARLEY.**

**STABILIZATION PLAN—CONTINUANCE.**

On 9th October, 1947, the Minister for Agriculture (Mr. Pollard) announced that the Commonwealth Government would extend barley marketing regulations to enable the incoming crop to be marketed by the Australian Barley Board as in previous seasons, on a Commonwealth basis, with a guaranteed minimum price. Urgent requests had been made by the Victorian and South Australian Governments and growers' organizations that that would be done.

On 30th October, 1947, Mr. Pollard announced that the Australian Barley Board would handle and market oats of all grades under voluntary pool with a minimum guarantee from the Government, and would be the sole exporter of oats. The arrangement would apply in all States, but growers would be free to sell on the open market. The Government guarantee of 3s. 3d. a bushel on rails at growers' sidings, plus an extra 3d. a bushel to off-set higher cost of bags, would be payable, but growers would not be permitted to rail oats until advised by the board.

(For earlier references, please see No. 117, page 44.)

**No. 8 POOL—FOURTH ADVANCE.**

On 28th October, 1947, Mr. Pollard announced that a fourth advance of 9d. a bushel for malting grades and 3d. a bushel for feed grades had been approved on 1946-47 crop barley in No. 8 pool. The advance brought payments to growers to 7s. 3d. a bushel less freight for 2-row malting barley, and 3s. 8d. less freight for 6-row feed grade.

**REMEMBRANCE SUNDAY.**

On 9th October, 1947, the Prime Minister (Mr. Chifley) said—

“In accordance with the approval given by the King in respect of the observance this year of Remembrance Sunday in Britain, the Commonwealth Government proposes that the usual arrangements be made

in Australia for the commemoration of Remembrance Day on 9th November, 1947, as a Day of Remembrance for those who gave their lives both in World War I. and World War II."

## WHEAT POOLS PAYMENTS.

### No. 11 POOL—FIRST ADVANCE.

On 10th October, 1947, the Minister for Agriculture (Mr. Pollard) announced that the first advance to growers for No. 11 wheat pool would be 4s. 6d. a bushel net for bulk wheat and 5s. a bushel net for bagged wheat—the highest first advance for any pool.

### No. 10 POOL—THIRD ADVANCE.

On 30th October, 1947, Mr. Pollard announced that a third advance of 1s. a bushel had been approved for No. 10 pool. The advance would bring the amounts to 6s. 7d. for bulk and 6s. 10d. for bagged, less freight.

## PRIMARY INDUSTRIES.

### DAIRY INDUSTRY—ADVISORY COMMITTEE, REPORT.

On 13th October, 1947, the Prime Minister (Mr. Chifley) announced that the Joint Dairy Industry Advisory Committee which had made a survey of farm costs of production of butter, cheese and processed milk products had, in advance of its final report, submitted recommendations to the Government. It had been decided that the overall basic return to the farmer at the factory door would be 2s. per lb. commercial butter basis—an increase of 4½d. per lb. on the present recognized cost of production of 1s. 7½d. per lb. to the dairy farmer and, in accordance with the Government's understanding with the industry, would be retrospective to 1st April, 1947.

The Government had decided to guarantee a price to the industry on total production of the products mentioned for five years from 1st April, 1947. The basic return to the farmer of 2s. per lb. commercial butter would be subject to variation up or down in accordance with demonstrated movements in cost factors. There would be a review of cost factors between 1st April and 15th June in each year during the five years, following which any necessary adjustments of the basic price now determined would be made as from 1st July of the year under review.

As a result of the Government's decision, increases in the retail prices of butter, cheese and associated milk products would be necessary and while the existing subsidy payments of about £4,500,000 a year would be continued, it had yet to determine the extent to which the whole or part of the increased prices would be passed on to the consumer. It was estimated that from 1st April, 1947, until such time as it was possible to adjust retail prices to the consuming public the Commonwealth Government would pay a further subsidy of about £2,000,000.

The Government had approved an annual grant of an amount not exceeding £250,000 for five years commencing 1st January, 1948, to promote improved farm practices in the dairy industry. Plans would be drawn up by the Minister for Agriculture (Mr. Pollard) in consultation with representatives of the industry and State Ministers of Agriculture.

(For earlier references, please see No. 115, page 33; No. 122, page 18.)

#### DAIRY INDUSTRY—CONTROL, BOARD CHAIRMAN.

On 4th November, 1947, Mr. Pollard announced that the president of the Australian Dairy Farmers' Federation (Mr. G. C. Howey) had been appointed chairman of the Australian Dairy Produce Board, re-constituted under recent legislation.

(For earlier reference, please see No. 130, page 3.)

#### EXPORTS TO BRITAIN—UNITED KINGDOM MISSION.

On 17th October, 1947, the Prime Minister (Mr. Chifley) said—

“The Australian Government considers it desirable that Britain should send a small expert mission to Australia to continue exploratory discussions commenced at London between representatives of the two Governments, regarding the production of larger quantities of food in Australia, so that greater supplies will be available for export to the British people.

“This view is being conveyed to the British Government through the Australian High Commissioner at London (Mr. Beasley). He will express the opinion, already known to be acceptable to the British Government, that such a mission will become familiar with technical and other problems associated with particular primary industries, and secure a clearer appreciation of action already being taken to stimulate production.

“The Australian Government will co-operate enthusiastically in a project to further increase output of those foods desired by Britain which can be produced on a commercial scale here, and or which markets for a reasonable term ahead are assured. This will necessarily include extensions of existing long-term contracts, and the negotiation of others—exemplified in preliminary discussions on wheat with Lord Addison when he was in Australia.

“Australia has already been able to increase direct exports to Britain since the war ended, and to provide food for British Empire countries in the Pacific and elsewhere. The latter has, no doubt, relieved pressure on Britain's other supply sources. Australia's efforts will be continued and, no doubt, can be augmented with direct aid from Britain. Men and machines are among urgent requirements to stimulate production

“The proposed mission of experts to Australia will have an opportunity for discussion with Australian agricultural experts, and when proposals are matured it can be anticipated that their guidance will be a major contribution in developments”.

### EXPORTS TO BRITAIN—BUTTER.

On 5th November, 1947, Mr. Pollard said that total exports of butter during 1946-47 were 133,642,282 lb. of which 116,640,023 lb. went to Britain. Excepting for a small quantity, Australian butter was shipped either to or at the direction of the British Ministry of Food and in accordance with International Emergency Food Council allocations.

(For earlier references, please see No. 115, page 32.)

### RURAL PRODUCTION.

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

“Gross value of rural production in Australia for 1947-48 has been estimated at £447,000,000 compared with the estimated value of £379,000,000 for 1946-47 and the average annual value for the five pre-war years ended 1938-39 of £211,000,000. The current year's estimate is about 18 per cent. higher than 1946-47, and considerably more than double the pre-war figure.

“Of the estimated total, agricultural industries are expected to contribute £192,000,000, pastoral industries £168,000,000 and dairy and farmyard industries £87,000,000, of which dairy and pig products represent £60,000,000. The estimated figures for 1946-47 are £139,000,000, £159,000,000 and £81,000,000 respectively.

“Expressed in terms of percentages, compared with the average figures for the pre-war five year period ended 1938-39, increases in the estimated value of rural production for the current period are—

*Wheat.*—More than 300 per cent. increase in value and about 29 per cent increase in volume.

*Wool.*—About 90 per cent. increase in value, but about 8 per cent. decrease in volume.

*Meats (except pig-meats).*—About 133 per cent. increase in value; 9 per cent. increase in number of sheep and lambs slaughtered, but 4 per cent. fewer beef cattle and calves.

*Dairy Products (including pig-meats).*—About 112 per cent. in value, but 5 per cent. decrease in total milk produced and 16 per cent. decrease in the number of pigs slaughtered.

“Wool, estimated to return £96,000,000, and wheat, at £93,000,000, are expected to contribute 42 per cent. of the estimated gross return”.

### SUGAR—AGREEMENT, BILL INTRODUCED.

*In Parliament.*—On 23rd October, the Minister for Customs (Senator Courtice) introduced the Sugar Agreement Bill. Senator Courtice said—

“This bill is intended to approve the supplementary sugar agreement made on 17th October, 1947, between the Commonwealth Government and the Queensland Government. Under that agreement the governments agreed to amend the present sugar agreement to provide for an increase of £4 2s. 8d. a ton in the wholesale price of refined sugar of 1A grade, and for the prices of sugar of other grades at present fixed by

the Sugar Agreement Act, to be increased commensurately. Comparison of the new maximum prices with the present ones is supplied in the following table:—

---	Present Price.		New Price.	
	Per ton. £ s. d.		Per ton. £ s. d.	
Refined sugar of 1A grade .. .. .	33	4 0	37	6 8
Refined sugar of 1XD grade .. .. .	32	10 9	36	11 9
Mill white and first quality mill sugar of not less than 98 net titre—				
Price to manufacturers .. .. .	29	8 0	32	10 6
Price to other purchasers .. .. .	30	0 0	33	3 9

“ The effect of the increase of £4 2s. 8d. a ton in the wholesale price will be to raise the retail price of refined sugar by  $\frac{1}{2}$ d. per lb. The new retail price in capital cities will be 4 $\frac{1}{2}$ d.

“ When the present agreement was signed in October, 1945, the Australian Government gave an assurance to the sugar industry that, if during the currency of the agreement, cost levels increased substantially, it would be prepared to consider instituting an inquiry into the position of the industry. The Government has become increasingly aware of the difficulties which the industry had to face during the war years and since, and it is now convinced that the urgency of the industry's need for assistance is such that immediate action must be taken to provide a stimulus to the industry ”.

