PARLIAMENT OF THE COMMONWEALTH.
EIGHTEENTH PARLIAMENT—FIRST SESSION: THIRD PERIOD.

GOVERNOR-GENERAL.

His Excellency William John McKell, Governor-General and Commander-in-Chief in and over the Commonwealth of Australia, from the 11th March, 1947.

SECOND CHIFLEY GOVERNMENT.
(From the 1st November, 1946.)

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<th>Name</th>
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<td>Prime Minister and Treasurer</td>
<td>The Right Honorable J. B. Chifley</td>
</tr>
<tr>
<td>Attorney-General and Minister for External Affairs</td>
<td>The Right Honorable H. V. Evatt, LL.D., D.Litt., K.C.</td>
</tr>
<tr>
<td>Minister for Labour and National Service</td>
<td>The Honorable E. J. Holloway</td>
</tr>
<tr>
<td>Minister for Air and Minister for Civil Aviation</td>
<td>The Honorable A. S. Drakeford</td>
</tr>
<tr>
<td>Vice-President of the Executive Council</td>
<td>The Honorable W. J. Scully</td>
</tr>
<tr>
<td>Minister for Supply and Shipping (and Leader of the Government in the Senate)</td>
<td>Senator the Honorable W. P. Ashley.</td>
</tr>
<tr>
<td>Minister for Defence, Minister for Post-war Reconstruction and Minister in charge of the Council for Scientific and Industrial Research</td>
<td>The Honorable J. J. Dedman.</td>
</tr>
<tr>
<td>Postmaster-General</td>
<td>The Honorable E. J. Ward</td>
</tr>
<tr>
<td>Minister for Information and Minister for Immigration</td>
<td>Senator the Honorable D. Cameron.</td>
</tr>
<tr>
<td>Minister for the Interior</td>
<td>The Honorable A. A. Calwell</td>
</tr>
<tr>
<td>Minister for Health and Minister for Social Services (and Deputy Leader of the Government in the Senate)</td>
<td>The Honorable H. V. Johnson.</td>
</tr>
<tr>
<td>Minister for Commerce and Agriculture</td>
<td>Senator the Honorable N. E. McKenna</td>
</tr>
<tr>
<td>Minister for Works and Housing</td>
<td>The Honorable R. T. Pollard</td>
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<tr>
<td>Minister for Munitions</td>
<td>The Honorable N. Lemmon</td>
</tr>
<tr>
<td>Minister for the Army</td>
<td>Senator the Honorable J. I. Armstrong</td>
</tr>
<tr>
<td>Minister for Trade and Customs</td>
<td>The Honorable C. Chambers</td>
</tr>
<tr>
<td>Minister for the Navy</td>
<td>Senator the Honorable B. Courtice</td>
</tr>
<tr>
<td>Minister for Repatriation</td>
<td>The Honorable W. J. F. Riordan</td>
</tr>
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<td></td>
<td>The Honorable H. C. Barnard</td>
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THE MEMBERS OF THE SENATE.

*(FROM THE 1ST JULY, 1947.)*

EIGHTEENTH PARLIAMENT—FIRST SESSION: THIRD PERIOD.

**President**—Senator the Honorable Gordon Brown.

**Leader of the Government in the Senate**—Senator the Honorable William Patrick Ashley.

**Deputy Leader of the Government in the Senate**—Senator the Honorable Nicholas Edward McKenna.

**Chairman of Committees**—Senator Theophilus Martin Nicholls.

**Temporary Chairman of Committees**—Senators Stanley Kerin Amour, James Jarvist Arnold, William Edward Aylett, Walter Jackson Cooper, M.B.E.

**Leader of the Opposition**—Senator Walter Jackson Cooper, M.B.E.

**Deputy Leader of the Opposition**—Senator Neil O'Sullivan.

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<tr>
<td>Armstrong, Hon. John Ignatius†</td>
<td>New South Wales</td>
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<tr>
<td>Arnold, James Jarvist‡</td>
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<tr>
<td>Ashley, Hon. William Patrick‡</td>
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<td>Aylett, William Edward†</td>
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<td>Cameron, Hon. Donald†</td>
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<td>Clothier, Robert Ernest†</td>
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<td>Collings, Hon. Joseph Silver†</td>
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<td>Cooke, Joseph Alfred†</td>
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<td>Cooper, Walter Jackson, M.B.E.‡</td>
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<tr>
<td>Courtice, Hon. Benjamin†</td>
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<td>Critchley, John Owen†</td>
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<td>Finlay, Alexander†</td>
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<td>Fraser, Hon. James Mackintosh†</td>
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<td>Grant, Donald MacLennan†</td>
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<td>Harris, John†</td>
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<td>Hendrickson, Albion†</td>
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<td>Katz, Frederick§</td>
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<td>Large, William James‡</td>
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<td>Murray, Reginald James‡</td>
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*Dates of Retirement of Senators*—† The 30th June, 1950.  ‡ The 30th June, 1953.
THE MEMBERS OF THE HOUSE OF REPRESENTATIVES.

EIGHTEENTH PARLIAMENT—FIRST SESSION: THIRD PERIOD.

Speaker—The Honorable John Solomon Rosevear.

Chairman of Committees—Joseph James Clark.


Leader of the Opposition and Leader of the Liberal Party of Australia—The Right Honorable Robert Gordon Menzies, K.C.

Deputy Leader of the Opposition and Deputy Leader of the Liberal Party of Australia—The Honorable Eric John Harrison.


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

Abbott, Hon. Joseph Palmer, M.C. .................................................. New England (N.S.W.)
Adermann, Charles Frederick ..................................................... Maranoa (Q.)
Anthony, Hon. Hubert Lawrence ............................................... Richmond (N.S.W.)
Barnard, Hon. Herbert Claude .................................................. Bass (T.)
Beale, Howard ................................................................................. Parramatta (N.S.W.)
Beazley, Kim Edward .................................................................... Fremantle (W.A.)
Blackburn, Mrs. Doris Amelia ..................................................... Bourke (V.)
Blain, Adair Macalister ................................................................. (N.T.)
Bowden, George James, M.C. ....................................................... Gippsland (V.)
Brennan, Hon. Frank ..................................................................... Batman (V.)
Burke, Thomas Patrick ................................................................. Perth (W.A.)
Calwell, Hon. Arthur Augustus ..................................................... Melbourne (V.)
Cameron, Hon. Archie Galtraith .................................................... Barker (S.A.)
Chambers, Hon. Cyril ..................................................................... Adelaide (S.A.)
Chifley, Rt. Hon. Joseph Benedict ................................................ Macquarie (N.S.W.)
Clark, Joseph James ........................................................................ Darling (N.S.W.)
Conelan, William Patrick ............................................................... Griffith (Q.)
Corser, Bernard Henry ................................................................. Wide Bay (Q.)
Daly, Frederick Michael ................................................................. Martin (N.S.W.)
Davidson, Charles William, O.B.E. ............................................. Capricornia (Q.)
Dedman, Hon. John Johnstone ...................................................... Corio (V.)
Drakeford, Hon. Arthur Samuel .................................................... Maribyrnong (V.)
Duthie, Gilbert William Arthur ...................................................... Wilmot (T.)
Edmonds, William Frederick ......................................................... Herbert (Q.)
Evatt, Rt. Hon. Herbert Vere, LL.D., D.Litt., K.C. ......................... Barton (N.S.W.)
Fadden, Rt. Hon. Arthur William .................................................. Darling Downs (Q.)
Falkinder, Charles William Jackson, D.S.O., D.F.C. ...................... Franklin (T.)
Falstein, Sydney Max ..................................................................... Watson (N.S.W.)
Francis, Hon. Josiah ................................................................. Moreton (Q.)
Fraser, Allan Duncan ..................................................................... Eden-Monaro (N.S.W.)
Fuller, Arthur Neiberding .............................................................. Hume (N.S.W.)
Gaha, Dr. the Hon. John Francis, M.B. ........................................ Denison (T.)
Gullett, Henry Baynton Somer, M.C. ............................................ Henty (V.)
Hadley, James William ................................................................. Lilley (Q.)
Hamilton, Leonard William .......................................................... Swan (W.A.)
Harrison, Hon. Eric John ............................................................... Wentworth (N.S.W.)
Haylen, Leslie Clement ................................................................. Parkes (N.S.W.)
Holloway, Hon. Edward James ...................................................... Melbourne Ports (V.)
Holt, Hon. Harold Edward ............................................................. Fawkner (V.)
Howse, John Brooke ..................................................................... Calare (N.S.W.)
Hutchinson, William Joseph .......................................................... Deskin (V.)
James, Rowland ............................................................................. Hunter (N.S.W.)
Johnson, Hon. Herbert Victor ....................................................... Kalgoorlie (W.A.)
Lang, John Thomas ......................................................................... Reid (N.S.W.)
Langtry, Joseph Ignatius ................................................................. Riverina (N.S.W.)
Lawson, Hon. George ..................................................................... Bribane (Q.)
THE MEMBERS OF THE HOUSE OF REPRESENTATIVES—continued.

Lazzarini, Hon. Hubert Peter
Lemmon, Hon. Nelson
Lyons, Dame Enid Muriel, C.B.E.
McBride, Hon. Philip Albert
McDonald, Hon. Allan McKenzie
McEwen, Hon. John
McLeod, Donald
MULCAHY, Daniel
O'Connor, William Paul
Pollard, Hon. Reginald Thomas
Rankin, George James, D.S.O., V.D.
Riordan, Hon. William James Frederick
Rosevear, Hon. John Solomon
Russell, Edgar Hughes Deg
Ryan, Rupert Sumner, C.M.G., D.S.O.
Scullin, Rt. Hon. James Henry
Scully, Hon. William James
Sheehan, Thomas
Sheehy, Thomas Neil
Spender, Hon. Percy Claude, K.C.
Thompson, Albert Victor
Turnbull, Winton George
Ward, Hon. Edward John
Watkins, David Oliver
White, Hon. Thomas Walter, D.F.C., V.D.
Williams, Thomas Francis

Werriwa (N.S.W.)
Forrest (W.A.)
Darwin (T.)
Wakefield (S.A.)
Corangamite (V.)
Indi (V.)
Wannon (V.)
Kooyong (V.)
Lang (N.S.W.)
West Sydney (N.S.W.)
Cowper (N.S.W.)
Ballaarat (V.)
Bendigo (V.)
Kennedy (Q.)
Dalley (N.S.W.)
Grey (S.A.)
Flinders (V.)
Yarra (V.)
Gwydir (N.S.W.)
Cook (N.S.W.)
Boothby (S.A.)
Warringah (N.S.W.)
Hindmarsh (S.A.)
Wimmera (V.)
East Sydney (N.S.W.)
Newcastle (N.S.W.)
Balclutha (V.)
Robertson (N.S.W.)
THE COMMITTEES OF THE SESSION.

JOINT.

BROADCASTING.—Senator Amour (Chairman), Senator Finlay, Senator Rankin (appointed, the 17th October, 1947), Mr. Burke, Mr. Falkinder, Mr. Hadley, Mr. Hutchinson, Mr. Spender, and Mr. Watkins.

HOUSE.—The President (Chairman), Senator Amour, Senator Arnold (discharged, the 17th October, 1947), Senator Aylett (appointed, the 17th October, 1947), Senator Cooper, Senator Fraser, Senator O’Sullivan (appointed, the 17th October, 1947), Senator Rankin (appointed, the 17th October, 1947), Mr. Speaker, Mr. Burke, Mr. Corser, Mr. Francis, Mr. Holt, Mr. Mulcahy, and Mr. Watkins.

LIBRARY.—Mr. Speaker (Chairman), the President, Senator Arnold, Senator O’Sullivan (appointed, the 17th October, 1947), Senator Cooper (appointed, the 17th October, 1947), Senator O’Sullivan (appointed, the 17th October, 1947), Senator Rankin (appointed, the 17th October, 1947), Senator Tangney, Mr. Abbott, Mr. Beasley, Mr. Brennan, Mr. Duthie, Mr. Hutchinson, and Mr. White.

PARLIAMENTARY PROCEEDINGS BROADCASTING.—Mr. Speaker (Chairman), the President, Senator Arnold, Senator O’Sullivan (appointed, the 23rd October, 1947), Mr. Corser, Mr. Fraser, Mr. Haylen, Mr. Holt, and Mr. Sheehan.

PRINTING.—Mr. Daly (Chairman), Senator Arnold (discharged, the 17th October, 1947), Senator Beerworth, Senator Cooper, Senator O’Byrne (appointed, the 17th October, 1947), Senator O’Sullivan (appointed, the 17th October, 1947), Senator Rankin (appointed, the 17th October, 1947), Senator Sandford (appointed, the 17th October, 1947), Senator Tangney (discharged, the 17th October, 1947), Senator Ward (appointed, the 17th October, 1947), Mr. Adermann, Mr. Conelan, Mr. Haylen, Mr. McDonald, Mr. O’Connor, and Mr. Ryan.

PUBLIC WORKS.—Senator Lamp (Chairman), Senator Nash, Senator O’Sullivan (appointed, the 24th October, 1947), Mr. Beale, Mr. Conelan, Mr. Howe, Mr. McLeod, Mr. Rankin, and Mr. Russell.

SENATE.

DISPUTED RETURNS AND QUALIFICATIONS.—Senator Clothier, Senator Collings (discharged, the 22nd October, 1947), Senator Cooper (appointed, the 22nd October, 1947), Senator Harris (appointed, the 22nd October, 1947), Senator Nash (discharged, the 22nd October, 1947), Senator Nicholls (appointed, the 22nd October, 1947), Senator O’Flaherty, Senator O’Sullivan (appointed, the 22nd October, 1947), and Senator Rankin (appointed, the 22nd October, 1947).

REGULATIONS AND ORDINANCES.—Senator Nash (Chairman), Senator Arnold, Senator Cooke (appointed, the 22nd October, 1947), Senator Cooper, Senator Katz (appointed, the 22nd October, 1947), Senator Large (discharged, the 22nd October, 1947), Senator O’Sullivan (appointed, the 22nd October, 1947), Senator Rankin (appointed, the 22nd October, 1947), and Senator Tangney (discharged, the 22nd October, 1947).

STANDING ORDERS.—The President (Chairman), the Chairman of Committees, Senator Cameron (discharged, the 17th October, 1947), Senator Cooper (appointed, the 17th October, 1947), Senator Critchley (appointed, the 17th October, 1947), Senator Devlin, Senator Harris (appointed, the 17th October, 1947), Senator Lamp (discharged, the 17th October, 1947), Senator O’Sullivan (appointed, the 17th October, 1947), Senator Rankin (appointed, the 17th October, 1947), Senator Sandford (appointed, the 17th October, 1947), and Senator Sheehan (discharged, the 17th October, 1947).

HOUSE OF REPRESENTATIVES.

PRIVILEGES.—Dr. Evatt (Chairman), Mr. Abbott (appointed, the 4th December, 1947), Mr. Clark, Mr. Harrison, Mr. Hutchinson (discharged, the 4th December, 1947), Mr. McEwen (discharged, the 4th December, 1947), Mr. Sheehan, Mr. Spender (appointed, the 4th December, 1947), and Mr. Williams.

STANDING ORDERS.—Mr. Speaker, the Prime Minister, the Chairman of Committees, the Leader of the Opposition, Mr. Fadden, Sir Earle Page, Mr. Riordan, and Mr. Williams.
PARLIAMENTARY DEPARTMENTS.

SENATE.

Clerk.—J. E. Edwards.
Clerk-Assistant.—R. H. C. Loof.
Usher of the Black Rod.—W. I. Emerton.

HOUSE OF REPRESENTATIVES.

Clerk.—F. C. Green, M.C.
Clerk-Assistant.—A. A. Tregear.
Second Clerk-Assistant.—S. F. Chubb.
Sergeant-at-Arms.—A. G. Turner.

PARLIAMENTARY REPORTING STAFF.

Principal Reporter.—A. P. Adams.
Second Reporter.—H. M. Johnson.

LIBRARY.

Librarian.—(to the 27th November, 1947), K. Binns; (from the 28th November, 1947), H. L. White. Assistant Librarian.—(to the 27th November, 1947), H. L. White; (from the 28th November, 1947), L. C. Key.

Secretary.—R. H. C. Loof

JOINT HOUSE.
THE ACTS OF THE SESSION.

AIR NAVIGATION ACT (No. 2) 1947 (No. 89 of 1947)—

APPROPRIATION ACT 1947–48 (No. 50 of 1947)—
An Act to grant and apply out of the Consolidated Revenue Fund a sum for the service of the year ending the thirtieth day of June, One thousand nine hundred and forty-eight, and to appropriate the Supplies granted by the Parliament for that year.

APPROPRIATION (WORKS AND BUILDINGS) ACT 1947–48 (No. 51 of 1947)—
An Act to grant and apply out of the Consolidated Revenue Fund a sum for the service of the year ending the thirtieth day of June, One thousand nine hundred and forty-eight, for the purposes of Additions, New Works, Buildings, &c., and to appropriate that sum.

AUSTRALIAN NATIONAL AIRLINES ACT 1947 (No. 90 of 1947)—
An Act to amend the Australian National Airlines Act 1945.

AUSTRALIAN NATIONAL UNIVERSITY ACT (No. 2) 1947 (No. 56 of 1947)—
An Act to amend the Australian National University Act 1946, as amended by the Australian National University Act 1947.

AUSTRALIAN SOLDIERS’ REPATRIATION ACT (No. 2) 1947 (No. 74 of 1947)—

BANKING ACT 1947 (No. 57 of 1947)—
An Act relating to Banking and for other purposes.

BEER EXCISE ACT (No. 2) 1947 (No. 85 of 1947)—

COMMONWEALTH PUBLIC SERVICE ACT (No. 2) 1947 (No. 84 of 1947)—
An Act to amend the Law regulating the Public Service.

COMMONWEALTH PUBLIC WORKS COMMITTEE ACT 1947 (No. 69 of 1947)—
An Act to amend the Commonwealth Public Works Committee Act 1913–1936.

CUSTOMS ACT 1947 (No. 54 of 1947)—
An Act to amend the Customs Act 1901–1936.

DAIRY PRODUCE EXPORT CONTROL ACT 1947 (No. 53 of 1947)—

DEFENCE (TRANSITIONAL PROVISIONS) ACT 1947 (No. 78 of 1947)—
An Act to amend the Defence (Transitional Provisions) Act 1946, and for other purposes.

DISTILLATION ACT 1947 (No. 86 of 1947)—
An Act to amend the Distillation Act 1901–1934.

EGG EXPORT CHARGES ACT 1947 (No. 77 of 1947)—
An Act to impose Charges upon the Export of Eggs.

EGG EXPORT CONTROL ACT 1947 (No. 76 of 1947)—
An Act relating to the Export of Eggs.

EXCISE ACT 1947 (No. 88 of 1947)—
An Act to amend the Excise Act 1901–1942.

GOLD TAX SUSPENSION ACT 1947 (No. 58 of 1947)—
An Act to suspend the Tax imposed by the Gold Tax Act 1939.

INCOME TAX ASSESSMENT ACT (No. 2) 1947 (No. 63 of 1947)—

INTERNATIONAL LABOUR ORGANIZATION ACT 1947 (No. 91 of 1947)—
An Act to approve the amended Constitution of the International Labour Organization.

LOAN (HOUSING) ACT 1947 (No. 66 of 1947)—
An Act to authorize the raising of Moneys to be advanced to the States for the purposes of Housing

MINISTERS OF STATE ACT 1947 (No. 68 of 1947)—
An Act to amend the Ministers of State Act 1935–1946.

NEW ZEALAND RE-EXPORTS ACT 1947 (No. 55 of 1947)—
An Act to amend the New Zealand Re-exports Act 1924.

PARLIAMENTARY ALLOWANCES ACT (No. 2) 1947 (No. 64 of 1947)—
THE ACTS OF THE SESSION—continued.

QUARANTINE ACT (No. 2) 1947 (No. 92 of 1947)—
An Act to amend the Quarantine Act 1908–1924, as amended by the Quarantine Act 1947.

ROYAL STYLE AND TITLES ACT (AUSTRALIA) 1947 (No. 70 of 1947)—
An Act to assent to an Alteration in the Royal Style and Titles of His Majesty the King.

SALARIES (STATUTORY OFFICES) ADJUSTMENT ACT 1947 (No. 53 of 1947)—
An Act to increase the Salaries payable to the Holders of certain Statutory Offices, and for other purposes.

SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT 1947 (No. 65 of 1947)—

SPIRITS ACT 1947 (No. 87 of 1947)—
An Act to amend the Spirits Act 1906–1936.

STATES GRANTS ACT (No. 2) 1947 (No. 67 of 1947)—
An Act to grant and apply out of the Consolidated Revenue Fund sums for the purposes of Financial Assistance to the States of South Australia, Western Australia and Tasmania.

STATES GRANTS (TAX REIMBURSEMENT) ACT 1947 (No. 62 of 1947)—
An Act to amend the States Grants (Tax Reimbursement) Act 1946.

SUGAR AGREEMENT ACT 1947 (No. 61 of 1947)—
An Act to approve an Agreement amending the Agreement approved by the Sugar Agreement Act 1946.

TRACTOR BOUNTY ACT 1947 (No. 73 of 1947)—
An Act to amend the Tractor Bounty Act 1939–1944.

TRADESMEN’S RIGHTS REGULATION ACT 1947 (No. 72 of 1947)—
An Act to amend the Tradesmen’s Rights Regulation Act 1946.

TRADING WITH THE ENEMY ACT 1947 (No. 75 of 1947)—
An Act to amend the Trading with the Enemy Act 1939–1940, and for other purposes.

TREATY OF PEACE (BULGARIA) ACT 1947 (No. 83 of 1947)—
An Act to approve the Treaty of Peace with Bulgaria, and for other purposes.

TREATY OF PEACE (FINLAND) ACT 1947 (No. 82 of 1947)—
An Act to approve the Treaty of Peace with Finland, and for other purposes.

TREATY OF PEACE (HUNGARY) ACT 1947 (No. 81 of 1947)—
An Act to approve the Treaty of Peace with Hungary, and for other purposes.

TREATY OF PEACE (ITALY) ACT 1947 (No. 79 of 1947)—
An Act to approve the Treaty of Peace with Italy, and for other purposes.

TREATY OF PEACE (ROUMANIA) ACT 1947 (No. 80 of 1947)—
An Act to approve the Treaty of Peace with Roumania, and for other purposes.

WAR SERVICE HOMES ACT (No. 2) 1947 (No. 71 of 1947)—
An Act to amend the War Service Homes Act 1918–1946, as amended by the Commonwealth Public Service Act 1947 and the War Service Homes Act 1947.

WAR-TIME (COMPANY) TAX ASSESSMENT ACT 1947 (No. 59 of 1947)—
An Act to amend the War-time (Company) Tax Assessment Act 1940–1946.

WAR-TIME (COMPANY) TAX ACT 1947 (No. 60 of 1947)—
An Act to amend the War-time (Company) Tax Act 1940–1941.

WORLD HEALTH ORGANIZATION ACT 1947 (No. 93 of 1947)—
An Act to approve of Australia’s becoming a Member of the World Health Organization, and for other purposes.

[The only Bill remaining on the Notice-paper was the Acts Interpretation Bill 1946, which was initiated in the House of Representatives and reached the second reading stage.]

[The Constitution Alteration (Rents and Prices) Bill 1947 was passed by both Houses and is awaiting a Referendum of the people.]
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House of Representatives.

Tuesday, 11 November, 1947.

Mr. Speaker (Hon. J. S. Rosevear) took the chair at 3 p.m., and read prayers.

BANKING.

Nationalization: Petition; Victorian Elections; Federal Court of Claims; Propaganda.

Mr. Anthony presented a petition from certain electors of the divisions of Richmond and New England in relation to banking in Australia.

Petition received and read.

Mr. Menzies.—Has the Prime Minister been informed of the result of the Victorian elections? If so, I ask him whether, in view of the overwhelming expression of opinion recorded by the electors of Victoria, upon the proposed banking monopoly, the Prime Minister will now either abandon the Banking Bill, or defer consideration of it until after a referendum or a general election?
Mr. CHIFLEY.—I have not seen precise details regarding the results of the Victorian elections, but I have been able to ascertain the general result. I indicated to the House some time ago that legislative or political action in any State would not affect a decision made by this Government, nor legislation that might be brought down in this Parliament. My answer now is precisely the same as it was on that occasion. As for the second part of the right honorable gentleman’s question, namely, whether the Government proposes to hold a referendum regarding the Banking Bill now before the Parliament, I also indicated previously that the Government did not intend to hold a referendum on the matter, as the Government believed that this Parliament enjoyed full power under section 51 of the Constitution to legislate regarding banking. Therefore, my previous statement on the subject of a referendum also stands.

Mr. LANG.—I ask the Prime Minister whether it is the intention of the Government that the Federal Court of Claims proposed to be established under the Banking Bill will have jurisdiction apart from claims under the bill? If so, what is the proposed scope of the court’s activities? Will the judges be full-time appointees, or will they devote their attention primarily to the Federal Court of Claims? Is it a fact that certain people have been approached with a view to their appointment? Do these include Mr. Justice Taylor, President of the New South Wales Industrial Commission, and Mr. Harry Alderman, K.C.?

Mr. CHIFLEY.—The first part of the honorable member’s question might suitably be placed on the notice-paper so that the Minister acting for the Attorney-General may give a complete answer. With respect to the second part of the question, I have not heard of any offer being made to anybody in Australia to take these positions, if and when they are created. Certainly, no such offer has been made by me, or by the Minister acting for the Attorney-General. I do not know of any suggestion of an approach being made to Mr. Justice Taylor or Mr. Harry Alderman, K.C.

Mr. HAYLEN.—Is the Treasurer aware of the existence of a systematic campaign of intimidation of migrants by the trading banks, concerning the structure and stability of the Commonwealth Bank? I have just received from a constituent whose present address is 7 Fulton-street, East St. Kilda, Victoria, a letter under date the 10th November, 1947, which reads—

Last week a middle-aged well-dressed man approached me in Fulton-street with these words:

“You are a foreigner, aren’t you? You have an account with the Commonwealth Bank, haven’t you?”

Interested by his insolence, I replied that I had not. Regardless of my reply he continued like a well-oiled machine—

“You know all foreign accounts will be blocked if the banks are nationalized under this Labour dictatorship!”

I replied that I came from a dictatorship in Europe and know a dictator when I see one. I was much more interested in his name. He replied that he only wanted to give me a warning for my own good and made off quickly.

In view of that incident, which is paralleled by other incidents of the kind, will the right honorable gentleman examine the matter?

Mr. CHIFLEY.—No incident of the kind mentioned by the honorable member has been brought to my notice. I should very much regret the suggestion by anybody in this country, no matter what political views he might hold either generally or in regard to banking specifically, that any financial institutions, including the Commonwealth Bank, would not be in a position to meet their commitments from their aggregate assets. It must be understood that the Commonwealth Bank is the only bank in Australia which, at any time, could immediately meet any demands that were made upon it. I am not saying that all the other banks could not do so if they were given time. The Government, recognizing what had happened previously to many of the depositors in banks in Australia, some of them having lost their savings and others having had them tied up for a lengthy period, made provision in the 1945 banking legislation guaranteeing, in effect, that every depositor in every
bank in Australia would always be fully protected. There has not been any other reason, as the honorable member for New England who was a member of the Royal Commission on Monetary and Banking Systems, will bear witness.

Mr. Abbott.—I cannot follow the right honorable gentleman, in view of what was contained in the commission’s report.

Mr. Chifley.—I merely referred to the honorable member for New England because he knows that the members of the commission believed that the failure of any bank would be likely to cause a general weakening of the financial and economic structure of the nation, and for that reason it was agreed that the depositors in all banks should be fully protected. That protection has been given by the present Government.

LEAVE OF ABSENCE.

Motion (by Mr. Chifley)—by leave—agreed to—

That leave of absence for one month be given to the Attorney-General and Minister for External Affairs (Dr. Evatt) on the ground of urgent public business.

APPLES AND Pears.

Mr. Duthie.—In view of the great importance of the apple and pear growing industry to Tasmania and Australia, and the urgent need that growers should know where they stand in regard to this season’s crop, will the Minister for Commerce and Agriculture say whether the Government has yet decided to carry on with the apple and pear acquisition scheme for the 1947-48 season?

Mr. Pollard.—At a Cabinet meeting this morning, the Government decided to continue the apple and pear acquisition scheme to cover this season’s crop.

Mr. Falkinder.—In view of the Government’s intention to continue the apple and pear acquisition scheme, I ask the Minister for Commerce and Agriculture when does he expect to be able to announce the terms of the scheme?

Mr. Pollard.—The terms of acquisition will be exactly the same as those ruling in respect of last season’s crop.

WHEAT.

SALES TO NEW ZEALAND.

Mr. Turnbull.—At a public meeting at St. Arnaud, in Victoria, Senator Sheehan was asked the following question:

Will Senator Sheehan give us an explanation of the Commonwealth’s sale of wheat to the New Zealand Government at 5s. 9d. a bushel, when it was worth 10s. overseas?

According to a report in the St. Arnaud Mercury, Senator Sheehan replied to the question in these terms—

The Australian Government agreed to supply a certain quantity of wheat to New Zealand under a reciprocal arrangement whereby New Zealand would make certain goods, which were in short supply in Australia, available to us.

I ask the Minister for Commerce and Agriculture whether that reply is correct? What were the goods referred to? Have they been delivered? If not, when will they be delivered, and what will be the financial advantage to Australia?

Mr. Pollard.—I cannot accept as accurate a newspaper report of what an honorable senator is alleged to have said at St. Arnaud, but as regards the sale of wheat to New Zealand, the fact is that not one wheat grower in any part of Australia will suffer a penny loss as the result of that transaction. I can say further that New Zealand, during the war, did treat Australia with exceeding generosity in regard to the supply of hides and leather needed for our armed forces. Beyond that I have nothing to add.

THE PARLIAMENT.

REPORT IN “COURIER-MAIL”—Mr. A. M. Blain, M.P.

Mr. Edmonds.—I wish to ask you, Mr. Speaker, a question relating to a report which appeared in last Friday’s issue of the Brisbane Courier-Mail to the effect that you left the chair and refused members of the Opposition the right to speak. The report stated that while the honorable member for Indi was still on his feet endeavouring to speak you walked out of the House. In view of the fact that that statement does not convey the facts, and is obviously designed to misrepresent the position, will you consider the advisability of treating the representatives of the Courier-Mail in respect of
their press privileges in this House in the same way as you recently treated those of the Sydney Daily Telegraph?

Mr. SPEAKER (Hon. J. S. Rosevear).—So far as the report published in the Brisbane Courier-Mail is concerned there is this qualification with regard to its inexactness that the editor of that newspaper was good enough to publish alongside that report a statement which I myself issued which put the position correctly. Readers can judge for themselves which was correct.

Mr. McEWEN.—I wish to ask the Prime Minister a question concerning the order of business as set out on the notice-paper. I refer particularly to item 1 under the heading of “General Business, Notices of Motion”, which, in view of the notice of motion which the right honorable gentleman has given that to-morrow he will move that Government business shall take precedence over general business, will actually become item 37, because there are 36 items of business under the heading of “Government Business”, which will take precedence. Item 1 under the heading of “General Business”, is a motion designed to provide an opportunity to the honorable member for the Northern Territory to clear himself of the imputation made by another honorable member that he acted improperly while a prisoner of war. In view of the notice of motion given by the Prime Minister, I ask him when does he propose to give to the House an opportunity to discuss this matter which so intimately concerns that honorable member?