[The bill was passed.]

(For earlier references, please see No. 112, page 30; No. 129, page 24.)

## EDUCATION.

### UNESCO—AUSTRALIAN DELEGATION 1947.

On 14th October, 1947, the Minister for Post-war Reconstruction (Mr. Dedman) announced that an Australian delegation would attend the second session of the Unesco conference at Mexico City in November, 1947. The delegation comprised—

Dr. E. R. Walker, leader, the Assistant Director of the Commonwealth Office of Education (Mr. W. J. Weeden), the Secretary of the New South Wales Public Library (Mr. J. W. Metcalfe), the Lecturer in Arts at Sydney Technical College (Mr. F. Medworth); and a nominee of the Australian Teachers Federation.

(For earlier references, please see Nos. 112, page 23; 120, page 23; 125, page 9; 127, page 32.)

## BANKING CONTROL.

### LEGISLATION—NATIONALIZATION, BILL INTRODUCED.

*In Parliament.*—On 15th October, 1947, the Prime Minister (Mr. Chifley) introduced the Banking Bill 1947. Mr. Chifley said—

“ The purpose of this bill is to empower the Commonwealth Bank to take over the banking business at present conducted in Australia by private banks. State banks and savings banks will not be affected.

"It will be the responsibility of the Commonwealth Bank under this legislation—

To provide, in accordance with the conditions of normal banking business, adequate banking facilities for any State or person requiring them;

To conduct its business without discrimination.

To observe, except as otherwise required by law, the practices and usages customary among bankers and, in particular, to maintain strict secrecy within the law as to the affairs and dealings of its customers.

"The bill also envisages the development, under public ownership, of a comprehensive banking service that will strengthen and assist the growth of the Australian economy and provide facilities adequate to its rapidly expanding and changing needs.

"I hardly need argue the importance of money and credit in a modern economic system. As the means by which resources are brought together in production, goods are bought and sold, and prices, wages, contracts and debts are determined, it plays a part as vital to the economic body as the blood-stream to the human body. No single factor can do more to influence the welfare and progress of a community than the management of the volume and flow of money. Mismanagement of money, on the other hand, has contributed to the greatest economic disasters of modern times—booms and slumps, mass unemployment, waste of resources, industrial unrest and social misery. Because these facts are recognized, there is very wide agreement to-day as to the purposes which a monetary and banking system should serve in a modern economy. In that connexion I quote the views expressed in 1937 in the Report of the Royal Commission on Monetary and Banking Systems in Australia—

The general objective of an economic system for Australia should be to achieve the best use of our productive resources, both present and future. This means the fullest possible employment of people and resources under conditions that will provide the highest standard of living. It means, too, the reduction of the monetary and banking system is an integral fluctuation in general economic activity. Since part of the economic system, its objective will be to assist with all the means at its disposal in achieving these ends. (Para. 516.)

"Those views as to the place and functions of money and banking in Australia were subscribed to by all members of the commission, even though there was some difference of opinion as to ways of achieving them.

"The Labour party has maintained for many years that, since the influence of money is so great, the entire monetary and banking system should be controlled by public authorities responsible through the Government and Parliament to the nation. On this principle the Labour party has held further that since private banks are conducted primarily for profit and therefore follow policies which in important respects run counter to the public interest, their business should be transferred to public ownership. For this view the strongest reasons can be stated. In the absence of control, private banks can expand or contract the volume of their lending and so vary within wide limits the supply of money available to the public. They can also determine when and where they will lend and on what terms; and in these operations they



are guided primarily by the interests of those who own and control them. Whatever regard they may claim to pay to the wider concerns of the nation, their policies are dictated in the last resort by the desire to make profits and to secure the value of their own assets. Experience of the past has been that private banks increased their lending in good times and contracted it in bad times, lent always where the profits seemed largest and most assured, and charged the highest rates they could obtain for their loans and general services.

“Since trading banks have handled practically all commercial lending within Australia, their influence on the state of business has been enormous—indeed dominating. Moreover, the number of banks has been progressively reduced through amalgamations, of which twelve have been carried through since 1917. Two more were announced this year and had they been completed the number of major private trading banks in Australia would have been reduced to seven. By this means the great power of private banking in Australia has become concentrated in the hands of boards of directors comprising a relatively few men who are responsible for the exercise of their powers not to the nation but only to a limited number of people, some here and some abroad, who have invested money in bank shares.

“Time and again the policies of the private banks have run counter to national needs for steady growth and high levels of employment. To go some years back it is correct to say that the banks fed the boom and promoted unsound development in the 'twenties. When the depression came the banks as a whole restricted new lending and called in advances. Between December, 1929, and March, 1932, their advances fell by approximately £45,000,000. The effect of this was to accentuate the contraction of business and the unemployment of those years. They helped but little in recovery during the 'thirties, waiting rather for improvement to come from other sources instead of taking the initiative and helping to promote recovery. They followed these courses because it seemed best and safest from the standpoint of their own interests.

“Labour policy on banking has envisaged that, together with the elimination of private banking, the Commonwealth Bank would be strengthened to give it adequate control of monetary and credit conditions within Australia and its services would be extended to meet the needs of all sections of the people. The Labour party has in particular advocated the reduction of interest rates which, in the absence of control, were maintained at excessively high levels.

“The Commonwealth Bank was established in 1911 by the Labour Government as a national bank, intended primarily to compete with the private banks on their own ground and break the monopoly they held over the business of banking in Australia. Despite bitter opposition from private interests and many prophecies of failure, the Commonwealth Bank rendered great service to the nation and grew rapidly during World War I. and the succeeding years. In 1924, however, the Bruce-Page Government reconstituted the bank and placed it under a

board comprised predominantly of representatives of private industry and commerce. This board was mainly interested in turning the Commonwealth Bank into a bankers' bank and its policy was to forbid the bank from competing actively with the private banks for general banking business, thus restricting its expansion and defeating the key purpose for which the bank had been established. That fact was clearly demonstrated in evidence before the banking commission. The late Sir Ernest Riddle, who was then Governor of the bank, stated that even if the bank had funds available over and above those deposited with it by the trading banks it would not use those funds for advances to people who wanted to transfer their accounts from trading banks to the Commonwealth Bank. That kind of situation prevailed until the Labour Government took office in 1941. Moreover, the Commonwealth Bank Board, as constituted by the Bruce-Page Government, aligned itself with the private banks during the crisis of the early 'thirties in attempting to force on the Government a policy of monetary deflation and curtailment of wages and social service payments. That policy was stated in the following extract from a letter addressed by the chairman of the Bank Board (Sir Robert Gibson) to the then Treasurer (Mr. Theodore) on 12th February, 1931, which read—

Subject to adequate and equitable reductions in all wages, salaries, and allowances, pensions, social benefits of all kinds, interest and other factors which affect the cost of living, the Commonwealth Bank Board will actively co-operate with the trading banks and the governments of Australia in sustaining industry and restoring employment.

“ Thus during a critical time in Australia's history the bank was used by reactionary interests for a purpose directly opposed to the welfare of the Australian people and in opposition to the will of the Government of the day.

“ In spite of conservative management under a board for many years, the Commonwealth Bank, including the Commonwealth Savings Bank, has made remarkable headway. At 30th June, 1947, it had 377 branches spread throughout Australia, as well as branches in Papua, New Guinea and in London. Total employees exceeded 9,000 and total assets, apart from those held in respect of deposits of the private banks, were almost £900,000,000. It has nearly 4,000,000 accounts and is unique among the banks of the world in that it provides comprehensive banking facilities for business and personal needs through its General Bank, Savings Bank, Mortgage Bank, Rural Credits, Industrial Finance and Housing Departments. In both wars the bank made advances against primary commodities to enable producers to be paid promptly despite serious delays in sea-borne trade. These advances exceeded £350,000,000 during the six years of the last war. In another field the bank has administered controls over banking, interest rates, the note issue, foreign exchange and gold and has developed the full functions of a central bank. In all, the record of the Commonwealth Bank stands as a great justification of publicly-owned banking and demonstrates beyond question that a public banking institution is capable of being highly efficient, progressive and

adaptable. In another respect also the bank has largely fulfilled the intentions of its founders that it should be a bank for the people. Together with its associated institution, the Commonwealth Savings Bank, it has become pre-eminently the bank for the average man and woman. To-day it has a far greater number of depositors than the whole of the private banks taken together. At April, 1947, the number of deposit accounts with the Commonwealth Bank and Commonwealth Savings Bank was about 3,800,000, whereas the number of deposit accounts with the trading banks was approximately 1,250,000.

“ Assisted by the existence of the Commonwealth Bank, the Labour Government has been able to make notable progress in carrying out its policy of lower interest rates. After World War I. the interest rate on government loans reached as high as  $6\frac{1}{2}$  per cent. At the outbreak of World War II., the rate for long-term government loans was almost 4 per cent. It is now  $3\frac{1}{2}$  per cent. The treasury-bill rate is now 1 per cent., as compared with a rate of 6 per cent. in 1930. The maximum overdraft rate has been restricted to  $4\frac{1}{2}$  per cent., as compared with rates of 6 per cent. and higher some years ago. Substantial reductions have also been made in the rates at which semi-governmental bodies are able to borrow, and in many other rates.

“ The experience of the war years emphasized the vital importance of public control of the banking system. Through governmental expenditure for war purposes, the liquid resources of the trading banks—and hence their capacity to expand credit—increased rapidly. To prevent ‘secondary inflation’ arising from such as expansion of credit, even the then Treasurer (Mr. Fadden) felt that some action was necessary, and, in 1941, he obtained an undertaking from the private banks that they would inform the Commonwealth Bank of the amount of surplus investible funds they held from time to time and would deposit with the Commonwealth Bank such amounts as were determined by that bank. On assuming office in November, 1941, the Labour Government carefully examined the arrangements made by the previous Government and decided that it was necessary to introduce National Security (War-time Banking Control) Regulations. These regulations greatly strengthened and increased in scope the arrangements agreed to by the previous Government. They also ensured that the private banks would not make unreasonable profits out of the war and implemented certain recommendations of the Banking Commission.

“ In the light of experience gained in the administration of these regulations, the Government decided, in 1945, that the main principles on which they were based should be embodied in substantive legislation. At the same time the Government decided to reconstitute the Commonwealth Bank and to assume greater powers over banking policy. The main objects of the system of control provided by this legislation were—

To strengthen the central banking functions of the Commonwealth Bank, especially by providing for the co-ordination of banking policy under the direction of the Commonwealth Bank; control through the special account system

of the volume of credit in circulation; control of bank interest rates and bank advance policy; and the mobilization and control of the foreign exchange and gold resources of the Australian economy.

To ensure that the financial policy of the Commonwealth Bank would be in harmony with the general economic and financial policy of the Government and in the interests of the people of Australia.

To reserve to publicly-owned and controlled banks the banking business of governments and governmental authorities.

To safeguard the depositors of the banks against loss of their deposits.

"The Bank Board was abolished and management of the bank was entrusted to the Governor, assisted by an advisory council.

"This legislation was very strongly opposed by the trading banks, by some sections of the business community and by the Opposition parties. It was said that the legislation would hand over the banking system to political control, that it was 'nationalization on the cheap', and that it would open the way to the general socialization of industry by indirect means. In his second-reading speech on the legislation, the Leader of the Opposition (Mr. Menzies) made a pledge that, if he and his colleagues were returned to office, they would restore the former method of control of the Commonwealth Bank by a board and would hold themselves obliged instantly to review the working of the legislation. In spite of the sectional clamour against the legislation and the prediction of dire consequences to follow from it, the Government was returned to office at the general election last year. It may, therefore, be said that a majority of the electors have endorsed the Government's 1945 banking legislation and have approved the purpose for which it was enacted, namely, to give the Government full and effective control over monetary and banking policy in Australia. That object was made clear to Parliament and to the country.

"The Banking Act of 1945 was framed on the best constitutional advice and the Government felt confident that it would withstand any legal challenge that might be directed against it. For example, it seemed quite clear that Parliament had made a law with respect to banking, and had thus acted within the scope of the powers conferred by section 51 (xiii.) of the Constitution, when it enacted section 48 of the Banking Act. This section prohibited trading banks, other than State banks from carrying out banking business for a State or any authority of a State, including a local governing authority. The provision was regarded by the Government as an important part of the legislation. It embodied the principle that the banking business of all public bodies should be reserved to publicly-owned and controlled banks. Further, in most other countries it has long been accepted that all government banking business should be conducted through the central bank so as to give the central bank added strength to control the supply of credit and to enable it to take action in time to offset any disturbance to credit conditions resulting from government operations. In the aggregate the banking business of State governments and State authorities is large and so are some of their individual transactions.

They have an important bearing on current financial conditions. It was the Government's view that the powers of the central bank should be strengthened by making it as far as practicable the banker for public authorities. When challenged in the High Court, however, section 48 was held to be invalid on the grounds that so long as private banks existed States and State authorities could not be denied the use of their facilities. The decision showed that full public control of banking as sought under the 1945 legislation could not be secured without public ownership of banking.

"The decision forced the Government to re-examine all the circumstances, constitutional and otherwise, surrounding the legislation of 1945. In particular, the Government has had to reconsider the constitutional basis of sections 18 to 22 of the Banking Act which required the private banks to make deposits in special accounts with the Commonwealth Bank and also the attitude of the private banks towards those sections. The special accounts are the crux of the control of credit given to the Commonwealth Bank by the Banking Act of 1945. The necessities of war-time finance greatly increased the base of liquid reserves on which trading banks normally build a superstructure of secondary credit. To prevent secondary inflation with rising prices it was necessary to immobilize some parts of the banks' deposits in special accounts with the Commonwealth Bank from which the banks were not allowed to withdraw any amounts, except with the consent of the Commonwealth Bank. If the amounts in these special accounts were freely available to the trading banks, they could, by increasing their advances, build up a secondary credit expansion of formidable dimensions. Added to the spending power already available to the public, this might easily produce a dangerous inflationary situation. It would be disastrous, from the point of view of the people of Australia and the prospects of economic stability, if sections 18 to 22 of the Banking Act were held to be invalid and the consequent loss of control over the banking system led to an inflation of credit, with all the loss and disorder which inflation entails. These sections necessarily severely limit the freedom of action of the trading banks. This was their intention. The Government was determined that the control of the Commonwealth Bank in this field should be absolute and beyond dispute.

"While the precise form of special accounts provided for in the Banking Act of 1945 was peculiar to Australia, the essential feature of the control of credit by this means are to be found in operation in Britain, Canada and a number of other countries. The same conditions which made a control of this kind essential in Australia have forced governments elsewhere to adopt similar measures. They are to-day an accepted part of central bank technique in many parts of the world. The private banks in Australia have always bitterly resented any attempt to place restrictions on their power to create or restrict credit. When the 1945 Banking Bill was before the House they fought these provisions with all the means at their disposal. Towards the end of

1945, when the bill had become law, they were required to transfer their war-time special deposits to the special accounts established under the new legislation and to make their first monthly lodgment to these accounts. The private banks, obviously acting in concert and on legal advice, made it clear at that time that, while they were submitting to the legislation for the time being, they were reserving the right to challenge it at a suitable opportunity. The following reservation was made by one of the banks in a letter to the Commonwealth Bank:—

We are most anxious to co-operate with your Bank to ensure the continuance of our present harmonious relations, but you will appreciate that our duty to our shareholders compels us to have regard to our legal position; therefore, we feel it necessary to advise you, with all due respect, that acquiescence or compliance on this Bank's part with any request or directions from you is not to be taken to import any contract with your Bank in the terms of the Act.

“Statements to a similar effect were made in letters sent by six of the other banks. These reservations were brought to the notice of the Commonwealth Government at the time for legal consideration. This indication of the attitude of the private banks assumed greater significance when the special account system was challenged in the statement of claim made by Melbourne City Council in connexion with the section 48 case—even though eventually the challenge to sections 18 to 22 of the Banking Act was not pressed. It assumed still greater significance when the High Court decision on section 48 made it clear that, although the Commonwealth Parliament had by the Constitution been given power to legislate on banking, nevertheless a law which was clearly a law with respect to banking could be held invalid on other constitutional considerations. The position which confronted the Government was that while doubts had arisen as to the constitutional validity of its banking legislation, there was evidence that the private banks were maintaining their hostility towards this legislation and were biding their time against a suitable opportunity to challenge it in the hope of throwing off the restraints they so strongly disliked.

“With economic difficulties increasing overseas the Government must be in a position to act with certainty and effectiveness to ensure fulfilment of its policy of full employment and the maintenance of economic and financial stability. During the war and since its conclusion the Australian economy has been kept more stable than the economy of any other country in the world. It must be remembered that an important part of the machinery for maintaining that stability has been the control over the banking system exercised under the 1945 banking legislation and that an essential part of that legislation is the special account procedure. The difficulties of the transition from war to peace are far from over. In fact, in some directions they are increasing. The rapid exhaustion of the United States loan to Britain has confronted the sterling area—and many other countries as well—with serious balance of payments problems and this is only one aspect of a general situation which is highly unstable.

"To deal with the economic and financial problems both of the transition period and of the following years, the Government must have the necessary powers over banking and monetary policy. Fluctuations in business activity and employment are not solely due to monetary causes, but they are certainly greatly influenced by financial policy. The Government would not be justified in gambling on the outcome of possible threats to the 1945 legislation. The structure of banking based on the legislation of 1945 went part of the way towards the objectives which the Labour party has long advocated in regard to banking. At the same time it offered to the private banks the opportunity to cooperate within a national system of banking, subject to overall control by the Commonwealth Bank, as they had, in fact, done during the war period. That position was never accepted without reservation by the private banks and now that the legal foundations of the system have been challenged the Government has decided to proceed with its long-standing policy of full public ownership.

"The bill which is before the House gives effect to the Government's decision. Before the Attorney-General (Dr. Evatt) left Australia, he gave close attention to the legal and constitutional aspects of the bill, and laid down the main lines on which the preparation of the measure has proceeded.

"I would emphasize that under this measure there will be no interruption or disturbance of the usual banking facilities available to the Australian community. The bill provides that the private banks shall maintain their services until they are taken over by the Commonwealth Bank. As the banks are taken over, either through the acquisition of their shares or of their assets, they will be kept in operation as going concerns. Customers will not notice any difference after the control of the bank with which they have been dealing has passed to the Commonwealth Bank. They will be able to continue their banking business without change or interruption.

"The bill imposes on the Commonwealth Bank an obligation to conduct its banking transactions in accordance with the practices and usages customary among bankers particularly in regard to the non-disclosure of information concerning the affairs of its customers. The confidential nature of the relationship between banker and customer is well established in law; and, subject to certain exceptions sanctioned or required by law, bankers are under an obligation of secrecy with respect to their customers' affairs. The bill specifically provides that this position will be preserved.