Mr. CHIFLEY.—I have not yet considered at what point in the business of the House the motion mentioned by the honorable member should be brought forward. I shall look into the matter. Of course, it will not be possible to consider that item for some time having regard to certain urgent business before the House.

Mr. McEwen.—Will it be considered during this period of the session?

Mr. CHIFLEY.—I shall not guarantee that.

COKE.

Mr. BEAZLEY.—Will the Minister representing the Minister for Supply and Shipping indicate whether the hold up of coke supplies for Western Australian industries has been overcome? If it has not, will he make representations to the Minister for Supply and Shipping with a view to ensuring that ships are made available to transport coke to Western Australia?

Mr. DEDMAN.—I am unable to indicate the position in relation to the shipment of coke to Western Australia. I shall ask the Minister for Supply and Shipping to inquire into it and to furnish the honorable member with an immediate reply.

MEDICAL SERVICES.

Mr. SPENDER.—Is the Prime Minister aware that the Minister for Health, or his department, has indicated to members of the medical profession that unless they signify their willingness to come into the Government’s scheme of medical services by a stipulated date they will not be given compensation for practices which they may have to abandon, but that if they do enter the scheme before that date they will be granted such compensation? Was such a practice authorized by the Cabinet or by the right honorable gentleman? If so, what authority exists for such illegal intimidation? Will the Prime Minister give instructions that it immediately cease?

Mr. CHIFLEY.—Discussions have taken place between the Minister for Health and the British Medical Association and other representatives of the medical profession. I do not believe that a general consideration of the problem has been undertaken. The Minister intends to place certain proposals before the Government in regard to medical and health schemes. I shall make inquiries and furnish the honorable member with a reply to his question.

QUESTIONS.

Mr. Abbott having addressed a disallowed question to the Prime Minister.

Mr. SPEAKER (Hon. J. S. Rosevear).—Order! I intimate to honorable members that if they ask frivolous questions, the Chair will exercise its right to call on the next item of business.

POSTAL DEPARTMENT.

TAMPERING WITH MAILS.

Mr. HARRISON.—Last week I posted a letter from Canberra addressed to Mr.
K. E. Winchcombe, of 48 Bridge-street, Sydney. The stamp was cancelled at the Post Office at Parliament House, Canberra. This week, I found it in my box at the Federal Members' Rooms, Sydney, where, I understand, it had been placed by one of the staff of the Minister for Transport. It had been re-addressed to the Minister, and was marked "Opened in mistake". The letter was open when I received it. I ask the Minister representing the Postmaster-General whether, in view of a previous incident concerning the opening, by the Minister for Transport, of a letter which had been addressed to the private secretary of Mr. R. G. Casey, inquiries will be made to ascertain how my letter, which was not addressed by me to the Minister, came to be diverted to him and opened by him? In view of the suspicious circumstances surrounding this incident, and the many protests which have reached me regarding tampering with mails, will the Minister representing the Postmaster-General inform me of whose direction this letter was diverted, and whether such diversion of mail to a Minister represents a continuance of censorship, or an attempt to build up a dossier against citizens by members of the Commonwealth Investigation Service?

Mr. CALWELL.—The question asked by the honorable member for Wentworth contains a farrago of nonsense insofar as it refers to the building up of dossiers or the establishment of censorship. Mistakes can happen. The fact that they happen to the honorable member for Wentworth has no significant feature, and there is no ground for suspicion. The misdirection of the letter was obviously an accident, and there is nothing more to be said about it.

Mr. HARRISON. — It is clearly addressed.

Mr. CALWELL.—That may be, but there are many people in this community who cannot read or, if they can read, do not do their duty. I do not mind asking the Postmaster-General to have an investigation made, but when it comes to making investigations, I remind the honorable member that we could make a lot more.

Mr. HARRISON.—Could you?

Mr. CALWELL.—Yes, and we may do it some day. We do not need an investigation of one fact that has come to our notice recently, and that is that the honorable member has used his stamp allowance to pay his account at the Government Printing Office.

NORTHERN TERRITORY.

Disposal of Buildings.

Mr. BLAIN.—I have received the following telegram from Mr. Hicky at Darwin:

Disposals here refuse to sell buildings at the old Department of Works and Housing camp known as the Thirteen Mile to individual residents who wish to build their homes, but are selling to individuals who are dismantling and sending out of Territory. There are large quantities of galvanised iron and timber on the ground at the present time waiting to be put on rest. I see that individual residents are given the opportunity to buy from disposals or let the camp be put up for auction.

Mr. Hicky indicates that the telegram is also signed by eleven other Northern Territory residents. For two years, I have been endeavouring to have this sale of buildings and materials to buyers from the States stopped, but without success. I ask the Minister for the Interior whether he will confer with the Minister for Supply and Shipping with a view to having these materials made available to Northern Territory residents for the re-building of their homes.

Mr. JOHNSON.—I am sure that the Minister for Supply and Shipping will give consideration to the honorable member's request. I shall confer with him immediately with that object in view.

CORN SACKS.

Mr. HOWSE.—I have received the following telegram from Gooloogong, a town in my electorate:

Gooloogong wheat growers request is it a fact that shortage wheat sacks due waterside ban Dutch ships. Farmers position this district serious. Yield 550,000 bushels, silo capacity 90,000, unable to get bulk-head granted.

I ask the Minister for Commerce and Agriculture whether the waterside workers' ban on Netherlands East Indies ships means that fewer vessels are visiting this country and operating between
India and Australia—a run on which they could pick up jute cargoes? Does this mean that the ban is, in fact, accentuating the serious shortage of cornsacks for the coming harvest?

Mr. POLLARD.—I do not know of any ban on ships carrying jute; however, I shall be glad to make inquiries, and if anything can be done to improve the cornsack, bulkhead, or silo position, it will be done.

BUTTER.

Mr. RANKIN.—Can the Minister for Commerce and Agriculture say when the retrospective payment will be made to dairy-farmers for commercial butter?

Mr. POLLARD.—It will be made as soon as the equalization authorities can make essential adjustments and the butter factories can undertake the necessary work.

RE-ESTABLISHMENT.

VOCATIONAL TRAINING.

Mr. FRANCIS.—During the debate on the Estimates, I referred to the extraordinary number of ex-servicemen in Queensland, particularly young men, unable to obtain vocationa training. The Minister for Labour and National Service said that he would ask the Deputy Director of Labour and National Service in Queensland for particulars. He rather challenged figures published in the press and quoted by me. If he has made those inquiries, what was the result?

Mr. HOLLOWAY.—I did make the inquiries and I was awaiting the opportunity of supplying the honorable gentleman with the information. He referred to men awaiting training in the building trades.

Mr. FRANCIS.—No. I was referring to all young ex-servicemen awaiting training in various trades.

Mr. HOLLOWAY.—I will supply that information to-morrow. Meanwhile, I can provide the honorable gentleman with information relating to the building trades. In Queensland 3,520 have been enrolled for training in those trades, and 2,411 have been placed in work, leaving 955 still being trained and 184 awaiting training. So the situation is not so bad as was thought during the debate on the Estimates.

Mr. FRANCIS.—I want the figures relating to all trades.

Mr. HOLLOWAY.—I will supply the honorable gentleman with those figures.

NON-FERROUS ROLLING MILL EQUIPMENT.

SALE TO INDIA.

Mr. WHITE.—I should like the Prime Minister to explain why non-ferrous rolling mill equipment, which was advertised by the Contracts Branch for sale by tender in Australia, was withdrawn from tender and sold to private industrial interests for shipment to India, when tenders were received from Australian industrialists, who desperately needed the equipment for the production of non-ferrous sheet for use in urgent housing projects. Why were tenders called for the mill with electrical equipment and motors, which are unobtainable in Australia but which were able to be found for India? Did the Prime Minister say, when the matter was referred to him, that he thought India had every right to use the equipment to develop secondary industries, which means at our expense?

Mr. CHIFLEY.—The honorable member’s question requires a fairly long answer. Certain circumstances would take some time to explain, and I will therefore provide him with a written reply, setting out the reasons why the plant was sold to India, the prices offered by tenderers for it and the price at which it was sold. I have no recollection of having made the remark attributed to me, but I think it will be generally agreed that it was incumbent on Australia to reciprocate when the Indian Government supplied us with essential commodities such as jute, about which there has been so much talk and difficulty—India increased our quota of that commodity—and linseed oil, supplies of which were down to about 25 per cent. of normal. The Indian industrialists who visited Australia felt that that reciprocity was warranted in view of the circumstances.

NEW GUINEA.

NATIVE LABOUR.

Mr. ANTHONY.—A week or two ago I interviewed the Minister for External
Territories in company with Colonel Allen, of New Guinea, regarding the conditions of indentured labour in that territory. It was pointed out to the Minister that indentures now operate for twelve months only and that, according to the existing regulations, the native “boys” have to be sent back, under the instructions of district officers, to their own villages. The Minister stated that they could be employed freely and of their own accord, but not under contract or indenture. Colonel Allen pointed out that some of them are brought several hundreds of miles to the plantations, that the regulations provide that upon completion of their contract they must be employed within 25 miles of their own villages, and that therefore it is impossible to give effect to the Minister’s wishes. Has the Minister investigated this subject and can he make a statement on it?

Mr. WARD.—Since I interviewed Colonel Allen, a message has been sent to the Administrator of the territory stating the nature of the complaint. I am awaiting a report from him and I hope to receive it later this week. I shall then be prepared to make a statement on the matter.

WAR WIDOWS’ PENSIONS.

Mr. GULLETT.—I ask a question of the Minister for Repatriation concerning the recent flat rate increase of pension for all war widows, not the allowance paid to widows with children. This increase does not apply to the mothers of deceased servicemen. What was the basis for this differentiation? Will the Minister look into the matter with a view to extending the increase to the mothers of deceased servicemen?

Mr. BARNARD.—It is true that the recent increase which was applied to certain categories of pension recipients, including widows, and which dated from the 1st July, did not apply to widowed mothers of deceased servicemen. I have been examining this matter for some time, because there does seem to be justification for the representations that have been made to me on behalf of widowed mothers. I hope to be able to do something in the near future for these women who have suffered as the result of the loss of their loved ones.

CIVIL AVIATION.

LOW-FLYING AIRCRAFT—SKYMASTERS.

Mr. SHEEHAN.—Some time ago I asked the Minister for Air a question about aircraft flying low over the Sydney metropolitan area when approaching or leaving Mascot aerodrome. The Minister promised to take some action regarding the matter. Is he now in a position to say what action has been taken by the Department of Air regarding low-flying aircraft?

Mr. DRAKEFORD.—Action was taken promptly to notify pilots by circular that they must cease the practice of low flying. However, on many occasions when complaints have been made, the numbers of the aircraft concerned, by which they can be identified, have not been supplied. In such cases it is very difficult to prove an offence. But orders are given that pilots must not descend below 1,500 feet within a certain radius of an aerodrome, and this instruction is fairly well observed. It cannot always be observed, because weather conditions might make it impossible for pilots to comply, but the department is strictly applying these regulations and will be glad to receive from any honorable member or any other person definite information indicating that the regulations have been broken.

Mr. DUTHIE.—Did the Minister for Civil Aviation notice a report in the press that, following the recent crash of a D.C.6 Skymaster aircraft in the United States of America, the American aviation authorities have ordered a change in the type of material to be used in the construction of the partition between the luggage and the passengers’ compartments? Does the Minister consider that the specifications of Skymaster aircraft licensed in this country should be similarly reviewed?

Mr. DRAKEFORD.—I read the report mentioned by the honorable member. However, I believe that the type of material specified for the construction of the relevant part of D.C.3, D.C.4 and Constellation aircraft licensed in this country is quite different from that utilized in these particular American aircraft. I shall bring the matter to the notice of the civil aviation authorities for prompt inquiry, and inform the honorable member of the result.
SIR WILLIAM WEBB.

MR. BERNARD CORSER.—Did the Prime Minister read in the press last week-end a cabled report, from Tokyo, which claimed that Sir William Webb has been invited by the Prime Minister to come to Australia, and, further, that he is to take his place on the High Court Bench? Did the right honorable gentleman read Sir William’s reply to counsel’s objection to him leaving his post in Tokyo? Sir William is reported to have said that he expected to return to Japan towards the end of December. Is the Prime Minister optimistic enough as to imagine that any one or more of the appeals to the High Court against certain legislation is likely to be concluded towards the end of December?

MR. CHIFLEY.—A few days ago, I replied at some length to the statement that I had requested Sir William Webb to return to Australia for the purpose of taking his place on the High Court Bench, and, in addition, I issued a statement to the press on this subject. Sir William Webb’s return to Australia was determined after consultation with the authorities in Tokyo, because in a matter of this kind inquiries must first be made for the purpose of ascertaining whether Sir William’s absence would interfere in any serious manner with the work of the War Crimes Tribunal. As to the latter part of the honorable member’s question, I should have thought that that matter was slightly premature.

ARMED FORCES.

RECRUITMENT.

MR. FALKINDER.—Will the Minister for the Army inform me what is the position in regard to recruiting for the Australian permanent military forces? How many men so far have been enlisted, how many men is it desired to recruit, and is the present rate of recruiting satisfactory?

MR. CHAMBERS.—The total number required for the permanent forces is 19,000, but I am not able to inform the honorable member at this juncture as to the total enlistments. The Army has just concluded a recruiting campaign or exhibition in Melbourne, and will open a similar exhibition in Sydney next Monday. Subsequently, this exhibition will be held in the other States. Taking everything into consideration, the enlistments to date are quite satisfactory.

DOLLAR DEFICITS.

MR. SPENDER.—Some time ago the Prime Minister undertook to examine the possibility of making available to honorable members details of the expenditure of the money obtained by the British Government under the Anglo-American loan. In reply to a question by the Leader of the Opposition as to the estimated dollar deficiency in Australia during the current financial year, the right honorable gentleman stated that the information sought could not be furnished because the necessary particulars were not available. Can the Prime Minister inform the House now, or within the next three or four days, of details of the expenditure by the British Government of the loan which it received? Honorable members are anxious to obtain this information so that they may be able to consider the trade policy which the Australian Government is pursuing with countries situated in “hard” currency areas. In regard to the estimated dollar deficiency in Australia during the current financial year, is the Prime Minister now in a position to furnish any additional information?

MR. CHIFLEY.—Some six weeks ago I received a confidential document from the British Government indicating details of the disbursement of the loan received from the United States of America. Although the document was a confidential one, I decided to make it available to the Leader of the Opposition and the Leader of the Australian Country party, so that they might be properly informed of the background of the present financial situation. I did not consider that I was justified in going any further than that.

MR. SPENDER.—Certain details have been made available in the House of Commons, but I have not got them.

MR. CHIFLEY.—If that is so I shall make available to honorable members any information which has been released in the House of Commons. Honorable
members will appreciate that, although the Government frequently receives documents marked "Top Secret", or bearing some other notation indicating that their contents are not to be revealed, disclosures of their contents are sometimes made in the House of Commons. The honorable member for Warringah can rest assured that if the information which he seeks has already been made available in the House of Commons, or if the British Treasury has no objection to its release in this country, I shall release it to honorable members. However, the document in question is of considerable length and covers a wide variety of transactions. In regard to the second part of the honorable member's question regarding Australia's dollar commitments, I am unable, at present, to furnish exact figures in respect of the current financial year. I believe that last year we had to purchase approximately $100,000,000 to meet our commitments with the United States of America and Canada. Preparation of an estimate of the expenditure of dollars during the current financial year involves consideration of a very wide range of imported articles, and although I have myself examined the statistics in respect of the importance of certain items, the whole task is being carried out by a special staff of the Department of Trade and Customs. I am unable, at this stage, to furnish any exact figures. It is not going to be easy to give a complete figure for some time. A special staff is engaged on the work, because the Government realizes that the United Kingdom Government is now utilizing some of its gold resources for the purchase of absolutely essential goods. Consequently, the Government wishes to make every effort possible, so as to ensure that Australia's dollar commitments in excess of its dollar earnings will be as slight as possible. There are other factors also, one of which is the export of our gold, for which we expect to receive dollar credits. It would be quite easy for us to sell in other markets commodities which the United Kingdom at present badly needs, and to obtain American dollars for them. Naturally, our desire is that whatever we do will be done in such a way as not to make more difficult the position of the United Kingdom. If it be at all possible before the Parliament goes into recess, I shall give to the House a broad outline of the dollar position as the Government views it. I may say that it is rather bad.

TAXATION.

Mr. ARCHIE CAMERON.—In view of the fact that the published figures for the first four months of the financial year disclose that revenue is buoyant, can the Treasurer say whether the burden of taxation is likely to be reviewed in the near future?

Mr. CHIFLEY.—Naturally I am aware of the revenue and expenditure figures because I examine the statement each month before it is made available to the public. There is no guarantee that the present buoyancy will continue. Indeed, there are a number of reasons why it should not continue. One reason is that already there have been severe restrictions of imports which earned some of that revenue. Other factors will appear later. When the year has advanced sufficiently far to enable a fairly reliable estimate of revenue and expenditure to be made I imagine that it has been the practice of all governments, as it has been the practice during my six years as Treasurer, to examine the figures with a view to deciding what can be done either to increase social services or to reduce taxes.

DEFEATED PARLIAMENTARIANS.
Government Appointments to Public Positions.

Mr. ANTHONY.—After the last general elections a number of defeated Labour candidates were appointed to various lucrative positions. Mr. Mountjoy was appointed to a position with the Council for Scientific and Industrial Research, Mr. Frost was appointed Trade Commissioner in Ceylon, and Mr. Breen was appointed Trade Commissioner in the Middle East, notwithstanding that they had no unusual qualifications for such appointments, and were not returned soldiers. As a number of applications from gentlemen possessing similar qualifications to those of Mr. Mountjoy, Mr. Frost and Mr. Breen are likely to be made in the future, will the Minister for

Mr. Chifley.
Post-war Reconstruction give an assurance that both the letter and the spirit of the Re-establishment and Employment Act will be complied with, and that, before any such appointments are made consideration will be given to the claims of ex-servicemen?

Mr. DEDMAN.—Apparently the honorable member is unaware that the Re-establishment and Employment Act is administered by the Attorney-General. I make bold to say that in the appointments it has made the Government has given effect to the provisions of that legislation. Proof of that lies in the fact that neither honorable members opposite nor organizations of ex-servicemen have made any specific complaints as to non-compliance with the act. It is true that vague generalizations have been made from time to time, but honorable members opposite have not brought forward any specific instances of the provisions of the law having been departed from by the Government. The act is being carried out and the Government will continue to give effect to its preference provisions.

SOUTH PACIFIC COMMISSION.

Mr. WHITE.—In January last there was a conference at Canberra which was attended by representatives of nations with interests in the South Pacific, and the South Pacific Commission was formed. It was first proposed that the head-quarters of the commission should be established at Suva, but later Moresby was suggested. It was also proposed that the head-quarters should be at Sydney, where the School of Pacific Administration is situated. The organizing secretary of the school, Colonel John Kerr, has recently gone to the United States of America with the Minister for External Affairs on some mysterious mission. Can the Minister acting for the Minister for External Affairs say why Colonel Kerr was sent overseas, and whether any report of the activities of the commission has yet been received? Further, will he say whether a report of the commission's activities will be presented to the Parliament?

Mr. CHIFLEY.—The head-quarters of the commission was tentatively established at Sydney. It is true that Colonel Kerr accompanied the Minister for External Affairs, but I do not know that there is any mystery associated with that fact. He has gone as an adviser to the Minister. I shall obtain the particulars asked for and supply them to the honorable member.

INTERNATIONAL CONFERENCE ON TRADE AND EMPLOYMENT.

PROPOSED CHARTER OF INTERNATIONAL TRADE ORGANIZATION.

Mr. DEDMAN (Corio—Minister for Defence, Minister for Post-war Reconstruction and Minister in charge of the Council for Scientific and Industrial Research).—by leave—On the 28th October, the Prime Minister (Mr. Chifley) said that a statement covering the recent Geneva negotiations would be made to the House to-day. These negotiations are the latest phase of the programme of international economic collaboration first foreshadowed in the Atlantic Charter, and subsequently developed in Lend-lease, the Mutual Aid Agreement, especially Article VII., Unrra, the Food and Agricultural Organization, the two Bretton Woods institutions and the economic machinery of the United Nations. They originated in an invitation issued by the United States Government towards the end of 1945 to fourteen other important trading countries to participate in two simultaneous sets of preliminary negotiations. One of these was designed to draw up a draft charter, incorporating rules to govern the future conduct of international trade, for submission to a world conference on trade and employment which it was contemplated would be called at a later date by the United Nations with a view to establishing an International Trade Organization. The other negotiations were for the purpose of giving practical effect to the policy of expanding international trade by bringing about a series of mutually advantageous trade agreements.

After the establishment of the United Nations, the proposed charter negotiations were brought under United Nations auspices by the acceptance of a resolution proposed by the United States at the first meeting of the
Economic and Social Council in February, 1946. The council established a preparatory committee to elaborate an annotated draft agenda for the consideration of a world conference on trade and employment. Throughout the planning of the United Nations economic machinery, it had been assumed that a specialized agency would eventually be established to deal with international trade—the most immediately important of all international economic problems.

The Economic and Social Council added three more countries to those originally invited, making eighteen in all. They are the United Kingdom, United States of America, the Union of Socialist Soviet Republics, France, Belgium-Luxembourg, Netherlands, Czechoslovakia, Norway, Lebanon, Canada, India, South Africa, New Zealand, Australia, China, Cuba, Brazil and Chile of which the Union of Socialist Soviet Republics has not yet participated.

The first session of the preparatory committee thus set up was held in London in October and November, 1946, and was preceded by an exchange of views between British Commonwealth countries. This first session had before it a set of draft proposals for an International Trade Organization published by the United States Government towards the end of 1945, and supported by the United Kingdom Government, which had publicly expressed its agreement on all important points. It had also to consider a more elaborate draft charter subsequently published by the United States Government on its own initiative. As a matter of convenience, and largely because it was more detailed, the preparatory committee decided to adopt the latter draft, together with less comprehensive proposals put forward by other delegations as the basis for discussion.

The United States draft proposals were very substantially modified in the course of discussion, and new sections were added, but time prevented more than a hasty exchange of views on some significant questions. The rough text of a possible trade charter was drawn up and included in the first report of the preparatory committee to the Economic and Social Council. This report was tabled in the Parliament on the 27th Feb-

ruary, 1947. A drafting committee was appointed to examine this text in detail, and to recommend drafting changes. The drafting committee met in New York in February and March of this year and the resulting text became the basis for the second and final session of the preparatory committee in Geneva which recently concluded. I propose to deal later with questions of the draft charter for the International Trade Organization, which will be the subject-matter of the coming World Trade and Employment Conference at Havana.

Meanwhile, both for convenience, and because the governments of a number of countries felt strongly that the two sets of negotiations were essentially interdependent, the first session of the preparatory committee recommended to the Economic and Social Council that the tariff negotiations for which the United States Government had issued invitations should also be brought under United Nations auspices. As a result, tariff negotiations began in Geneva on the 10th April, about a month before the resumption of the charter discussions. Both tariff and charter negotiations were preceded by British Commonwealth discussions. The pre-tariff talks in London in March dealt largely with the likely repercussions of the tariff negotiations on imperial preference, but those on the charter in Geneva covered the issues in rather more general terms.

The tariff negotiations have been quite distinct from the charter discussions, and the aim has been to bring the results into effect without necessarily waiting for the establishment of the International Trade Organization. As I indicated on the 29th October, the results have been incorporated in a Draft General Agreement on Tariffs and Trade for the consideration of governments, which will be published on the 18th November, and which the Government has decided to apply provisionally from that date. Until it is published it is impossible to deal with the negotiations except in general terms.

The governments of all countries which are members of the preparatory committee, are invited to become parties to the agreement. This generalization will extend the scope of the benefits to be received, and as a result Australia will obtain the
benefit of the reductions negotiated among the other sixteen countries in addition to those negotiated by itself. Some of the former reductions are of little benefit to us, but others will provide worthwhile benefits. In some countries these indirect benefits are considerable, and, taken on the aggregate, they represent a general extension of export opportunities for Australia.

The agreement is in three parts. Part I. contains—

(a) the schedules of tariff reductions which have been negotiated by all the countries concerned;

(b) an undertaking to extend most-favoured-nation treatment to other parties except for existing preferences which are formally recognized as valid to the extent that they have not been altered in the current negotiations.

Part II. contains undertakings regarding commercial policy. These are necessary primarily to prevent tariff concessions granted being offset by other protective measures and follow closely chapter IV. of the draft charter. In practice they involve no significant change in Australian commercial policy. In particular they preserve—

(i) the right to impose new duties for protective purposes except where we specifically have accepted, or may accept, as binding in tariff negotiations;

(ii) the right to impose import restrictions to protect our balance of payments;

(iii) the right to preserve stabilization schemes for primary products at present operating in Australia, and the right to establish such schemes for other products in similar circumstances;

(iv) the right to take emergency action if any industry is endangered by any tariff or preference reduction negotiated.

Part III. contains mainly machinery provisions.

If finally ratified the agreement will run for three years but will continue thereafter unless it is specifically terminated. Special provisions protect our right to withdraw particular items which in changed circumstances we may wish to protect further without terminating the whole agreement.

If changes are made in the draft charter at the Havana Conference, it is proposed that relevant parts of the agreement would be amended accordingly unless the parties to the agreement decide otherwise, and consequently countries applying the agreement provisionally are expected to carry out Part II. only to the extent permitted by existing legislation.

The negotiations have been conducted against an economic background dominated by the slow recovery of war-devastated countries, and by the world-wide shortage of dollars. United States' exports in 1945 and 1946 have totalled 26,000,000,000 dollars, compared with imports of 9,000,000,000 dollars. For 1947 the figures up to the 31st July were 8,700,000,000 dollars and 3,300,000,000 dollars. There can be no world economic stability until the United States spends abroad on direct purchases of imports a greater proportion of her international income.

The results of the negotiations as a whole must, therefore, be judged primarily by their effect on the trade relationship between the United States and the rest of the world. While it is easy to exaggerate the effect of tariff reduction, it is clear that a serious endeavour has been made to open the United States' market to imports. The effect of this should be apparent as soon as production in countries other than the United States of America reaches levels capable of taking advantage of the changes.

On the other hand, the agreement permits the maintenance of quantitative restrictions for balance of payments reasons and until dollars are available also permits discrimination against United States' goods. So long as the present international payments difficulties being experienced by practically all countries except the United States persist, the United States cannot expect to benefit fully from concessions granted to it. The agreement as a whole, therefore, should be a significant contribution to a restoration of a more reasonable balance between dollar and non-dollar payments.
The United Kingdom hopes to improve its direct dollar earnings by increased exports to the United States and indirectly by concessions granted by the United States to other countries. Similarly, any stimulus to European recovery is of value to the United Kingdom. Any strengthening of the United Kingdom's position is of course of great value to Australia since it increases the United Kingdom's international purchasing power upon which we are very dependent.

I propose to summarize briefly the direct and indirect benefits which may be expected to accrue as a result of the proposals arising from the Geneva negotiations if they are confirmed by the respective governments concerned. The tariff concessions affecting Australian exports take the form of actual reductions in existing rates of duty, or, where duty free entry or low duties already operate, the binding of such duty free entry or low rates. In many items such binding is of material value because of the insurance it gives against increases in tariff rates which now stand at low levels. Tariff concessions have been offered to Australia on almost all the principal products which Australia exports or can expect to export, to the individual countries concerned. Generally, the offers have been made directly to Australia, but in some cases the benefits will arise indirectly from offers made to a third country which is a more important supplier of the particular product. The concessions should be of real importance in relation to the future development of primary production in Australia. Furthermore they include items of importance to Australian secondary industry.

Trade opportunities may also be expected to arise in respect of a number of products of export interest to Australia on which tariff concessions have been offered to other countries. Indirect benefits will also affect a wide range of manufactured products in which there is opportunity for expansion of Australian production and exports. The reductions of duties obtained in the course of the present negotiations are important, not only in themselves, but also by reason of the fact that they ensure a relatively advantageous starting point for future negotiations. This is specially important in the case of the United States, where a 50 per cent. reduction in duties is the maximum cut permissible in any one agreement under the United States Reciprocal Trade Agreements Act. It is only by such negotiations that high duties can be progressively reduced to reasonably low levels.

In order to secure the above-mentioned benefits, Australia has in turn been obliged to offer some concessions. These have taken the form of concurrence in the reduction of certain preferences at present enjoyed in Empire countries and of concessions in the Australian tariff. Both were unavoidable. We cannot expect to obtain the advantages of such negotiations without making some concessions ourselves. In assessing the outcome, however, it is essential to have regard to the likely effect on the Australian economy as a whole. We have not concurred in any proposed reductions in preferential margins except where such concessions are considered to be within the capacity of the Australian industries affected and where satisfactory compensating concessions have been offered in return.

Mr. Francis.—When will we hear what they are?

Mr. DEDMAN.—On the 18th November. The other concessions which Australia was required to make in return for the benefits offered were in the protective tariff. Most of the concessions proposed here are individually small but they cover a very wide field. The Government has every confidence, however, in the ability of Australian industry to withstand the concessions. Price levels in Australia have risen much less than in most overseas countries. This has resulted in Australian industries enjoying greater competitive advantages and an ability to compete within the shelter of a lower tariff wall than that provided by the present Customs Tariff.

If the draft general agreement is eventually adopted by Australia it is not likely to result in any substantial increase in imports into Australia in competition with Australian production, and, where such increase does occur, it is likely to be absorbed by greater
demand and consequently will not affect Australian industry. The lower duties on goods which are imported will tend to reduce prices, and this, together with any increased supplies of goods, will be a useful offset to inflationary tendencies in the economy. The narrowing of the margins of preference at present enjoyed by the United Kingdom, Canada and New Zealand on a number of items may affect to some extent the advantage which these countries had had in the Australian market, but in no case has a contractual margin of preference been reduced except with the consent of the country enjoying preference rights under the Australian Customs Tariff.

It is to the outcome of our negotiations with the United States that the Government attaches paramount importance. This market, whatever its vicissitudes, is by far the world's greatest. It matches an industrial output which is at least equal to that of the rest of the entire world. Even since the outbreak of hostilities in 1939 the population of the United States has increased by almost double the total population of Australia. At the same time rising living standards and soaring incomes have greatly increased average purchasing power per head. It is a country where agricultural costs, despite increasing efficiency, steadily outpace those of other countries. At the prices at which we could afford to supply, the American public would buy a very much larger quantity of foodstuffs. But in recent years exorbitant tariffs have barred the way to meeting this demand.