"Differences between the constitutions of the various private banks and the fact that some are incorporated in Australia and some overseas make it desirable to provide alternative ways in which the Commonwealth Bank may acquire their business. Accordingly the bill provides for two main processes of acquisition—

Voluntary or compulsory acquisition of the Australian business and assets of the private banks, or

Compulsory acquisition of shares.

"The first could be applied to all banks, whether incorporated in Australia or overseas, and in the case of banks incorporated in Australia, any part of their overseas assets may also be acquired compulsorily. Under the alternative process, the shares of a private bank may be compulsorily acquired if the Treasurer is satisfied that the majority of its shares are registered in Australia. This process would be applied only to banks incorporated in Australia, and would be the initial step towards an eventual transfer of their business to the Commonwealth Bank. As a preliminary step to the acquisition of the business of a private bank, provision is made for the Treasurer, by due notice, to invite the private bank to make an agreement with the Commonwealth Bank for the transfer of its business on a specified date, which must be not more than two months later than the date on which the notice is given. If an agreement for the transfer of the business of a private bank, which is willing to negotiate, is not completed by the specified date, the Treasurer may extend the currency of the notice until agreement is reached. Agreement must, however, be reached—if there is to be agreement at all—before the notice expires. Once the notice expires, the assets of the bank concerned forthwith becomes vested in, and its liabilities are assumed by, the Commonwealth Bank. There is nothing in the bill to prevent the Commonwealth Bank from reaching an agreement with a private bank for the acquisition of its business before any notice is issued at all; but all agreements, whether made before or after notice is given, will be subject to the approval of the Treasurer. The bill also includes a provision whereby the Treasurer may, after the business of a private bank is acquired by the Commonwealth Bank, require that private bank to cease carrying on further banking business in Australia.

"If a private bank enters into a voluntary agreement for the acquisition of its business by the Commonwealth Bank, it will be entitled to receive an exemption from taxation on the amount paid to it in pursuance of the agreement. It is further provided in the bill that shareholders of the bank will be exempt from taxation on any dividend or distribution which directly results from the payment received from the Commonwealth Bank under the agreement. These concessions will not apply in the case of a compulsory acquisition. The exemptions referred to will not relieve the private bank from liability for any tax payable by the bank in respect of profits derived in the normal course of its business but upon which the ordinary tax liability has not been met. The bank and its shareholders will still be liable to taxation in relation to profits earned after the year of income ended 30th June, 1947, or any accounting period substituted therefore, and before the date of transfer, or in relation to any interest which may become payable under the agreement.

"If shares are acquired by voluntary purchase, the price paid by the Commonwealth Bank must not be less than the market value in Australia of those shares at 15th August, 1947. These prices have been



carefully ascertained and are specified. The provision made for the compulsory acquisition of shares will apply only to the shares of private banks incorporated in Australia, which are the institutions referred to in Part I. of the First Schedule to the bill. Where the majority in number of the shares of any of these banks are situated in Australia, the bill provides that the Treasurer may, by notice published in the *Gazette*, declare that the shares in the bank concerned shall be vested in the Commonwealth Bank on a date specified by the Treasurer; and on that date the Commonwealth Bank will, by force of the legislation, become the holder of the shares and a member of the bank in question.

“It is provided that the directors of an Australian private bank, the shares of which have been compulsorily acquired by the Commonwealth Bank, will cease to hold office on the date on which the compulsory acquisition becomes effective. The Governor of the Commonwealth Bank will, with the approval of the Treasurer, thereupon appoint directors, including a chairman of directors. The directors appointed by the Governor of the Commonwealth Bank will have full power to manage the bank in question, to dispose of its business in Australia to the Commonwealth Bank and to dispose also of the bank's business outside Australia: but any arrangement for disposal may only be concluded if approved by the Treasurer after he has received a recommendation from the Governor of the Commonwealth Bank.

“For all property or shares of the banks, compulsorily acquired, fair and reasonable compensation will be payable. The compensation payable may be determined by agreement, approved by the Treasurer or, failing agreement, the amount payable will be determined by the court of claims to be established under the proposed legislation. The bill sets out the procedure to be followed in reaching agreement or, alternatively, in referring claims to the court for determination. The bill provides for the establishment of a Federal Court of Claims consisting of a Chief Judge and such other judges as are appointed. The court may, if it thinks fit, appoint two assessors to assist it. The court will have jurisdiction to hear and determine claims for compensation arising under this bill. Regulations may be made under other acts also to confer jurisdiction on the court to determine claims arising out of the operation of those acts. The jurisdiction of the court in respect of compensation under this bill must be exercised by not less than three judges. Jurisdiction may, however, be exercised by less than three judges by agreement between the parties concerned. A determination of the court will be final and conclusive and not subject to appeal to the High Court.

“The bill makes provision for the protection of officers of private banks in respect of continuance of employment, salaries and conditions of service. The bill provides that when the Commonwealth Bank

proceeds by way of acquisition of the shares of a private bank, the salary and general conditions of service of officers of the private bank will not be disturbed, and will be secured to them. Similarly, when the Commonwealth Bank takes over the assets of a private bank, including the assets of a bank whose shares have previously been acquired, each officer of the private bank who was employed in the service of that bank in Australia will be entitled to be employed by the Commonwealth Bank at the salary and on the general conditions of service applicable to his existing employment. The Commonwealth Bank will be obliged to appoint each such officer, being a British subject, to an appropriate position in the Commonwealth Bank Service. This will be done as soon as practicable after employment commences with the Commonwealth Bank. Special provision also is made to enable that service to absorb all officers stationed outside Australia whose duties are connected with the Australian business. It will be seen that during the period necessarily elapsing between the date of acquisition of a private bank, either by way of shares or assets of the private bank, and the date when an officer of that bank is appointed to an appropriate position in the Commonwealth Bank Service, he is fully safeguarded. He will continue to be employed with salary, pension benefits, and sick and long service leave at least as favorable as when in the employ of the private bank. When later appointed to the Commonwealth Bank Service, he will enjoy all the rights and privileges of an officer of that service, with protection in respect of existing salary, pension benefits, and sick and long service leave. Service in the private bank, continuous with service with the Commonwealth Bank, will count as service with the Commonwealth Bank for purposes of promotion, leave and pensions.

“To establish an officer's present entitlement to pension benefits and sick and long service leave, the bill provides for the appointment of a committee in respect of each private bank affected, consisting of a judge (or a person qualified to be a judge), an officer of the Commonwealth Bank, and a representative of the bank officers concerned, to ascertain the benefits which are, or would have been granted in accordance with the practice of the private bank concerned, or of the superannuation fund of that bank. The findings of this committee will then become a legally enforceable right in respect of the future employment of these officers even though they may not have at present any such legal protection. The industrial awards now governing the employment of persons in private banks will continue in force until appointment to the Commonwealth Bank Service is made. Further, during this period, officers will continue to have the right to apply to the appropriate tribunal for variations of these awards. On appointment to the Commonwealth Bank they will have the same rights in respect of industrial matters as are now enjoyed by officers of the Commonwealth Bank.

“The Commonwealth Bank is recognized as a good employer. On the whole the general conditions of employment in its service are at least as good as, if not better than, those generally provided by the

private banks. Its employees are given special legal protection as to promotion, dismissal and disciplinary action. Under Part XIII. of the Commonwealth Bank Act promotion and disciplinary appeal boards have been constituted. Those boards, which are under an independent chairman and include representatives of employees, are empowered to give final decisions on appeals relating, respectively, to the promotion and to the punishment, dismissal or reduction in status of officers. Such rights of appeal are not at present enjoyed by employees of the private banks. The changed conditions of the expanded Commonwealth Bank will, of course, render it necessary to examine the provisions of the Commonwealth Bank Act relating to the Commonwealth Bank Service, and any amendments considered desirable to meet the position will be brought forward at an early date.

“With regard to former officers of the private banks who have retired on pensions from the private banks' services, their position, as well as that of dependants of deceased officers, is also fully safeguarded. The Commonwealth Bank will assume responsibility for the payment of pensions in accordance with existing rights, which will be converted into legally enforceable claims. As the Commonwealth Bank is required to assume liability for pensions, both in respect of retired officers and officers now serving, it is necessary that an appropriate amount of the superannuation funds established in association with the private banks to meet these obligations should be transferred to the Commonwealth Bank. The bill contains the necessary provisions to give effect to this requirement.

“There will be no necessity for a parliamentary appropriation to provide for compensation. In acquiring the business of the private banks the Commonwealth Bank will also assume the liabilities of these institutions. The amount of compensation payable will necessarily have regard to this factor and it will be well within the capacity of the Commonwealth Bank to meet the payment from its own resources. The Commonwealth Bank will make payment in cash or government bonds as desired.

“As I have said before, the Government believes that a publicly owned and controlled banking system, in which final responsibility for policy is in the hands of a government directly responsible to the electors, conforms much more closely to the requirements of a democratic community than the system advocated in 1945 by Mr. Menzies, who, with his party, is pledged to restore control of banking and monetary policy to a body having no responsibility to the electors.

“In most advanced countries there has been during recent years a strong trend towards public ownership of key public utilities. This trend has not been confined to governments, representing particular political parties. Such projects have been brought forward both in Australia and elsewhere not only by Labour governments but also by

non-Labour governments who recognized that in the circumstances of the case the balance of advantages from the community standpoint lies in national rather than private ownership and control. But if any service fits the description of a key public utility it is banking. As I have said earlier, no element in the working of our economy has a greater influence for good or evil upon economic and social welfare than the management of money and credit.

"The Government is convinced that under public ownership the banking system will have immense opportunities for serving Australia. It will have the backing of the entire credit resources of the nation. It will be free from the cramping limitations of sectional private ownership which bid the private banks to serve this interest but not that interest, and to judge all business from the narrow standpoint of maximum profits for the smallest outlay. It will be able to take longer-term views of projects requiring finance and, since the whole Australian economy will be its field, it will have the widest scope for initiative and for the spread of its investments.

"Essentially the task of the new organization will be to provide a financial mechanism appropriate to the needs of our rapidly growing economy. Australia is destined to see great developments in the coming years and this process, which is already under way, must be promoted by every every means possible. There will be a great increase in our population. Industries will expand in all fields and we must extend our markets abroad. The basic services of transport and communications, water supply, power, housing, health and education must be enlarged to meet the needs of a larger economy working at higher levels of technique and productivity. The stress everywhere will be upon new forms of enterprise, new methods of production, and new uses for the resources of this country. Finance must co-operate and take the initiative in this progress. As new types of industry are developed, new types of finance will be required and the banking system should anticipate these needs and be in the field with the right kind of facilities to assist and encourage such development.

"Moreover, there can be no doubt that a bank should be more than a mere money lender. A banking system created to serve the welfare of the community can aid industry by the quality of its advice and the incidental services it renders as well as by the financial accommodation it provides. Hence the Government sets particular store on the development of these ancillary services. It has in view the building up of a highly qualified staff that will enable the Commonwealth Bank to give skilled advice as part of its banking service. Secondary industries, for example, will be able to turn to the bank for the assistance of production engineers and cost accountants to help them with their problems. Primary industries will have the aid of agricultural experts. I contemplate, too, that the Bank would establish, at least in the capital cities, departments of advice which would help individuals with their daily financial problems. Whether any charge would have to be made by the

bank would naturally depend on the circumstances of each case but as far as possible these facilities would be provided freely as part of a strengthened banking service.

“But if the financial system is to meet these requirements it must be comprehensive, strong and flexible. It must be alive to the requirements of the times and be capable of seeing ahead. It must have one goal for its policies and one standard for its work—the service of the nation in all its interests, great or small. The Government believes that only under a national system of banking can this ideal be approached. Only under such a system will finance be a real servant of industry and not its master.

“Fears are being spread by opponents of this measure that the people will lose an advantage by reason of having only one bank to deal with instead of a choice between several banks. This brings up the question of competition between the private banks—how far it exists and what it has been worth to the community and to customers of the banks. The Banking Commission went into this question of competition at great length. It found that the private banks did not compete in any serious way as regards interest rates and other charges but sought rather to attract customers by offering various other inducements. In general, they behaved in the manner of semi-monopolistic institutions which stood in fear of ruining their own market. There was certainly nothing like the all-out rivalry to give the public the widest and cheapest services which we are asked to suppose exists between them. Amalgamations on the other hand have reduced the number of banks, so accentuating the monopolistic character of those that remain. There are to-day really no more than eight trading banks doing a nation-wide business where 30 years ago there were twenty, and we have no reason to suppose that this process would not go further if private banking continued. The average man, I suggest, will find it hard to believe that fewer banks mean greater competition.

“We recall how the former Commonwealth Bank Board, which considered itself to be conducting a bankers' bank, prevented the Commonwealth Bank from competing with the private institutions. We have the admissions of private bankers that competition between themselves is of a limited kind. We have seen the number of banks dwindling over the years, each amalgamation removing one or more possible competitors from the ring. It is a fair conclusion, I think, that from the standpoint of benefit to the community, banking competition has meant little for some time past and would probably have meant less as time went on. On the other hand, I may point out that the Commonwealth Bank is charged under the legislation to be strictly impartial as between customers and to avoid all discrimination. A system of appeal will be provided so that a person who considers he has not had reasonable treatment from a local manager will be able to refer his case to regional authority for reconsideration. Special arrangements will be

made to ensure that this re-consideration is given without delay. In view of these considerations, therefore, it appears to me that the advantages of having a choice between several private banks as compared with a single national bank are largely illusory.

"The proposal to take over the banks is being condemned in some quarters in recklessly extravagant terms; all kinds of hidden purposes are being wrongly ascribed to it from the same sources. The simple truth is this—the reasons and motives for this measure and the uses to which it can and will be applied are no more and no less than I have stated. The opponents of banking change seems always to have fought against new developments while belatedly approving such changes as have been made and which they had originally opposed. In 1937 they criticized the Banking Commission Report and defended the old system. In 1945 they nailed their colours to the Banking Report and resisted implacably the legislation of that year. Now they seem disposed to make the 1945 legislation their rallying cry whilst preparing themselves once again to die in the last ditch against a new, logical and necessary development. Their predictions of calamity will prove just as groundless as those they have expressed so many times before. There has been no political interference in banking under the 1945 legislation and there will be none under the new system. In not one instance since that legislation was passed has the Government intervened in the administration of the Commonwealth Bank. Within the framework of the broad economic and financial policy laid down by the Government the bank has carried on its work successfully and harmoniously. On broad policy issues it has in turn advised the Government and been advised by the Government. Conflict has not arisen at any stage. It is timely to record that under section 9 of the Commonwealth Bank Act 1945 the Government cannot interfere in the internal transactions of the bank. Its power is limited to the laying down where necessary of the broad lines of monetary and banking policy. Business people and private citizens will have all the safeguards as to the conduct of their banking business which can be given by law and by the long and honorable administrative tradition of the Commonwealth Bank. On acquisition of a bank, shareholders are assured of just compensation, bank employees are protected, depositors are guaranteed and business will be carried on without interruption.

"Full public ownership of the banks will ensure control of banking in the public interest. It will enable effective steps to be taken against the dangers of secondary inflation. It will assist us to stave off depression and to avoid a repetition of the miseries of 1930. Beyond this, it will open a long-locked doorway to the development of a monetary and banking system truly adequate to our national requirements and wholly devoted to the service of Australia".

*[The bill was passed.]*

NORTHERN TERRITORY.  
CIVIL ADMINISTRATION—LEGISLATIVE COUNCIL  
ELECTIONS.

On 15th October, 1947, the Minister for the Interior (Mr. Johnson) announced that elections for the Northern Territory Legislative Council would be held on 13th December, 1947.

(For earlier reference, please see No. 126, page 33.)

COMMUNIST PARTY.  
PRIME MINISTER'S STATEMENT.

*In Parliament.*—On 15th October, 1947, the Prime Minister (Mr. Chifley) said:—

“I understand that members of the Opposition last week pressed for an inquiry into Communist activities in Australia. It is true that similar proposals have been made before. The fact is that the Commonwealth Investigation Service keeps under close observation all who might be guilty of subversive activity. They include not only Communists but also other persons whose activities might be detrimental to the interests of this country. Nothing has been disclosed to date that would warrant the appointment of a royal commission or any other body to make a special inquiry. Should such an occasion arise as the results of reports received regarding any section of the community or any individual, the necessary action will be taken.”

BRITAIN.

PRINCESS ELIZABETH—WEDDING PRESENT.

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

“The gift from the Commonwealth Government to Princess Elizabeth on the occasion of her marriage to Lieutenant Philip Mountbatten, R.N., will be in the form of silver plate, comprising a pair of comports and a pair of salvers. The salvers will be hand-chased with pierced border of wattle design, on three hand-pierced feet. The Commonwealth Coat of Arms will be inlaid in gold on the comports and inscribed on the salvers. The gift will be despatched by air to the Minister for External Affairs (Dr. Evatt) at London for presentation to Her Royal Highness.”

FINANCIAL POLICY—DOLLAR IMPORTS, ESSENTIAL  
GOODS.

On 30th October, 1947, the Minister for Customs (Senator Courtice) said that import licences for goods of dollar area origin would be confirmed only if the goods were in transit on 21st October, 1947, or if they were covered by an irrevocable credit or if they were determined by his department to be essential to the Australian economy.

Goods which the department considered had a high degree of essentiality and in respect of which outstanding import licences would be confirmed were—

Cotton yarn, rayon yarn, sewing threads, tyre cord, tyre cord fabric, elastic piece goods for the manufacture of corsetry, rubber thread, uncovered, for use in the manufacture of elastics, paper pulp and waste paper for use in the manufacture of paper, writing and printing paper, costing 15 cents or less per lb. f.o.b., in respect of which evidence was available that shipment *ex* mill would be effected on or before 30th November, 1947, timber for construction work and boxmaking, ball and roller bearings, high silicon steel sheets provided evidence was available that shipment *ex* mill would be effected on or before 31st March, 1948, hand or tenon carpenters' saws, wood bits, carpenters' chisels, felts and wire for paper-making machines, card wire for use in the textile industry, wood turpentine, pine oil, caustic soda, soda ash, chemical re-agents for flotation processes in gold-mining, carbon black, chemicals, rubber accelerators and anti-oxidants, for use in the processing of rubber, chemicals for use in the tanning of leather, asbestos fibre, gum or wood resins, solvents for use in the manufacture of paints, enamels and lacquers (but not including toilet preparations), motor vehicle chassis provided evidence was available that shipment *ex* factory would be effected by 31st December, 1947, replacement parts for motor vehicles, food processing equipment, marine engines, mining machinery for gold or coal-mining, oil boring plant, tractors, wheel and crawler types, provided evidence was available that shipment *ex* factory would be effected on or before 31st December, 1947, and replacement parts, electric motors and replacement parts.