A significant section of Australian industry is geared to dollar imports, without which, as we are finding now, our industrial capacity is handicapped. Further development in the future will require much greater supplies of dollars for the purchase of equipment and essential supplies. Not only Australia, but also the whole sterling area is starved for dollars. The only way to increase the supply permanently is to increase exports to the United States. Any increase in our earnings would benefit not only us but also nearly all our best customers. It would help to redress the world balance against the dollar. The cardinal point of our policy throughout the negotiations has been to break down this great barrier to the further expansion of Australia's greatest primary industries. Throughout the inter-war period market factors, not technical, inhibited their growth. Wool, beef, butter and lamb were all held back by the closure of the American market not only to our produce but also to that of our competitors. When one looks beyond the immediate dislocation and exceptional circumstances of to-day, to the market prospects of coming years, two factors stand out—shrinking markets in western Europe, including the United Kingdom, and a growing one in the United States. The population of western Europe is likely to start declining within a few years accompanied probably by stationary if not falling income per capita. To make matters worse, the United Kingdom, our main market for foodstuffs, is embarking upon policies of increasing self-sufficiency. This will in turn increase its production costs and weaken its competitive power still further, thus lessening its international purchasing power upon which we have depended so heavily in the past. Dislocation in Asia, too, is likely to reduce the flow and increase the price of many of the foodstuffs and raw materials needed to sustain the industry and purchasing power of western Europe.

Very different trends are manifest in America. So convinced has the Government been of the necessity to break down the barriers to all exports to the United States, not only of foodstuffs, that for a while, as became well known, we risked a breakdown of the whole of the Geneva negotiations in the period immediately preceding the veto by President Truman of the United States Congress bill to increase wool duties. In short, if the draft agreement is accepted by the governments concerned, it should make a significant contribution to a solution of the problems created by the world-wide shortage of dollars. It should materially assist the United Kingdom in its economic difficulties and thus help to maintain its international purchasing power, and above all it holds out the prospect of greatly increasing our earnings of foreign exchange by extending the range of our export opportunities, especially in the United States, thus paving the way for
the further expansion and development of Australian primary and secondary industries.

Although our negotiations with the United States of America overshadow the rest, the latter are in the aggregate of considerable significance. We conducted negotiations with seventeen different countries in all, including the United Kingdom, in relationship to which we are in a very special position. The outcome of these negotiations will, of course become apparent when the general agreement on tariffs and trade is published on the 18th November. If and when the general agreement is accepted by the requisite number of parties, an Interim Tariff Committee will be established on which each accepting country will be represented on a basis of equality.

Mr. Anthony.—What is the requisite number of parties for the acceptance of the general agreement?

Mr. DEDMAN.—Eight of the seventeen countries are designated as key countries. If the eight key countries signify their acceptance, the agreement comes into operation provisionally. In due course, it is hoped that other countries will negotiate sufficient tariff reductions to satisfy existing members and thus qualify for membership of the Interim Tariff Committee. The treatment to be accorded to non-members is still an unresolved issue, but it is likely to be as favorable as that extended to members at least until they have had sufficient time to negotiate appropriate reductions and have failed to do so. Eventually, if the International Trade Organization is set up and the most important trading countries become members of both the International Trade Organization and the Interim Tariff Committee, the latter will be dissolved and its functions and membership transferred to a tariff committee within the International Trade Organization. Thereafter the Tariff Committee will be the competent body for the conduct of all International Trade Organization activities in regard to tariffs.

I turn now to the other part of the programme, the establishment of an international trade organization. The draft charter for the organization which emerged from the Geneva deliberations is contained in the report of the second session of the Preparatory Committee of the United Nations Conference on Trade and Employment, a copy of which has been distributed to each member of the House. This report, which is the work of the representatives of the seventeen countries concerned, will be laid before the World Conference on Trade and Employment which opens at Havana on the 21st November. No government is committed to the draft charter, though it seems probable that if the Havana conference is successful the resulting draft will follow the main lines of the present text. The draft charter covers a very extensive range of subjects connected with international trade. It is divided into nine chapters covering the purposes and objectives of the proposed international trade organization, employment and economic activity, economic development, commercial policy, restrictive business practices, inter-governmental commodity agreements, treatment of non-members and the administrative arrangements for the organization itself. The general criticism may well be levelled at the draft charter that it is full of apparent contradictions and is in places difficult to follow. The task of evolving a charter to suit the interests and ideas of all the negotiating parties has been exceedingly tedious and difficult. It has been necessary to find a way of harmonizing the interests of highly developed and less developed countries, of those with a philosophy of untrammeled private enterprise and those believing in a large measure of government control, of those whose interest in international trade as such is slender, and of those whose very life depends on it. The text reflects the width of the field covered, the ramifications and complexities of the problems which can arise in international trade and the divergent interests of different countries. It may well be that some important factors have been overlooked. The chief preoccupation was naturally with the problems which have been part of recent experience and seem likely to confront us in the near future. Quite different issues and new interpretations may be close over the horizon. Provision has been made,
therefore, both for amendments and for a review of the whole charter within a decade of its entry into force.

The draft charter must necessarily be assessed to a considerable degree in terms of its applicability to current economic conditions. It was conceived originally, not as an interim instrument to meet the immediate problems of the post-war transition period, but as a set of guiding principles to govern the conduct of international trade on a multilateral basis once normality had been restored. It is clear now that the scale of dislocation and the time necessary for recovery were gravely underestimated. Relief and reconstruction rather than competitive international trade are likely to be the main object of international attention in the economic field for some time to come.

The outstanding problems at present revolve round the deterioration in the trading position of the United Kingdom, formerly the pivot of international trade; the relapse of Europe after the beginning of recovery, and the severance of the surplus food-producing capacity of the East from the more industrialized West; and the devastation and dislocation in Asia. Until production and the supply of basic essentials in these areas can be restored, they will be vitally dependent upon North America, the only area capable of dealing with the situation on the scale required, and will be quite incapable of producing the surplus above essential needs necessary to pay for the aid required. Thus, despite Unra, the United Kingdom loan and the other direct and indirect aid already furnished by the United States of America on a huge scale, the shortage of dollars persists. The United States of America is now the dominating force in international trade, and while the demand for dollars so greatly exceeds the supply, disequilibrium in the payments position of other countries is likely to continue. A reasonable measure of equilibrium in the balance of payments of the main trading nations without widespread resort to restriction is, however, a basic condition for the full application of the ultimate International Trade Organization scheme.

Despite many obstacles, however, there are three respects in which the projected organization could assist rehabilitation considerably. In the first place, it would provide a forum for the consideration of common problems in a conciliatory spirit by acquainting the governments and their official advisers with the problems of others which in sum are likely to add up to those of the trading world. The value of this understanding, often so grievously lacking in the past, should not be underrated. The will and practice of cooperation between members in solving their trading problems would, in any case, be much more important than the governing rules, many of which are difficult to define in ways applicable to all likely circumstances. Actually, the exceptions written into the charter are sufficient to cover any measures likely to be necessary, even in the immediate future. There is nothing to prevent the projected International Trade Organization making a substantial and effective contribution to current world problems from the moment it is established.

Secondly, the main principles of the International Trade Organization charter, even if impossible of rigid application now, are a beacon for the future. They uphold multilateral trade as a desirable goal, as soon as conditions permit. This aiming point should incline members towards an integral system, away from the exclusive trading blocs which have proved so politically and economically expensive in the past.

Thirdly, in conjunction with the tariff reduction programme, it would help to restore the balance of the rest of the world with the dollar area, by weakening restrictions on imports into the United States of America, while permitting other countries to ration available dollars in accordance with their needs, until they can earn enough to dispense with such impediments to expansion. A careful scrutiny of the charter will reveal that the only really important trading country which will be subject to all the restraints which it imposes on the conduct of commercial policy for a long time to come is the United States of America. That country will be extending negotiated tariff reductions to others which have been granted in exchange for concessions by other countries which they, in many cases, will be unable to reciprocate.
Balance of payments restrictions, imposed within the provisions of the charter, will prevent their extending many concessions made to the United States of America, virtually until the present widespread dollar difficulties have been overcome. Nearly all other members of the International Trade Organization would be able to apply measures forbidden to the United States of America because of its uniquely favorable position. Apart from temporary difficulties, the more permanent escape clauses, especially those designed in Chapter III, to facilitate industrial development in less advanced areas, are not ones that are likely to be open to the United States of America. Likewise, the measures envisaged by the charter in the event of a failure to maintain employment, or in cases when one country’s payments position is causing widespread difficulties to others, all relate primarily to the United States of America. The fact that such a charter should be agreed upon by representatives of the United States of America reveals a realistic understanding of the problems of the rest of the world which is not only a far-sighted and enlightened gesture in this context, but also a most hopeful augury for the future of the projected organization.

It is, of course, too soon to judge the likely effect of the charter on Australian interests. The final draft has yet to emerge from the Havana conference, and even then to be subsequently approved by the governments concerned. It will have to be examined eventually in conjunction with the overall programme which also embraces the general agreement on tariffs and trade. Even at this stage however, though the Government is in no way committed, it may be appropriate to refer to a number of factors which are likely to be relevant later when deciding whether or not to join the International Trade Organization. I should like to deal, therefore, with a few questions of particular concern to Australia. First, there is the future of Imperial preference, which is, for us, a question of hard economic reality. The effect of article 16 of the draft charter is to preserve intact the existing British preferential system. There is no obligation anywhere in the draft charter to reduce or eliminate any margin of preference except by agreement of all the parties concerned. It is clearly envisaged that any such action will only be taken in return for equivalent tariff concessions by other countries as part of a mutually advantageous bargaining process. At the same time, no new preference may be created. Actually, no other British country has extended any new preference of importance to Australia for many years, and, in any case, the Government of the United Kingdom is formally committed against such a course, while it is well known that Canada concurs in this attitude. British countries, and others already operating preference systems, may thus continue to enjoy differential trading advantages in each other’s markets, and even barter them for tariff concessions, while only in very exceptional circumstances can other countries start new systems between themselves. The creation of mutual preferences by other countries which would discriminate against British trade, and thus arouse our resentment, just as the discrimination applied by us arouses theirs, would be quite a likely development in the near future unless the draft charter comes into operation and prevents it.

The attitude of the representatives of certain other countries at Geneva clearly revealed this possibility.

In connexion with preference, the Government has borne constantly in mind the future of settlement in the northern parts of the continent, particularly Queensland, which is dependent on the sugar industry. It will be noted that sugar is subject to an international agreement and consequently comes under the provisions of Chapter VI, Commodities; those of Chapter IV, Commercial Policy, do not apply. The important embargo and other devices used to protect sugar are therefore not called into question by the draft charter. It is recognized generally that different considerations must be applied to the marketing of manufactured and primary products because of the essential differences in the economic factors which govern them.

Another important instrument of Australian economic policy is our stabilization schemes for the marketing of primary products. In a number of cases, these depend upon differential prices, prices
between homes and overseas sales and the periodic operation of subsidies in various forms. Without entering into a detailed explanation now, I point out that all our present schemes would be permitted under the terms of the draft charter.

From the more general point of view, the existence of some international body to determine the lines on which international trade shall be conducted seems to offer considerable advantages to Australia. Such a body would almost inevitably increase the influence of small and medium-sized countries, giving them a voice in decisions and enabling them to play an important part in affairs from which they would otherwise tend to be excluded. Without it, important decisions would be made by the giants in concert and small countries would be grouped around and dominated by them. The embryonic International Trade Organization charter already bears considerable imprint of Australian ideas. Our delegation has been enabled to play a constructive part at every stage of the deliberations.

From the economic stand-point, Australia is highly dependent on international trade. Only through this medium can many of our industries be kept working and the living standards of our people improved. Order rather than cut-throat chaos suits our purposes and our resources. Our interests lie especially along the lines of flexible multi-lateral trade. We need new markets to pay for the imports which our development requires. Our old markets are located mainly in the United Kingdom and Europe, the relative world economic importance of which is declining. The population of western Europe will begin to decline sharply within a few years and this will limit its need for our foodstuffs. Our main avenues of development, particularly for the export of manufactured goods, point in new directions. It would be foolish to allow old habits of thought to hide all signposts to the future. In such a changing world, it may be important for us to be able to meet our future customers regularly round the conference table to discuss our reciprocal needs and wishes.

We have a particularly strong interest in the maintenance of a high and stable demand for our export products. The employment provisions of the charter are an important psychological factor as well as an “escape” clause. They underline the source of demand for exports and emphasize the bad neighbourliness of allowing preventible unemployment. The “commodity” provisions of the charter should also assist in removing some of the instability from which we have suffered in the past.

One of the main planks of Australian policy is industrialization and full development of our resources. While the original International Trade Organization proposals might have resulted in certain aspects of this policy being called into question, the latest draft stresses the importance of such policies in ultimately furthering world prosperity, subject of course, to reasonable safeguards. The industrial development of other countries, especially those of Asia would enlarge Australia’s potential export market. Another important interest of Australia is that of being able to protect our economy as far as possible against the impact of adverse world conditions when international measures fail, without incurring odium elsewhere or provoking retaliation. This is provided for by the charter. The International Trade Organization itself would moreover provide for a forum for expressing our views and explaining our position in such circumstances. For better or worse the International Trade Organization is likely to be the only attempt to establish an international body in the trade sphere in this generation. If it is set up Australian interests will be markedly influenced whether we go in or stay out. The Government is also mindful of the implications of the International Trade Organization programme in the wide political sphere. The economic strife which was both a product of and contributor towards the political rivalries which eventually led to the recent war could easily revive unless positive steps are taken to direct efforts along more enlightened channels. The recent tariff negotiations in Geneva, though still to be adopted by governments, do represent an example of international co-operation in a sphere very susceptible to conflict. This is heartening in itself at a time when so many aspects
of international relations are unsatisfactory and disturbing. Economic distress easily erupts into the major political upheavals which eventually threaten the peace. The growth of international cooperation on a functional basis to deal with the practical problems facing the world is something which the Government believes should be most actively encouraged. It will continue to persevere in its efforts therefore to secure the kind of International Trade Organization charter which would be a significant contribution both to material welfare and world peace.

I lay on the table the following paper:—


and move—

That the paper be printed.

Motion (by Mr. Menzies) proposed—

That the debate be now adjourned.

Mr. Fadden (Darling Downs—Leader of the Australian Country party) [4.48].—I should like to learn from the Minister for Post-war Reconstruction (Mr. Dedman) the procedure to be adopted when we consider the schedules to the report. The report merely indicates what can be expected, but I think we are entitled to information as to the details that are to be considered at Havana or have been decided on and incorporated in the draft charter. I understood the Minister to say that the details would be made available on the 18th November, but I should like to know when honorable members will be given the opportunity of debating this most important matter.

Mr. Dedman (Corio—Minister for Defence, Minister for Post-war Reconstruction and Minister in charge of the Council for Scientific and Industrial Research) [4.49].—The tariff schedules have nothing to do with the conference to be held at Havana. They will be tabled on the 18th November. A tariff resolution will be needed to bring them into effect. When the debate on the schedules is to take place will, I presume, be a matter for the Leader of the Opposition (Mr. Menzies) to take up with the Prime Minister (Mr. Chifley) after the schedules have been tabled.

Mr. Anthony (Richmond) [4.50].—The Leader of the Opposition (Mr. Menzies) has moved the adjournment of the debate, but this is a matter of great moment to certain primary industries, because the Minister for Post-war Reconstruction (Mr. Delah) has indicated that certain concessions will have to be made by Australia. He has indicated that, in the main, they will be made by primary industries. Therefore, the adjournment of this debate is a matter of very great importance to the primary producers. I point out, for example, that the Queensland pineapple industry—

Mr. Acting Deputy Speaker (Mr. Burke).—Order! The honorable member may raise only some point upon which he requires a specific reply. I have allowed some latitude because this matter is of major importance, and I am endeavouring to permit the Minister to give information about which honorable members are in doubt.

Mr. Anthony.—I point out to the Minister that the development of many industries is being held up at present. I have in mind in particular the pineapple industry in Queensland, whose representative went to the conference at Geneva to watch the interests of the industry. This is the planting season for pineapples, and the delay in obtaining some enlightenment about the Government’s proposals for tariff concessions is having a very serious effect on this and many other industries. Can the Minister indicate what concessions are likely to be made in respect of products of the canned fruits industries? He has said that there will be no material concessions, and that nothing will be done that will damage those industries. Can he give honorable members an idea of what he means by that?