(For earlier references, please see No. 129, page 27; No. 130, page 9.)

## PRICES.

### GOODS "DECLARED"—HAY, CHAFF, REVOCATION.

On 17th October, 1947, the Minister for Customs (Senator Courtice) said that hay and chaff had been removed from price control.

## INDUSTRIAL.

### ARBITRATION SYSTEM—CONCILIATION COMMISSIONERS.

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

"Cabinet decided to-day to appoint the president of the New South Wales branch of the Australian Railways Union (Mr. L. P. Austin), the general secretary of the Australian Federal Union of Locomotive Enginemen (Mr. J. M. Galvin), and the New South Wales Minister for Labour and Industry (Mr. Hamilton Knight) as conciliation commissioners under the Commonwealth Conciliation and Arbitration Act."

(For earlier reference, please see No. 129, page 6.)

[Messrs. R. H. Beers, N. Roberts and W. J. Wallwork, who were appointed on 15th August, 1947, resigned.]

### UNEMPLOYMENT—FIGURES.

On 29th October, 1947, the Minister for Labour (Mr. Holloway) said that the demand for labour in Australia continued to rise and the level of unemployment to fall. At September, 1947, the number of recipients of unemployment benefit had fallen to the new record low level of 3,465 (3,335 males and 130 females). Unfilled vacancies held by the Commonwealth Employment Service numbered 80,500 (47,300 males and 33,200 females), over 4,000 greater than at August, 1947.



During September, 1947, the Commonwealth Employment Service had referred 20,500 males and 7,300 females to employers. In addition, advice and information on employment and other problems had been given to 26,800 males and 5,600 females.

## HEALTH.

### DIRECTOR-GENERAL—APPOINTMENT.

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

“Cabinet to-day decided to appoint Dr. A. J. Metcalfe as Commonwealth Director-General of Health.”

## CIVIL AVIATION.

### INTERNAL ROUTES—AUSTRALIAN NATIONAL AIRLINES ACT, AMENDMENT.

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

“Cabinet decided to-day that legislation be prepared for submission to the Federal Parliamentary Labour party to amend the Australian National Airlines Act to permit Trans-Australia Airlines to engage in intra-state operations in Queensland in addition to intra-state operations which are incidental to interstate and territorial services. At the conference of Commonwealth and State Ministers in August, 1947, the Premier of Queensland (Mr. Hanlon) intimated that his Government was in favour of the Commonwealth airlines operating air services in Queensland.”

(For earlier references, please see No. 105, page 38; No. 129, page 19.)

## AUSTRALIAN WAR MEMORIAL.

### NATIONAL WAR MEMORIALS—TOBRUK.

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

“In September, 1947, Cabinet considered a recommendation from the Australian Battlefields Memorial Committee that an Australian delegation proceed to the Middle East to unveil a memorial in Tobruk war cemetery. Cabinet decided that the committee's recommendations be referred back for further consideration.

“Cabinet decided to-day that the Australian delegation should comprise a member selected by the Commonwealth Government and a representative of each of the Australian Battlefields Memorial Committee, Returned Sailors, Soldiers and Airmen's Imperial League of Australia, and the Rats of Tobruk Association. If possible, the Government's representative will be Lieutenant-General Sir Leslie Morshead, who commanded the Australian forces during the siege of Tobruk. All members of the delegation will be returned servicemen and, at the conclusion of the ceremony at Tobruk, the delegation will proceed to Gallipoli on a tour of Australian war memorials and war graves—the first official visit since 1924.”

## EXTERNAL COMMUNICATIONS.

### TELE-COMMUNICATIONS—INTERNATIONAL RADIO BOARD.

On 20th October, 1947, the Postmaster-General (Senator Cameron) announced that, as a result of decisions reached by international tele-communications conferences recently held at Atlantic City, U.S., an international board would be established at Geneva to deal with the orderly registration of radio frequencies throughout the world to meet radio communication requirements generally. The International Frequency Registration Board would be a highly specialized body responsible for the study of the purposes and technical characteristics of each radio-frequency assignment necessary for application in the radio-communication sphere, with a view to ensuring formal international recognition thereof. The board would render advice to 80 member countries of the International Tele-communications Union to secure the operation of the maximum practicable number of radio channels in those portions of the spectrum where international interference might occur. The board would consist of eleven members including Australia. The Chief Research Engineer of the Postmaster-General's Department (Mr. S. H. Witt) would be Australia's representative on the board mentioned.

(For earlier references, please see No. 116, page 17; No. 123, page 3.)

## DEFENCE.

### SCIENCE CONFERENCE, 1947.

On 20th October, 1947, the Minister for Defence (Mr. Dedman) announced that Australia would be represented at a meeting at London in November, 1947, of British and Dominion representatives on defence science by the chairman of the New Weapons and Equipment Development Committee (Major-General L. E. Beavis), the Controller-General of Munitions Supply, Department of Munitions (Mr. N. K. S. Brodribb), Brigadier H. S. Nurse and the Professor of Physics at Melbourne University (Professor L. F. Martin).

(For earlier references, please see No. 114, page 7.)

## PARLIAMENT.

### MEMBERS' ALLOWANCES—PARTY LEADERS, BILL INTRODUCED.

*In Parliament.*—On 21st October, 1947, the Prime Minister (Mr. Chifley) introduced the Parliamentary Allowances Bill (No. 2). Mr. Chifley said—

“Parliamentary Allowances Act makes provision for the payment of annual allowances to the Leaders of the Opposition in both Houses of the Parliament as some recompense for the onerous nature of their duties. When the act was under consideration in this House in June, 1947, I gave an undertaking that I would consider the submission to

Parliament during this sessional period of a bill to provide for the payment, as from 1st July, 1947, of an annual allowance to the Leader of the Australian Country party for the same purpose. This bill is in consequence of that promise."

[*The bill was passed.*]

(For earlier references, please see No. 126, page 7; No. 127, page 34.)

## SERVICE PAY RATES.

### REPATRIATION—PATRIOTIC FUNDS.

*In Parliament.*—On 21st October, 1947, the Minister for Repatriation (Mr. Barnard) introduced the Australian Soldiers' Repatriation Bill. Mr. Barnard said—

"The bill is to bring provisions for control of patriotic funds under the Australian Soldiers' Repatriation Act. The existing provisions are National Security (Patriotic Funds) Regulations under the Defence (Transitional Provisions) Act. The main activities of the funds are diminishing, and many have already been wound up, but others are continuing their ordinary operations, and will eventually go through the winding-up stage. Altogether, it is probable that, in some form or another, activities will continue for some time yet. It is therefore desirable that the provisions be removed from the Defence (Transitional Provisions) Act. They are administered by the Minister for Repatriation and the Repatriation Commission, and the logical place for them is in the repatriation legislation. The bill inserts a section in the Repatriation Act to enable the Governor-General to make the necessary regulations under that act. National Security (Patriotic Funds) Regulations will be repealed, and the new regulations in the Australian Soldiers' Repatriation Regulations will be generally on the same lines as those under which control has been exercised up till now."

[*The bill was passed.*]

## HOUSING.

### WAR SERVICE HOMES—PRIORITY.

On 22nd October, 1947, the Minister for Works and Housing (Mr. Lemmon) said that following the recent amendment to the War Service Homes Act to enable a building programme to be undertaken it had been necessary to meet changed circumstances resulting from greatly increased demand for materials. The new procedure provided for the determination of priority for building war service homes on the basis of need. Applicants who had been requested by the War Service Homes Commission to pay preliminary fees or arrange for the preparation of plans and specifications by a private architect under the previous priority system would be finalized under that system, but the priority of all other applications would be decided in accordance with the new policy of determining priority on a needs basis.

(For earlier references, please see No. 128, page 33.)

## RECONSTRUCTION.

### TRADE AND EMPLOYMENT—HAVANA CONFERENCE.

On 28th October, 1947, the Prime Minister (Mr. Chifley) said—

“Cabinet to-day approved acceptance of the invitation to the World Trade Conference which opens at Havana on 21st November, 1947.

“The Leader of the Australian delegation will be the Minister for Post-war Reconstruction (Mr. Dedman) and the delegation will comprise the Director-General of Post-war Reconstruction (Dr. H. C. Coombs), the Secretary of the Department of Commerce and Agriculture (Mr. E. McCarthy), the Assistant Comptroller-General of Customs (Mr. C. E. Morton), the Commercial Counsellor, Australian Embassy, Washington (Mr. J. U. Garside), Messrs. J. G. Phillips of the Commonwealth Bank's London office (representing the Treasury), G. A. Rattigan (Department of Trade and Customs), C. L. Hewitt (Department of Post-war Reconstruction) and G. W. Smith (Department of Commerce and Agriculture).

“The work of the conference will be concerned mainly with the consideration of a draft charter for an International Trade Organization. This draft charter has been drawn up by a preparatory Committee of eighteen countries, including Australia, which was set up by the Economic and Social Council for the purpose early in 1946. The preparatory committee has had two sessions—at London towards the end of 1946 and more recently at Geneva. A special drafting committee examined the text evolved at London before the full committee reconsidered it at Geneva. The draft charter will now come before the representatives of other countries which were not represented earlier.

“If the work of the world conference is successful and sufficient governments adopt the draft charter, the establishment of an International Trade Organization, guided by the principles of the charter, should follow in due course.”

(For earlier references, please see No. 122, page 30; No. 124, page 5; No. 125, page 9; No. 126, page 21; No. 127, page 3; No. 129, page 25.)

### TRADE AND EMPLOYMENT—PREPARATORY COMMITTEE, MINISTER'S STATEMENT.

*In Parliament.*—On 29th October, 1947, the Minister for Post-war Reconstruction (Mr. Dedman) said—

“I make a brief statement in relation to tariff negotiations at Geneva in which an Australian delegation has been engaged for some time. Since April, 1947, the delegation has been conducting negotiations with the representatives of seventeen other countries for the readjustment of tariffs and preferences on a mutually advantageous basis. These negotiations have reached finality and the results are being incorporated in a draft general agreement on tariff and trade

which is to be laid before the governments concerned for their consideration. The large number of countries concerned involves certain practical difficulties which have to be overcome. In the first place, it is virtually impossible to keep proposed tariff changes completely confidential for an indefinite period. Publication of the results in one country before release in another could be very embarrassing. Moreover, if the published rates differed from those at present in force complications would arise because of the desire of traders to wait for lower rates of duty. Further, the several countries concerned have a variety of procedures for putting trade agreements into force. To overcome those difficulties, a method has been devised to provide for the simultaneous publication of the draft general agreement on tariffs and trade, and for the provisional application of that agreement by the governments concerned. The countries concerned may, instead of adopting the agreement outright, agree to apply, provisionally, its provisions, including the tariff schedules. Their legislatures will then be able to examine the agreement and decide whether or not it should be adopted.

“ Provided the requisite number of governments concur and notify the Secretary-General of the United Nations by 15th November, 1947, that they are prepared to adopt, provisionally, the draft agreement, the text will be published on 18th November, 1947.

“ The Australian Government believes that the proposed agreement will prove advantageous to Australia. Accordingly, it has decided to accept and apply, provisionally, the draft general agreement on tariffs and trade. The following procedure will be followed: On 30th October, 1947, the final act of the Geneva conference will be signed for the purpose of authenticating the text of the draft general agreement. On or before 15th November, 1947, the Government will inform the Secretary-General of the United Nations that it is prepared to accept and apply, provisionally, the general agreement on tariffs and trade. On 18th November, 1947, if the requisite number of governments have decided to accept the general agreement on tariffs and trade provisionally, the agreement will be published simultaneously in the countries concerned. On that date, the Australia Government will lay the agreement on the table of the House, and introduce the necessary tariff motion. The new rates will become operative provisionally from that date.

“ Later, after conclusion of the Havana conference and within six months of the tabling of the draft agreement, the Government will decide whether Parliament is to be asked to confirm the agreement and, if it so decides, will seek Parliament's approval for this course.

“ A statement on all phases of the Geneva conference will be made to the House later in this session. For reasons I have outlined, it is not possible, before the date agreed on for publication, to give any details of the concessions made. However, I can assure the House that the Government is convinced that the draft agreement will create new export opportunities of great value to Australia. Throughout the

negotiations the Government has maintained the closest collaboration with other members of the British Commonwealth. The agreement takes full account of the legitimate interests of both primary and secondary industries in this country; and, in relation to imperial preferences, the agreement conforms to the policy enunciated by the Government from time to time in this House.

“Beyond these assurances, it would be improper for me to go at this stage. Further, speculation is likely to be misleading and embarrassing to all governments concerned. The Government, therefore, invites the co-operation of the House and of the press until publication becomes possible.”

#### FOURTH SECURITY LOAN.

##### PRIME MINISTER'S OPENING BROADCAST.

On 28th October, 1947, the Prime Minister (Mr. Chifley) broadcast over the national network. Mr. Chifley said—

“Good evening ladies and gentlemen,

The Fourth Security Loan of £80,000,000 will be opened on 29th October, 1947. The people of Australia are asked to subscribe £48,000,000 for the programme of Commonwealth and State works approved by the seven governments and for the rehabilitation of former members of the fighting forces.

“In addition, holders of securities in loans floated in the early years of the war to a total of £32,000,000 are asked to convert their holdings into new bonds in the Fourth Security Loan. Therefore, the loan which will be opened to-morrow is for a total of £80,000,000 and, in the name of the Commonwealth and State Governments of Australia, I ask that it be over-subscribed.

“The two financial operations involved in this loan—namely, the subscription of new money and the conversion of old bonds—are a vital part of the over-all economic policy being followed by the Australian Government.

“That policy has been followed with the dual purpose of maintaining the economic balance in this country and of ensuring that Australia, as a member of the British Commonwealth of Nations, can fully play her part for the welfare of all member nations and of Britain in particular.

“The Australian Government's economic policy during the war years and in post-war years that have followed have been amazingly successful. To-day, the Australian £1 purchases more for the Australian citizen in Australia than the American dollar does for Americans or the £1 sterling does for the people in the United Kingdom. Further, Australia is one of four nations in the world whose price rise has been the lowest.

"Those two facts demonstrate very clearly that the Commonwealth Government's economic policy has resulted in the maximum welfare for Australian men and women as individuals and for Australia as a nation. You, the people of Australia, are asked to ensure the smooth continuance of that policy by an over-subscription for the Fourth Security Loan.—By so doing, you will make a contribution not only to your own security but will maintain Australia's economic strength so that she can continue to be a strong right arm for Britain in her struggle.

"As you know, the Australian Government has laid down a policy of the fullest possible assistance to the United Kingdom on the following lines:—

Export of the greatest volume of foodstuffs.

A gift of £25,000,000.

Export of current Australian gold production so that Britain can use it to buy dollars.

Severe restrictions on Australian use of dollars.

"The success of the Fourth Security Loan is essential so that the policy I have outlined to you may be maintained. I ask you to over-subscribe the amount asked for in new money—£48,000,000—and to convert fully the £32,000,000 of securities from earlier loans. The loan will open to-morrow and I am fully confident that you will play your part as Australians."

(For earlier references, please see No. 130, page 27.)

#### NATIONAL MAPPING COUNCIL. COMMONWEALTH SURVEY COMMITTEE.

On 28th October, 1947, the Prime Minister (Mr. Chifley) said—

"In 1935, Cabinet appointed the Commonwealth Survey Committee comprising the Surveyor-General, chairman, and representatives of the three defence services to bring about co-ordination of survey work in Australia. In 1940, a representative of the Department of Civil Aviation was appointed and in 1944 a representative of the Department of Post-war Reconstruction was co-opted. In 1945, Commonwealth and State Governments agreed to the formation of a National Mapping Council to ensure the co-ordination of mapping activities.

"Cabinet decided to-day to re-constitute the committee to provide for the Commonwealth Surveyor-General, who is also Director of the National Mapping Council, as chairman, and a representative of each of the Council for Scientific and Industrial Research, the three service departments, the departments of Civil Aviation, Post-war Reconstruction and Supply and Shipping. The committee's function will be to recommend, through the Minister for the Interior, such action as is needed to co-ordinate the activities and requirements of Commonwealth Departments in respect of mapping and ground and air surveys."

(For earlier references, please see No. 94, page 36; No. 97, page 10.)

## TRADING WITH ENEMY. GERMANY—RESUMPTION.

On 28th October, 1947, the Minister for Customs (Senator Courtice) announced that the control authorities of the combined British-United States zone in Germany were now permitting the entrance of limited numbers of Australian businessmen to buy German goods. Buyers would be admitted into the zone for periods not normally exceeding fourteen days. Because of the small quota allotted to Australia, sponsorship would be accorded only to those businessmen who desired to purchase goods considered essential in the national interest. Selection for sponsorship would take into account the range and quantity of goods available for export from Germany and the limitations on imports imposed by the Australian import licensing system.

(For earlier references, please see No. 175, page 27.)

## MOTOR CAR PRODUCTION. CAR CHASSIS IMPORTS.

On 30th October, 1947, the Minister for Customs (Senator Courtice) said that on 2nd September, 1947, it was announced that imports for North American motor vehicle chassis for 1948 would be reduced by 20 per cent. as against the quantities authorized for importation during 1947 and that the allocation of the cut to the various makes and models of chassis would be considered by an inter-departmental committee on which the trade would be represented. In the light of the subsequent deterioration in the dollar situation, the Government had reconsidered the matter to effect further economies. It had been decided that the maximum amount be allotted for the importation of motor vehicle chassis from the United States and Canada during 1948 was £A.8,000,000. It has been decided to abandon the former system of allocating quotas on a quantitative basis and to fix a total c.i.f. and e. ceiling value for each make and model of chassis. It would be necessary to impose the condition that the value of the chassis to be imported during the first half of 1948 be not more than half the approved quota value.

(For earlier references, please see No. 125, page 29; No. 128, page 33.)

## WAR HISTORY. WAR INDUSTRIES.

On 4th November, 1947, the Minister for the Interior (Mr. Johnson) announced that Dr. D. P. Mellor, of Sydney University, had been chosen to write the volume of the Australian official war history dealing with war industries and the application of scientific research to war-time needs. He succeeded Dr. A. S. Fitzpatrick who was unable to continue the work.

(For earlier references, please see No. 108, page 34.)



## JAPAN.

## WAR CRIMINALS—SIR WILLIAM WEBB'S RETURN.

On 4th November, 1947, the Prime Minister (Mr. Chifley) said—

“At my request, the Australian Government's representative on the International Military Tribunal at Tokio (Sir William Webb) has arranged to return to Australia almost immediately. This will enable him to take his seat on the High Court Bench for the forthcoming Sydney sittings. Sir William will return to Tokio, if necessary, during the summer vacation to complete his work as president of the tribunal.

“A seventh justiceship was restored to the High Court in April, 1946. When Sir William was appointed in May, 1946, it was anticipated that his work at Tokio would last only a few months longer. The trials have been unexpectedly long and Sir William has so far been unable to assume his judicial duties here.”