Mr. Menzies.—I had assumed that on the 18th November the details would be filled in by the documents then tabled and that we could then debate this paper.

Mr. McEwen.—I wish to ask whether we can get an assurance that there will, in fact, be a debate on this paper.

Mr. Acting Deputy Speaker.

—Order! The motion before the Chair is, “That the debate be now adjourned”.

Mr. Anthony.—I wish to ask whether we can get an assurance that there will, in fact, be a debate on this paper.
I have allowed honorable members to ask questions of the Minister for the reason which I have stated. Unless there is some question of a brief and urgent nature, I shall put the motion.

Mr. McGOWEN.—Can the Minister give an assurance that this paper will be debated?

Mr. ACTING DEPUTY SPEAKER.—The Minister is not required to give such an assurance.

Question resolved in the affirmative.

BANKING BILL 1947.
SECOND READING.

Debate resumed from the 7th November (vide page 1869), on motion by Mr. Chifley—

That the bill be now read a second time.

Mr. POLLARD (Ballarat—Minister for Commerce and Agriculture) [4.58].—When the debate was adjourned on Friday last, I was quoting advice that had been given to the people by so-called responsible leaders in this country, who advocated even violence as a means of preventing this bill from coming into operation. I quoted statements made by the Leader of the Opposition (Mr. Menzies) in the Ballarat City Hall and by the right honorable member for Cowper (Sir Earle Page). I have here a statement by another responsible citizen, who is a member of the Victorian State Parliament which, though not as definite in its incitement to violence as the other statements which I have quoted, nevertheless gives a very clear indication of the lengths to which certain people will go to sabotage constitutionally enacted laws which are distasteful to them. I have here a report from the Melbourne Argus of the 13th September, 1947. It is headed, in black type, "Savers Urged to Strike; 'Put Cash in State Banks'." The article states—

"The time has come to start using tough tactics. We have had every other kind of strike, why not a savers strike?"

"Remove your savings from the Commonwealth to the State Banks".

This advice was given by Mr. A. G. Warner, M.L.C., to 1,260 citizens of Malvern at a protest meeting in the Malvern Town Hall last night. It was received with thunderous applause. Mr. Warner also advised his listeners: Not to subscribe to any Government loans for any purpose—

How is that for sabotage?—

until the question of banking nationalization is settled, and to petition the Speaker of the Victorian Assembly to resign as a public duty. "If the two Independent State members are against nationalization they should vote against the Labour party so that the Victorian Government may be forced to an election, at which Mr. Cain's advocacy of bank nationalization can be tested by the people”, Mr. Warner said.

The recommendations were fully supported by Mr. Holt, M.P. The previous speaker, Mr. W. S. Kent-Hughes, M.L.A., had also urged similar action.

That is the sort of thing that is done by responsible members of the community in their efforts to defeat this measure.

Mr. ARCHIE CAMERON.—Will the Minister admit a few of us as spectators at the caucus meeting to-morrow?

Mr. POLLARD.—The honorable member refers apparently to a minor defeat of the Labour party in the State of Victoria. The honorable member should know that, unlike the Liberal party and the Australian Country party, the Labour movement has always been solid and glorious in defeat. Its members do not occupy positions in this Parliament and draw pay merely for the sake of position and pay. We occupy our positions in order that we may give effect to those things which we believe to be essential to the welfare of the people of Australia. Of all things that we have believed in during our long and honorable history, this history remarked upon by eminent clergymen throughout Australia—

Mr. Gullett interjecting,

Mr. POLLARD.—I refer my giggling friend from Henty to no less an authority than Bishop Johnson and the remarkable statement which he made at Ballarat recently. Bishop Johnson complimented the Labour movement of Australia upon the great things which it had achieved for the people of this country.

Mr. Gullett.—That did not do the movement much good, did it?

Mr. POLLARD.—No, but every dog has his day. We have believed, throughout our long and honorable history, that we should, when the opportunity arose,
give effect to our proposals for the nationalization of banking. That has been a key point of our policy, and we go forward confident that the people will eventually endorse the line of action which we have taken.

The fact is that the monetary system was intended to be a medium for the exchange of goods and services. The Labour party says that money and credit, under the private banking system, are operated for profit, treated as commodities, and accordingly kept in short supply for profit-making purposes. I cannot understand how any honorable member could attempt to justify such a system. If my statement is not true, members of the Liberal party and the Australian Country party ought to rise and explain the recurring weakness in the private banking system which results in people being kept hungry when an abundance of food is available. They ought to say why, when there is plenty of work to be done, men and women cannot get employment so that they may buy the food and clothing which they need. The present monetary system is man-made. Surely, then, those who claim to be experts in banking should be able to remedy this tragic weakness. Members of the Liberal party have been champions of the banks for a long time. They have been advised during this debate by bank spokesmen, who have haunted Parliament House for many weeks. They should now be able to rise and say what has caused poverty frequently amidst plenty. They should be able to assure the farmers that their produce will never again be wasted because it cannot be sold to people who are hungry. They should be able to guarantee to wool-growers that markets will not collapse because people who are cold cannot find employment and earn money with which to buy clothes and blankets. Propaganda about people who have accounts with trading banks not being able to change from one bank to another under nationalization will not help farmers very much when consumers are unable to buy their products because they have no money. In the past that has been a recurring evil. The Labour party believes that it suits big business interests to have money and credit in short supply, because it keeps them dear. Let me say here that money has been dear, especially to the people of Australia when, because of their dire necessity, it should have been reasonably cheap. Primary producers particularly were affected. My mind is not unaware of the fact that since the Labour party took office in this Parliament, in 1941, substantial arbitrary reductions of interest have been made through the Commonwealth Bank and the trading banks. These reductions have been forced upon the trading banks by the Treasurer (Mr. Chifley). They confound the prophecies of the Leader of the Opposition, who, in the Parliament of Victoria in 1931, referring to the Premiers plan, objected to the reduction of interest rates by arbitrary methods. On the 14th July, 1931, he said—

I am a great believer in frankness and in putting things in their simple form, instead of surrounding them with a lot of mumbo jumbo. That is the reason why I believe that the direct action of a man like John Lang of New South Wales is infinitely to be preferred to this plan, done up in the guise of a voluntary conversion.

The Premiers plan provided also for a voluntary conversion of bonds, and a reduction of interest rates by 2½ per cent. On that notable and deniable occasion, the right honorable gentleman also said—

This proposed reduction of interest on private mortgages is economically unsound. We can no more force down the rate of interest that will be charged for money than we can sweep the sea back with a broom.

This is the man who now opposes the Banking Bill. Had he been old enough in 1911, he would have violently opposed the original Commonwealth Bank Bill when the Labour party introduced it in the Parliament of the Commonwealth. This is the man who has lived to see a Labour government in this Parliament arbitrarily force down the rate of interest in Australia, not only through the Commonwealth Bank, but also through every trading bank. This is the man who in 1931 declared that interest rates should not be reduced arbitrarily. Fortunately, the people returned to office a Labour government led by a man who believed that, in the interests of the community, interest rates should be reduced. Consequently, those who borrow money are now paying a much lower interest rate to-day than they did some years ago.

Mr. Pollard.
Let there be no doubt about the capacity, and capacity of the private banks to extract from their customers high rates of interest. I hold in my hand a copy of the dividends paid by the private banks for a number of years. In 1929—the year of the onset of the depression—the Bank of Australasia made a profit of 14 per cent. and in 1932, in the midst of the financial and economic depression, 9 per cent. In 1929 the Bank of New South Wales made a profit of 10 per cent., the National Bank of Australasia Limited 10 per cent., the Commercial Banking Company of Sydney Limited 10 per cent., the Union Bank of Australia Limited a mere 15 per cent., the English, Scottish and Australian Bank Limited 12½ per cent., and the Commercial Bank of Australia Limited 15 per cent. By 1932, their profits had been reduced. The Bank of Australasia made a profit of 9 per cent., the Bank of New South Wales 5½ per cent., the National Bank of Australasia Limited 6 per cent., the Commercial Banking Company of Sydney Limited 5½ per cent., the Union Bank of Australia Limited 5 per cent., the English, Scottish and Australian Bank Limited 5 per cent., and the Commercial Bank of Australia Limited 5 per cent. By 1939, when the present Leader of the Opposition was Prime Minister, their capacity to extract profits from their customers had again increased to a marked degree. The Bank of Australasia made a profit of 8 per cent., the Bank of New South Wales 6 per cent., the National Bank of Australasia Limited 6 per cent., the Commercial Banking Company of Sydney Limited 7½ per cent., the Union Bank of Australia Limited 7 per cent., the English, Scottish and Australian Bank Limited 7 per cent., and the Commercial Bank of Australia Limited 7.1 per cent. Those figures indicate that, when given a free rein to control the finances of the country, as they have done in the past, the private banks did not miss an opportunity to impose the maximum rates of interest on their customers, in order to make profits for their shareholders. I do not blame them for that. I merely point out that with the operations of the Commonwealth Bank as the motivating factor, in addition to the directions of the Treasurer, the trading banks were forced to reduce interest rates.

The control of finance must be vested in the people's bank, and the bank must operate to the maximum degree.

During this debate, some honorable members opposite have made remarkable statements, but time will not permit me to deal thoroughly with all of them. The honorable member for Bendigo (Mr. Rankin) asked; Who would stand behind the great canneries when this bill became law? What the honorable gentleman does not know is that during the depths of the financial and economic depression in 1931, the canneries of the Goulburn Valley in Victoria were in a serious plight, and the representatives of the fruit-growers in the district and the canneries met the then Minister for Agriculture in Victoria, Mr. Slater, and myself, as Assistant Minister for Agriculture, and urged the State Government to provide money for them to advance to the peach-growers at the rate of £5 a ton. With this financial assistance, which was not to exceed £29,000, the canneries could process the fruit, which could then be exported, thus assisting Australia to liquidate its overseas obligations and provide the growers of peaches, pears and apricots with income. The State Government had already been refused financial accommodation by the private banks. At that time, a Labour Government was not in office in the Commonwealth sphere, and the operations of the Commonwealth Bank itself were largely restricted, but Mr. Slater and I, with the authority of the then Premier of Victoria, interviewed the chairman of the Commonwealth Bank Board, Sir Robert Gibson, in his office, in Collins-street, Melbourne, and submitted to him the request. Sir Robert paced the bankers' chamber, and said, "Well, gentlemen, your project is economically sound. The money will be available for this purpose". For the information of the honorable member for Bendigo, I emphasize that this financial accommodation would not have been provided by the private banks. Incidentally, after Sir Robert Gibson had stated that the money would be made available, he added, "I will not help that man Lang". That is an historical fact. At that time, the honorable member for Reid (Mr. Lang) was Premier of New South Wales, and Sir Robert did not like him.
Although the Commonwealth Bank provided that accommodation for the peach-growers of the Goulburn Valley, it was dominated by a board, all the members of which represented big business interests, and all of whom were anxious that the bank should be largely utilized as a buttress for the private banks. Why, the Commonwealth Bank did not even want to accept new customers! For instance, in 1931 I walked into the Commonwealth Bank, in Collins-street, Melbourne, and asked a gentleman behind the counter where I could open an account. He showed me to an office, where a very friendly gentleman sat. This official asked me my business, name and occupation. I gave him the information. He then said, “I must ask you a few questions. First, have you an account with any trading bank in this city?” I replied that I had an account with the Commercial Bank at Woodend. His response to that information was, “I am sorry, but we are not able to open an account for you here”. When I asked the reason he said, “It is not the policy of the Commonwealth Bank, under its present direction, to open accounts for customers who are already dealing with a trading bank”. I said, “I am not asking you to lend anything; I am offering you my money for deposit on current account”. Twelve months ago, I walked into the same bank in Collins-street, Melbourne; but what a change had come over the scene since the advent of a Labour government! I walked in and asked to be permitted to open an account. My name and address were taken and the account accepted, and I went out with a handshake. I felt that I had been inside the portals of a friendly institution. That was a very different feeling from that which I experienced on the previous occasion, when the Commonwealth Bank was still under the domination of the financial interests to whom it was handed by the right honorable member for Cowper (Sir Earle Page) and his partner in political crime, a former Prime Minister, Mr. S. M., now Lord Bruce. Many similar stories can be told.

In the course of his speech in the present debate, the Minister for Information (Mr. Calwell) referred to a statement made by the late Sir Louis Bussau on the 12th April, 1945. The Minister remarked—

Sir Louis Bussau, who has been a Country party Minister—

when he was interrupted by the honorable member for Indi (Mr. McEwen), who interjected, “Until you bought him”. I was disgusted, because that was a filthy interjection. The fact is that the late Sir Louis Bussau was a man of forthright views and complete integrity of purpose. The statement which he made on the 12th April, 1945, which called forth the interjection to which I have referred, was made six months before he was appointed Chairman of the Australian Wheat Board. The honorable member for Indi has impugned the integrity of a man who was far above him, and I think that he should hide his face in shame. When the Minister for Labour and National Service (Mr. Holloway) was speaking in the present debate on the 5th November, he pointed out that the honorable member for Indi had made a statement which was false, and which he knew to be false. The honorable member for Indi protested vigorously and managed to have himself suspended. Yet he interjects today and defiles foully and flagrantly the reputation of a man with whom he cannot compare. Sir Louis Bussau was a man of renowned integrity, and it is outrageous for any one to suggest that he was “bought” by the Government. At the time Sir Louis Bussau made his statements advocating public ownership of the financial institutions the Government had not offered him an appointment or inducement of any kind. Later it did appoint him Chairman of the Australian Wheat Board, but that was six months afterwards, and the appointment was made solely on his merits.

Mr. McEwen.—Sir Louis Bussau made his statements during the last elections. The Government paid him for the elections.

Mr. POLLARD.—I shall mention again the date of Sir Louis’s statement: it was made on the 12th April, 1945. The Minister for Information made that quite clear in his speech, and after doing so went on to say—

The Country party in Victoria had a conference and discussed the subject of banking.
Sir Louis Bussau, who had been a Country party Minister in the Victorian Government—

when the honorable member for Indi interjected, “You bought him”. The fact is that Sir Louis Bussau was not appointed Chairman of the Australian Wheat Board until the 9th October, 1945, six months after he made the statement mentioned. Every one knows that throughout his career he was an active advocate of public ownership and control of credit and financial institutions.

I commend the bill, and I believe that it will be acceptable to the people of this country. I know the poison that has been injected into the community by opponents of the Government, and I also know of the fear complex which they have sought to create. I realize that every private bank throughout Australia is a centre for disseminating propaganda against the Government’s proposals, and that the majority of bank officers are probably opposed to them. That is quite understandable, because the majority of them have been trained in an environment which certainly is not conducive to belief in public ownership of banks. However, so far as bank officers are concerned they need have no worry, because the bill provides quite adequately for them. If the Government’s proposals are enacted, employees of private banks will enjoy conditions of employment substantially better than those which they do at present. Despite what the honorable member for Bendigo said, I am quite confident that the enlarged national bank which the Government proposes to establish will provide experienced and capable officers able to deal with the special problems involved in the banking transactions of farmers and other sections of the community. I believe that they will render the same efficient and courteous treatment to clients as they have while in the employment of private institutions, but with this difference, that they will probably enjoy more liberty than they do to-day. I know that a great deal has been said in criticism of State-owned institutions, but I am confident that when the officers of the present trading banks are operating in the service of the national bank they will co-operate with members of the community and give similar valuable service to that rendered by postmasters, station-masters, and other officers holding responsible positions in government undertakings. I have no anxiety as to the future on that score. I commend the measure and I feel sure that it is one which will benefit the people of Australia to such a degree that posterity will look back and say of the Chifley Government, “Well done, thou good and faithful servant”.

Mr. McEwen.—I have been misrepresented by the Minister for Commerce and Agriculture (Mr. Pollard), and I desire to make a personal explanation. The Minister alleged that a remark which I made by way of interjection during the speech of the Minister for Information (Mr. Calwell), when I said that Sir Louis Bussau was a Minister of the State Victorian Country party and that he was “bought” by the Labour government—

Mr. Pollard.—I did not say that. With the Acting Deputy Speaker’s permission I shall read exactly what I said.

Mr. Acting Deputy Speaker. (Mr. Burke).—Order! The Chair is in charge of the House. If the honorable member for Indi (Mr. McEwen) says anything in the course of his personal explanation which misrepresents the position, the Minister is entitled to reply in order to correct any such misstatement. I trust that that will not be necessary, and that the honorable member for Indi will confine his remarks to matters in respect of which he claims to have been misrepresented by the Minister for Commerce and Agriculture.

Mr. McEwen.—The interjection which I made, and which is on record, refers to the political attitude adopted by Sir Louis Bussau. I thought that my interjection made that quite clear, because I have referred to the matter on more than one occasion. I refer to the intervention in a federal election campaign of Sir Louis Bussau, who was at that time a public servant employed by the Commonwealth Government. I asked the Vice-President of the Executive Council (Mr. Scully), who was then Minister for Commerce and Agriculture, to break his silence and inform the House whether
Australia had entered into an agreement with New Zealand for the sale of wheat.

**Government members interjecting.**

Mr. **ACTING DEPUTY SPEAKER.**

—Order! The honorable member is now confined to a personal explanation in respect of a statement made by the Minister for Commerce and Agriculture (Mr. Pollard) during his speech. The honorable member is objecting to the statement of the Minister that Sir Louis Bussau was not "bought" by the Government and that he was not appointed to the position mentioned until six months after he made the statement attributed to him. That is the only matter to which the honorable member for Indi can direct his personal explanation, and if he does not confine himself to it I shall ask him to resume his seat.

Mr. **McEwen.**—I do not desire to refer to anything which happened six months before Sir Louis Bussau was appointed to his position.

Mr. **ACTING DEPUTY SPEAKER.**

—That is the only issue.

Mr. **McEwen.**—I desire to refer now to an interjection which I made in the course of this debate several days ago and to the interpretation placed on my remarks by the Minister for Commerce and Agriculture. It is because I claim that the interpretation which the Minister purported to put upon my interjection of a few days ago misrepresents me, that I have sought leave to make a personal explanation.

Mr. **ACTING DEPUTY SPEAKER.**

—If that be the case, the honorable member is merely entitled to state the facts of that situation.

Mr. **McEwen.**—That is all that I desire to do. I interjected, in words which I cannot remember, but which are on record, to the effect, "Until the Labour government bought him". I desire to say that the attitude of Sir Louis Bussau during a Commonwealth election campaign prompted me to make that interjection.

Mr. **ACTING DEPUTY SPEAKER.**

—Order! The honorable member will resume his seat, and not defy the Chair, otherwise action will have to be taken against him, for which both of us might be sorry. The honorable member is entitled to claim that he has been misrepresented; solely that the time at which, it had been claimed, this deceased gentleman had been "bought", was six months prior to his appointment to a certain post. If the honorable member was misrepresented at all, it was by that statement of the Minister. The honorable member can claim, either that the statement was not true, and that he was appointed to the position prior to that time, or that an incorrect interpretation has been put upon his interjection.

Mr. **McEwen.**—I hope that you will not take the view that I desire to defy the Chair. Nothing is further from my mind. I merely wish to say, in clear terms, that I have been misrepresented, because an incorrect interpretation has been placed upon an interjection that I made. I can substantiate my claim to have been misrepresented only if I am permitted to explain what was behind the interjection that I made.

Mr. **ACTING DEPUTY SPEAKER.**

—Order! The Chair has ruled that the honorable member must show either that the facts stated by the Minister are untrue, or that his statement has placed upon an interjection of the honorable member an interpretation that is not warranted. That ruling will have to be strictly observed.

Mr. **McEwen.**—I desire to declare, in the first place, that the Minister has placed upon my interjection an interpretation which does not reflect its intention. That, I think, is a simple declaration. Then, I desire to be permitted to explain, if I may do so, without transgressing the Standing Orders, what my interjection meant, and therefore to establish—

Mr. **ACTING DEPUTY SPEAKER.**

—Order! The Chair cannot permit the honorable gentleman to engage in a general discussion of what he meant by his interjection.

Mr. **McEwen.**—I merely say that when I said that Sir Louis Bussau, who had been appointed Chairman of the Australian Wheat Board, had been "bought", I had in mind that previously the then honorable member for Wimmera, Mr. Wilson, had given service to the Labour Government.
Mr. ACTING DEPUTY SPEAKER.—Order! The honorable member will resume his seat.

Mr. CONELAN (Griffith) [5.24].—The bill before the House is for the purpose of empowering the Government to take over the private banking institutions of Australia, with the exception of State banks. The time has come when domination of the people by the manipulation of money must cease. Freedom must be restored—freedom to earn a decent living, to own a home, to raise and educate a family, to be useful citizens, and to serve one’s God and one’s country. With those things, the private banking system has shown itself entirely unable to deal efficiently. The pitiless “boom-and-bust” periods of the private banking institutions have brought untold misery to this country, as well as to other countries in the world, in which unemployment has been prevalent in times of prosperity and the people have had to starve in the midst of plenty, because the banking policy of the private institutions would not permit credit to be released, so that people would be enabled to work and obtain money with which to purchase food, clothes and other necessaries, thus keeping prosperity alive. It was to that haunting fear of the return of social insecurity that the late Prime Minister, John Curtin, addressed himself at the 1943 general elections, when he said to the people of this country—

Never again will it be said that money could be found for war but not for peace. I pledge my Government that it will find all the money that is necessary to maintain full employment in this country.

That pledge was not merely an ordinary election promise, but was a pronouncement of a faith in which he sincerely believed, and to which he meant to give effect at the first available opportunity. It was responsible for the introduction in this Parliament of the Banking Act of 1945. But the private banking institutions were not so easily conquered. They gave a practical demonstration of their defiance by testing the validity of section 48, although the act had been passed by a majority of the members of both Houses of this democratically elected Parliament. Despite the statement by the Leader of the Opposition (Mr. Menzies) that he would immediately repeal that part of the act if he were returned to power at the next general elections, the people of Australia gave evidence of their confidence in the legislation by returning the Labour party to power at those elections, with an overwhelming majority in both Houses of the Parliament. Then, tools of the private banking institutions tested the validity of section 48 of the act in the High Court of Australia, and it was declared ultra vires by a majority of four justices to one justice, despite the fact that both Houses of this Parliament had approved of it, and it had also received the endorsement of the people when it had been submitted to them later. Probably, on that account, the Labour party has moved forward a little more rapidly than it otherwise would have done, and now has placed before this Parliament a bill for the nationalization of private banking institutions. Since the Prime Minister (Mr. Chifley) announced the intention of the Government to nationalize those institutions, a vile and vicious campaign has been waged throughout the length and breadth of Australia, over the radio, through the press, and by whatever other means it has been possible to use in order to misrepresent the aims and objects of the Government. I have before me a book entitled Australia’s Government Bank, by L. C. Jauncey, published in 1933. It contains a cartoon with the caption “The Grabbers”, the reference being to the introduction in this Parliament of the Commonwealth Bank Act by the Fisher Government. On another page there is a cartoon depicting the Australian Government handing out large sums of money to the workers of this country. Since 1911, when legislation to establish the Commonwealth Bank was introduced into the Parliament, there has been violent and vicious opposition to legislation to control banking. The private banking institutions have resented any intrusion into this lucrative field. During the years, monopolies have gradually taken over the control of the private banks, until to-day there are only nine private banking institutions in Australia. They are controlled by vested interests, which are so interlocked that they have an octopus grip on industry.
That is why so much money is being expended by them in propaganda against the Government's banking proposal. Since the first pronouncement by the Prime Minister of the Government's intention to nationalize banking, the private banks have engaged in a campaign of intimidation of members of the Parliament. I have received a large number of letters from people in my electorate, as well as from people residing outside my electorate, who do not know that they are not electors of the division of Griffith. I also have received a number of petitions, but, as they are not signed by electors of the division of Griffith, and are not in a form which enables me to present them to the Parliament, I have been unable to present them. They are addressed either to the Prime Minister or to me. Many people have taken the trouble to write to me in their own handwriting, protesting against this legislation. I intend to answer every one of those letters, because I respect the opinion of any person who takes the trouble to write a personal letter to me, but letters which obviously are mere propaganda will not be answered by me. I have received as many as 60 letters in one envelope bearing the name of the Bank of New South Wales. I shall not reply to stereotype letters of that kind.

Ever since the proposal to nationalize banks was announced there has been an agitation for the holding of a referendum on the proposal. Within a few days of that announcement, the Brisbane Telegraph conducted a Gallup poll, the results of which were published on the 20th August, 1947. They showed that 70 per cent. of the people interviewed supported the nationalization of banking. A few expressed no opinion at all, and the remainder were opposed to nationalization. Some of those who expressed opposition to the proposal were carriers who feared that the Government would proceed to nationalize transport. When the Prime Minister replies to the second-reading debate, I should like him to explain to the people how far the Government can go in the direction of nationalizing Australian industries. That should allay many of the fears which have been aroused in the minds of the people by the vicious propaganda of the Opposition.

Every honorable member knows that there are only a few industries which the Government has the power to nationalize.

Mr. HOLT.—Then why do members of the Labour party sign a pledge to nationalize industries?

Mr. CONELAN.—The honorable member uses the word "nationalize", whereas the platform of the Labour party refers to the socialization of industry. Perhaps there is a legal difference between "nationalize" and "socialize". I have here a copy of a letter addressed to the honorable member for Moreton (Mr. Francis), who has presented to the House a number of petitions against the nationalization of the private banks. It is rather significant that the honorable member did not read this letter in favour of the Government's proposals. The Ipswich branch No. 5 of the Boilermakers Society of Australia wrote—

Dear Mr. Francis,

At a recent meeting of the Boilermakers Society of Australia, the proposal of the Federal Labour Government to nationalize banking in Australia was considered. It was unanimously agreed to congratulate the Federal Government in connexion with the proposal.

It is the considered opinion of members of my society that this long overdue financial reform will eventually prove to be in the interests of the nation, and, if such is the case, it naturally follows that it will be in the interests of the people.

It is also considered that the proposed nationalization of banking will be directed to the welfare of the people and will be used in an advantageous and economically in the interests of the people. It will be remembered that during the recent war, when Australia was faced with the most critical period in history, the present Federal Labour Government was called upon to govern. They were not elected by the people but were called upon in that time of crisis through the ineptitude and petty jealousies of anti-Labour parties. How the Federal Labour Government faced this most critical period of Australia's history will long be remembered by the people.

Had the Japanese invaded Australia, I suggest that the Australian people would not be considering the question of financial reform today. If a Federal Labour Government can be trusted to lead Australia in a time of crisis as above mentioned, surely they can be trusted in connexion with the aforesaid proposals.

Most of the members of my society are members of the Moreton electorate, of which you are honoured to be the parliamentary

representative, and I am directed to respectfully request you to do everything possible to assist in having the proposed nationalization of banking placed on the statute of the Commonwealth.

Yours faithfully,
T. FALLOON, Secretary.

Honorable members will be interested in the following extract from a letter from an elector in the division of Darling Downs, represented in this House by the Leader of the Australian Country party (Mr. Fadden):

I wish to heartily congratulate you upon the bill before the Parliament for the nationalization of banking. What a pity our member for Darling Downs (Mr. Fadden) has let his electors down on this issue by lining himself up with the traditional enemies of the farming community, their financial exploiters. Mr. Fadden even has the effrontery to claim to be actuated by Christian principles when he opposes public control of finance. What a pity he does not take a lead from genuine Christians such as yourself. I write this note purely in my private capacity but I believe you will be interested to know that I am chairman of a local committee of management of the Presbyterian Church. . . . You may make use of this letter if you so desire, but please make it clear that I have written it in a private capacity.

And he signs his letter with a very good Scottish name. Members of the Opposition rise in their places in this House day after day and present petitions opposing the Banking Bill, but they never read any of the letters which they receive from constituents who support the bill. All they can say is, "Why not have a referendum? Why not hold an election?" I cannot understand why they should want an election when one was held only twelve months ago, and the Labour party was returned with an overwhelming majority.

Mr. FADDEN.—There was an election in Victoria on Saturday.

Mr. CONELAN.—Yes, and I want to tell honorable members something about that election. The latest newspaper figures show that Victorian Labour candidates polled 473,000 votes against the total Liberal vote of 442,000. Despite the fact that Labour had a majority of 31,000 votes, the Liberals have 29 seats, and Labour only 15. The total Country party vote was 165,000, or 308,000 less than Labour's aggregate of 473,000. Yet the Country party has secured 20 seats, or five more than the Labour party. The newspapers are strangely silent about this. If the election had swung the other way, they would have blazoned the figures in great headlines across the pages, and they would have had something to say about Russia and communism. They utter no word of condemnation, however, when results, which bear little relation to the figures, are obtained from jerry-mandered electorates.

Mr. FADDEN.—A Queenslander should not say that.

Mr. CONELAN.—The electoral boundaries in Queensland were fixed by the Moore Government, the only anti-Labour government which has held office in Queensland in 30 years. The Labour party in Victoria polled 47 per cent. of the votes, and won only fifteen seats. It did not contest all electorates, but if it had it would probably have polled 49 per cent. of the votes. Non-metropolitan districts in Victoria returned 42 members, which is ten more than they were entitled to on a population basis. The City of Melbourne returned only 23 members, instead of the 33 to which it is entitled on a population basis. The defeat of the Labour Government in Victoria was brought about by the money power.

Mr. Anthony.—By the intelligence of the people.

Mr. CONELAN.—That is what I would expect to hear from the honorable member for Richmond (Mr. Anthony), who is lucky to be in this country at all. The people of Victoria have spoken, and the Labour party accepts their decision; but let us see how the result was brought about. A very elderly gentleman, Sir Frank Clarke, who is 68 years of age—

Mr. Anthony.—About fifteen years younger than Senator Collings.

Mr. CONELAN.—Senator Collings was never so undemocratic as to do what Sir Frank Clarke did. Sir Frank Clarke is a member of the Legislative Council of Victoria, in the election of which 66 per cent. of the people of the State are denied a vote. Yet an old man like him was able to lead a movement in that chamber which resulted in turning out of office a democratically elected government. It will be very interesting to
watch what follows the Victorian elections. I shall be interested to see whether the Leader of the Opposition, and the Leader of the Australian Country party, line up with their henchmen in Victoria if the undemocratically elected government in that State moves towards totalitarianism. I shall also be interested to see what they do in regard to communism in the near future.

Mr. McDonald.—We could not do less than honorable members opposite have done.

Mr. Conelan.—There is not a member of the Opposition who would be courageous enough to do what the honorable member for Reid (Mr. Lang) did. Honorable members opposite denounce communism, but they know that it would be fatal to them politically if communism were to disappear. They would then have nothing left for propaganda purposes.