(For earlier references, please see No. 110, page 41.)

## TRANSITION.

## CONTROLS—FURTHER BILL INTRODUCED.

*In Parliament.*—On 5th November, 1947, the Minister for Post-war Reconstruction (Mr. Dedman) introduced the Defence (Transitional Provisions) Bill. Mr. Dedman said—

“The purpose of this bill is to continue the operation for a further period of twelve months of certain National Security Regulations, the operation of which has already been prolonged by the Defence (Transitional Provisions) Act 1946 until the end of December, 1947. When the Attorney-General (Dr. Evatt) introduced the bill for that act, he dealt fully with the constitutional basis for the bill. At that time, I think that we all believed that by December, 1947, we should be able to dispense with many of the regulations then in operation. However, events have proved otherwise. The principal reason is that western Europe has not succeeded in regaining a state of economic health. In November, 1946, it appeared that the economic recovery of Europe would not be unduly delayed, but since then Europe has experienced an exceptionally severe winter, followed by a drought. During 1946, the fact that the balance had been upset between the productive power and resources of the western hemisphere, on the one hand, and those of the rest of the world on the other, was obscured by the vast quantities of goods poured into Europe by Unrra and other organizations. The disastrous effects of winter and drought were followed by the dollar crisis. Those events have had repercussions extending far beyond Europe; indeed they threaten the foundations of world economy. In his speech in 1946, Dr. Evatt emphasized the need for the retention of measures designed to check inflation and maintain stability. The Government at that time indicated its view that the operation of regulations covering price control, rent control, capital issues, and land sales, would need to be continued beyond December, 1947. The bill makes provision for the continuation of those regulations for a further twelve months.

"No one would argue that price control has not been highly successful in helping to keep the economy of Australia steady. A comparison of the figures of the cost of living in Australia to-day with those for the period following World War I, and those of countries which have abandoned price control, prove the wisdom of the Government's action in continuing the operation of war-time price control regulations in the post-war period. To-day, Australia is one of the countries which shows the lowest increase of prices, and a comparison of living costs with those of other nations where prices control has lapsed, or has never been enforced, proves how well we have controlled the post-war boom. The United Nations' monthly bulletin of statistics for September, 1947, shows that Australia is only one in a list of 35 countries in which the rise of wholesale prices since 1937 has been less than 50 per cent. The same authority gives the following percentage increases of retail prices from 1939, to June, 1947:—Australia 28; South Africa 39; Canada 32; United Kingdom 29; United States of America 57; Argentine 75; Sweden 52; Switzerland 56; Spain 109; Ireland 70; Turkey 245; Poland 15,010; and China 2,087,900. The indications are that during 1948, the Australian price level will be subjected to pressure, as it was in 1947. By V.P. Day, export prices had increased by 78 per cent. over pre-war prices, and by 183 per cent. by June, 1947. Import prices rose by 99 and 147 per cent., respectively. There is no sign of the increase of overseas prices steady as yet, and there is no doubt that a serious post-war boom is taking place in the international field. Under these conditions it would not be wise to remove the existing control over prices.

"An attempt to control prices generally without controlling the land values would because of the present state of demand, permit serious distortions of the whole cost-price structure. Excessive land values would greatly inflate the cost of home-building and would make the administration of rent control extremely difficult, if not impossible. The effect on rural industries must also be particularly serious. When producers are receiving high returns for their products, speculation becomes rampant and land changes hands at boom prices financed by mortgage loans. Then, when export prices decline, many producers find themselves burdened with debt and high costs. A long and painful re-adjustment becomes inescapable; and the result is a general state of depression throughout the rural industries. To prevent a repetition of such experiences, and to prevent excessive land values from unduly inflating costs generally, it is proposed to continue the control of land values for a further twelve months under this bill.

"Speculative investments are not confined to land. At present there is a large supply of capital awaiting investment, but it is impossible for all of it to be employed without making inordinate demands on the available resources of material and man-power. It is clearly desirable that resources should be concentrated on essential production and not be diverted to speculative or unnecessary enterprises. It is, therefore, proposed to continue the Capital Issues Regulations.

"Rent control is a special aspect of economic controls, and its continuance is rendered necessary by the present shortage of accommodation of all kinds. It ensures a measure of stability where stability is most needed. Its removal, and the removal of control over evictions under present conditions, would result in inflation of rents, wholesale evictions, exploitation and much misery.

"I mention briefly some marketing regulations which it is proposed should be continued. The regulations under this group include those relating to the control of barley, apples and pears, hides and leather, potatoes, rabbit skins, as well as the acquisition of wheat and the stabilization of the wheat industry. The reasons for continuing these regulations are simply that the conditions which necessitated their introduction are still with us, and the Commonwealth must keep the faith with the primary producers. The detailed considerations differ somewhat, depending on the commodity. In respect of the Australian Barley Board, it was expected that legislation would be enacted by the South Australian and Victorian Governments to carry on after the end of 1947 the authority originally established by the Commonwealth, but the sudden dissolution of the Victorian Parliament has delayed the necessary legislation in that State, and the Commonwealth is accordingly obliged to continue the regulations so that there will be no disorder in the handling of the forthcoming crop. Refrigerated shipping space for the apple and pear crops of Tasmania and Western Australia is still inadequate, and hence the continuance of assistance is necessary to protect the growers in those States. As regards potatoes, the Commonwealth has let contracts to growers for the 1947-48 crop, and the regulations are intended to control marketing until the crop is sold. It is hoped that by the end of 1948 the organizations of the States will be ready to take over potato marketing. Wheat regulations are intended to cover the marketing of the 1947-48 crop. It has not been practicable to reach agreement on a permanent marketing scheme for the industry, but a further conference with the States will be held shortly. Meanwhile the Commonwealth is continuing the Australian Wheat Board in accordance with the desires of the growers and all State Governments. In fact, no other organization could satisfactorily market the crop. Controls over hides, leather and rabbit skins are necessary mainly for price stabilization purposes, as the world prices of these commodities greatly exceed the domestic prices. A limited section of the food control regulations is preserved so that the distribution of certain fats and oils can be equitably arranged, and also that essential service supplies may be obtained.

"There is a group of regulations which affect servicemen still serving in the occupation forces in Japan. It is obviously necessary to keep in force the Military Forces, Naval Forces and Women's Service Regulations. There are still a few internees and prisoners of war in Australia, and although very few are affected by them the provisions by which their detention is regulated must remain in force.

"Parliament has considered several bills dealing with industrial conditions—notably the Commonwealth Conciliation and Arbitration Act, the Stevedoring Act and the Coal Act. These enactments go back some distance in bringing back to a peace-time footing the framework within which industrial conditions are settled. There are still, however, fields to which attention has not been given, particularly the maritime industry and the craft unionists employed in the coal industry. Pending some further clarification in these fields, the existing regulations must be preserved for a time.

"Superphosphate regulations have been discontinued and the operation of the Agricultural Aids Regulations restricted to a single item of nicotine sulphate. The prospect of a record harvest has aggravated the demand for both cornsacks and galvanized iron, and control over these commodities must be continued for some time longer. While Britain's position is so critical it is unthinkable for Australia to remove all restrictions on commodities which are needed so badly there, and accordingly ration schemes are being continued, particularly in relation to meat and butter.

"About one dozen sets of regulations will be continued. They are those under which war materials are being disposed of, war damage claims settled, compensation with regard to requisitioned cargoes assessed, property of enemy nationals administered, and the hundred and one other things necessary to unwind the war effort. A good many of the provisions of this sort cannot be dispensed with until the Treaty of Peace is signed with Japan.

"In 1946, a few amendments were made in permanent legislation. This bill gives permanent expression in appropriate acts to some provisions hitherto contained in National Security Regulations. The Acts Interpretation Act is amended in two respects. One provision is made to cover the case where the functions of one department are transferred to another department. Reference to the former department or its Minister will be read in an agreement as referring to the latter department or its Minister. Secondly, there is a provision relating to delegation of powers or functions. This provision permits the exercise of powers or functions by a delegate in circumstances in which the exercise of the power or function is dependent on the opinion, belief or state of mind of the person exercising the power. An amendment made in 1946 to the Land Tax Assessment Act is continued for a further year. This amendment continued for land tax purposes pegging of land values which, up to that time had been pegged at 1939 values by regulation under the National Security Act. The assessment of land tax on land owned as at 30th June, 1948, will be based on the 1939 value.

"Action is being taken to amend the Defence Act by exempting from jury service members of the Citizen Forces engaged on war service. Probably the most important of these changes in permanent legislation is the clause which repeals the National Registration Act. The Government regards the National Registration Act as a type of legislation

which is undesirable during peace-time. It is the policy of the Government to embody in permanent legislation at the earliest possible date provisions now contained in National Security Regulations and which it is desirable shall have permanent effect as part of the law of the Commonwealth. This bill is one of a group of about half a dozen bills which deal with matters previously covered by National Security Regulations. Already the Dairy Produce Export Control bill has been introduced and one of the effects of its passage would be that the Dairy Produce Acquisition Regulations will be permitted to lapse at the end of the year. The Australian Soldiers Repatriation Bill contains a provision permitting regulations to be made about patriotic funds, and accordingly the Patriotic Funds Regulations will not be continued next year. Other legislation involving amendments to other acts is in train, and will be introduced as early as possible. When these bills are introduced, opportunity will be taken to place in permanent form some of the provisions now carried on temporarily."

*[The bill was passed.]*

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