I wish now to make some observations upon this agitation in favour of the holding of a referendum. The Labour party has been in power too little since federation. In the whole 47 years since federation, on only two occasions have referendums been taken on subjects other than proposals for the enlargement of Commonwealth powers. Those were the referendums on the conscription issue during World War I. The people were asked to say whether the young men of Australia should be compelled to risk their lives if they did not want to fight. At the time, Australia's army consisted entirely of volunteers. The Government which decided to hold the referendum had a majority in both chambers. The right honorable member for North Sydney (Mr. Hughes), who was Prime Minister, issued an order before the referendum was taken that all young men eligible for service should go into military camps. Then the referendum proposals were defeated, and he had to let them out of camp again. At the present time, there is in power a democratically elected government with a big majority in both Houses, but on this occasion a minority in the Parliament wants to dictate what the Government's policy shall be. The Opposition parties do not clamour for referendums on any issue involving sacri-

fice of life; but when it is a matter of protecting the profits of big interests in this country they set up a great noise. To couple the issue in this case with the conscription issue which was submitted at two referendums to the people is nothing short of sacrilege. Governments are not called upon to seek a mandate to grant, maintain or defend the liberties of the people, because that is a duty as well as a right, implicit in their election. If this Government were to agree at the mere demand of Opposition parties to hold a referendum on any measure for which it had a popular mandate it would set a precedent for any opposition in the future to demand that any measures which it opposed should be submitted at a referendum. Since it is the job of an opposition to oppose all measures of any importance, the inevitable consequence of such a theory would be the elimination of parliamentary control. I repeat that in respect of powers which the Commonwealth Parliament already possessed, only two referendums have been held since federation, and both of those were on the conscription issue; and I again point out that the decision to hold those referendums was made not by a minority opposition, but by the government of the day.

Honorable members opposite claim that the Government's proposal to nationalize banking is Communist-inspired. By making that charge they show their own short-sightedness. This legislation is the greatest blow to communism in our history. The Communists pay lip service to nationalization of banking; but they revealed their real attitude seventeen years ago, when Australia was in the depth of the depression. It was then that Sharkey, now the leader of the Australian Communist party, quoted Lenin to prove that nationalization of banking merely buttressed the democratic system against the inroads of Communist philosophy. It was then that Labour leaders were slandered at every street corner, and the terrified bankers joined with their arch enemies, the Communists, to force the Australian workers to submit to hunger and homelessness, not because there was a shortage of goods, or homes, but because the bankers thought not in
terms of human values but in terms of money. The Communists know that adherence to their ideology can take root only in conditions of misery and hardship. To-day, seventeen years later, the banks and the Communists are on different sides; but the only reason why they disagree to-day is because the Communists are just as cunning as the banks. The Communists know that the workers want nationalization of banking. They know that the workers have learned the bitter lessons taught by a great war following a depression, that the workers now are aware that it is not money that is important, that money is merely a means of distribution, and that what counts is man-power and materials.

Honorable members opposite have much to say about man-power and materials, and stress the need for greater production. Greater production, of course, means greater profits for those who exploit the workers; but the Communists realize that, if they now oppose nationalization of banking, they will cut themselves adrift from the vast body of radical workers who desire, very naturally, never again to be subject to the conditions that prevailed in this country in the depth of the depression. Thus, the Communists give lip service to the nationalization of banking; but if we really want to know what the Communists believe in this respect we need only read Sharkey and Lenin. They do not want nationalization of banking, because under such a system the conditions that created communism in Russia, and could strengthen communism in Australia, could never again come to pass. Communism cannot flourish when the workers are well paid and contented and know that their wives and children will never go hungry and that they can own their own homes without much difficulty. Under such conditions, the workers have too much to lose in a political experiment of doubtful value by foolish around with communism. They enjoy real advantages, and, naturally, they want to retain them. It is only when they are desperate, because their wives and children are denied adequate food and shelter, that they turn to communism. In Australia, communism made its greatest advance during the depression. That was not because the workers were converted to the

Communist philosophy, but because they rebelled against the conditions existing in those grim days.

Honorable members opposite say that we are dependent upon overseas markets, that, regardless of the degree of monetary control exercised in Australia, overseas conditions will decide our standard of living. To a degree, that is true. We are substantially dependent upon overseas markets. But Australia is in the very fortunate position that it produces the basic commodities, food, clothing and shelter; and, provided those basic commodities are evenly distributed, there can be no reason why any one in this country should go hungry, homeless or ill clad. But during the depression the workers were obliged to go hungry, homeless and in rags. Why? Was it because there was a shortage of foodstuffs in this country? Everybody knows that that was not so. Members of the Australian Country party have told us how the price of wheat slumped, and how weevils, rats and mice were eating the wheat. Yet, at that time people went hungry in this country. Was it because there was a shortage of clothing that they were forced to go ill clad? Honorable members opposite have told us how the price of wool dropped during the depression, and of the quantity of wool in the country which could not be disposed of. Yet, at that time, men and women were allowed to walk the streets because they could not find a job in any clothing factory to help turn that wool into clothes for our people. More than adequate man-power was available for such manufacture. Thousands of Australian children went undernourished and ill clad during the depression. During that period over 250,000 men were unemployed in Australia. Allowing for the wives and families dependent upon them, approximately 1,000,000 Australians were unemployed, undernourished and underclothed. But abundant man-power and materials were available, and homes could have been built in all parts of Australia. In this national capital the tragedy of poverty was in evidence; and yet, with so much man-power and material available, employment could not be given to our people.

Sitting suspended from 6 to 8 p.m.
Mr. CONELAN.—The true story of the Victorian elections is that, despite the influence of the private banks and the big financial interests which were pitted against them, Labour party candidates polled remarkably well. In thirteen electorates no Labour candidates submitted themselves for election and the number of votes cast exceeded 170,000 more than at the previous elections. Had Labour party candidates contested those seats and averaged 9,000 votes each, as they did in other electorates, they would have polled a total of 117,000 additional votes. Morning, noon and night the people of Victoria heard only one story, namely, that of the opponents of the nationalization of banking. Having regard to that, the Labour party did magnificently in the Victorian elections. I have no doubt that the people of Victoria will realize in the very near future what a tragic mistake they have made.

The object of this bill is to cushion the effect of a financial and economic depression should such a calamity ever again strike this country as the result of matters beyond our control. During the war period the biggest problem facing the Government was the provision, not of money, but of man-power and materials. If man-power and materials were available a project was then undertaken irrespective of its cost. Realizing the unimportant part played by money during the war, the war-time Prime Minister, the late Mr. Curtin, promised the people that never again would they be allowed to suffer as they had suffered during the depression years as the result of the shortage of money. It was for that purpose that the banking legislation of 1945 was placed on the statute-book. That legislation was approved by both Houses of the Parliament; it was submitted to the people and approved by them; it was then tested in the High Court, where four judges gave a decision against the Government despite the fact that it had been endorsed not only by the elected representatives of the people, but also by the people themselves. It was to remedy the difficulty caused by the invalidity of that legislation that the Government has introduced this bill to nationalize private banking institutions. The passage of the bill will enable the Government to guide the destinies of this country and to ensure its future prosperity. During the financial and economic depression of the late 'twenties and early thirties people in this land of plenty with an abundance of food, coal, man-power and materials, were starving. Man-power and materials then existed in plenty to build all the homes required to house the people, but nothing was done. People were thrown out of employment in hundreds of thousands, and married couples refused to have children because they could not afford to rear them. To-day the position is quite different; we are now suffering from a dearth of housing accommodation solely because of the shortage of man-power. The principal cause of the economic and financial depression in this country was the fall in overseas prices and the restriction of advances for industrial purposes. In the period 1926-28 the ratio of advances to deposits declined very substantially. The Royal Commission on Monetary and Banking Systems pointed out that on the 30th June, 1931, advances had fallen to £238,000,000, and at the 30th June, 1933, to £287,000,000. The contraction of credit forced small business men to the wall, created widespread unemployment and imposed a reduced standard of living upon everybody in the community. Rations, wages and pensions were cut ruthlessly. It is to avoid a repetition of such happenings that the Government has introduced this bill.

Like all great reforms that have been introduced since the days of our Lord, this proposal is being bitterly assailed by vested interests. No matter what may be said about the Prime Minister by honorable members opposite, nobody doubts his honesty and sincerity. The right honorable gentleman believes that, despite what may happen to him or to his party, this bill will be of inestimable benefit to the people of Australia. Only a few weeks ago, before this proposal was discussed, the Leader of the Australian Country party (Mr. Fadden) complained that the Prime Minister was too conservative. To-day, honorable members opposite characterize the right honorable gentleman as being too radical. Any reform which has for its object the improvement of the condition of the masses is always
very strongly opposed by honorable members opposite and the vested interests that support them. I sincerely believe that this measure will result in an enactment of which the people of this country will feel justifiably proud in the near future. The concept of nationalization of banking is not new. Honorable members opposite have endeavoured to make it appear that this proposal had its beginnings in Communist Russia, and was first enunciated by Karl Marx. It was advocated by a leading English clergyman, Bishop Berkeley, as far back as 1732, long before Karl Marx was born.

Mr. SPEAKER.—Order! The honorable member’s time has expired.

Mr. McDonald.—I rise to make a personal explanation in regard to certain statements made by the honorable member for Herbert (Mr. Edmonds) in his speech on this measure. The honorable member said—

In the course of his speech, the honorable member for Corangamite made the malicious and filthy insinuation that when this bill becomes law, and the trading banks have become nationalized, the Ministers of the Government—and he used the words “Ministers” and pointed to the Ministers in this House—would get their hands into the funds and help themselves to them.

I did not use the words attributed to me by the honorable member for Herbert. I cast no reflection whatever on the honesty or integrity of any Minister, and I did not desire or intend to do so. I do not wish to accuse the honorable member of having wilfully misrepresented me; but I think I am being charitable when I say that at least he has a suspicious mind and an ultra-vivid imagination.

Mr. Clark (Darling) [8.11].—As a wicketkeeper during a considerable portion of this debate, it becomes my lot at this late stage to take part in the batting. I have had the opportunity to listen to the speeches of most honorable members, and it seems to me that on both sides of the chamber there is general agreement that the Government of this country must have some control over the credit and financial resources of the nation in times of economic adversity, in order that Australia’s financial requirements may be adequately safeguarded. The great difference of opinion between Government supporters and members of the Opposition, however, is in regard to the manner in which this control should be exercised. I regard the following words as one of the most important parts of the speech of the Prime Minister (Mr. Chifley) on this measure:

. . . 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.

The right honorable gentleman expressed the position clearly. When the Menzies Government was in office in 1941, I had the honour to be a member of the committee set up by this Parliament to investigate war-time profits. One witness who gave evidence before that committee was Professor Giblin, then one of the Government’s economic advisers. Professor Giblin said that if the Government were to go to the Commonwealth Bank for loans, it would also have to police the private banks or there might be a measure of secondary inflation. The money would find its way to the reserves of the trading banks, and those banks would have to extend their business to make their operations pay. That was the opinion of a man of high standing in the financial and economic world, and I think that it summed up the arguments for some control of credit.

Some of the arguments advanced in the course of this debate have been based on logical grounds, but others have been based on psychological grounds. In my opinion, Government speakers advanced by far the strongest logical arguments. On the other hand, honorable members opposite have endeavoured to instil a fear complex into the minds of the people and to stampede them into the belief that their savings are in danger and that their liberty and rights are in jeopardy. In the course of this campaign, many false issues have been raised, although, as I said in my opening remarks, the major concern of most honorable members is that there should be provision for adequate control of the financial affairs of this country when that control is necessary. The honorable member for Corangamite (Mr. McDonald), who has just made a personal explanation, said, in
the course of his speech on this bill, that the power that controlled the purse strings controlled the people. The Labour party subscribes completely to that belief. We believe, therefore, that control of the public purse should be in the hands of the Parliament—in other words, in the hands of the people themselves through their elected representatives—rather than in the hands of the private banking institutions which for too long have manipulated the economy of this country. Some of the false issues that have been raised by the Opposition in this debate have been commented on by eminent authorities. Professor Fox, Professor of Philosophy at the University of Western Australia, made the following statement in an article that he contributed to a Western Australian daily newspaper:

The main issue was set forth by the Prime Minister in his opening speech, though others on both sides have not always stuck to it. It is not what will happen to depositors Smith, Brown or Jones; it is not whether banks make large or small profits; it is not even socialism.

It is whether or not there should be control of the community's banking and related facilities by the community's government, answerable to parliament and ultimately to the community itself.

I have no intention of covering all the ground already adequately covered by speakers on this side of the chamber; but there are certain factors to which I believe I should direct attention. The true intentions of this legislation have been stated honestly and clearly by the Prime Minister, and I am sure that anybody with an open mind, reading the right honorable gentleman's speech, could not possibly entertain any fear that this legislation will be to the detriment of this country. On the contrary, it is clearly for the good of the people generally. The Prime Minister set a worthy example to the speakers who followed him in the debate on this measure. The Minister for Post-war Reconstruction (Mr. Dedman) also made an excellent contribution to this debate, and his speech, too, I am sure, will read most convincingly to any person with an open mind. I congratulate the honorable member for Fremantle (Mr. Beazley) upon his speech. It was most logical, and was based on sound economic theories. The Minister for Information (Mr. Calwell) also made a notable contribution to the discussion.

The honorable member for Griffith (Mr. Conelan) has spoken of the insignificant part that communism plays in the Labour movement. During this discussion, the old bogies of communism, and all the other "isms", have been held up by the Opposition in an obvious attempt to mislead the public in regard to this measure. The greatest bulwark against communism in this country is the Labour party. The anti-Labour forces would suppress the Communist party; but we believe that the Communists are entitled to express their opinions publicly. When they operate in the open they are known and people who do not wish to associate with them may spurn them. Conditions like those experienced in this country during the depression breed Communists. The only way to combat the spread of communism is by the provision of economic security for our people and the creation of a better standard of living. I think that after a few more years of Labour rule we shall have done so much to achieve this that the people of Australia will not be looking to Russia or any other country for ideas but other countries will be looking to Australia for a lead. At a recent international conference, I met men from abroad who were deeply appreciative of what the Australian Labour Government is doing to further democratic legislation.

Another bogey raised by honorable members opposite in this debate is that this legislation is an attack on the liberty of the subject. Many sins are committed in the name of liberty. Instead of being an attack on the liberty of the subject, however, this bill is the direct opposite, in that it will assure him of far greater economic security than he has ever enjoyed before. He will be assured of freedom from want and freedom from fear, two of the Four Freedoms of the Atlantic Charter. The concern of people is not who shall be their banker but who shall be their government. I am confident that the overwhelming majority of the people believe that the Commonwealth Parliament

Mr. Clark.
should govern them, not a few directors of the associated banks. The people elect a government for three years. If it serves them faithfully and well they return it to power, but, if they think it has let them down, they dismiss it. The Labour Government is ready to answer for its activities.

Mr. RANKIN.—The Cain Labour Government in Victoria was dismissed.

Mr. CLARK.—We have no fears of what the people will do at the next federal general elections. The honorable member for Bendigo refers to what has been done in Victoria. That old horse “banking interests” was an old performer running in maiden company. It got an “open go” on the rails, but it will be meeting better company in the Commonwealth sphere two years hence.

Government supporters have been taunted for having raised the matter of the depression years, but this debate would have been incomplete had the people not been reminded of those years when not only men on the basic wage but also people in all spheres, rich and poor, suffered. Wage-earners lost their jobs. Many people who were purchasing their homes and other assets lost all equity in them. Great numbers of people were impoverished and had little opportunity for many years of resurrecting themselves financially. Borrowers suffered severely. But for the Moratorium Act, which was first imposed in New South Wales, many people who had substantial mortgages would have been wiped out. The primary producers were hard hit. Graziers who had bought, say, 3,000 sheep on mortgage, had to run 9,000 to repay the money. Wheat-growers and other primary producers were in a similar plight. The deflationary policy that was forced on the government of the day, which increased their liabilities, will be long remembered by them. They will appreciate what is being done to-day to protect them. Manufacturers, business men, professional men, and providers of services are all adversely affected if the basic industries suffer a slump in a depression. The Labour party is determined that never again shall we have a depression in this land.

When I entered this House in 1934 hundreds of people in my electorate in western New South Wales lived in tin and bag humpies outside towns because they had not the wherewithal to live in decent quarters. People were inadequately fed, housed and clothed. In Broken Hill there were 3,000 unemployed. I addressed many meetings attended by 1,500 workless men who had no hope for the future because all that the Government could give them was a miserable dole of a few shillings a week. Do Opposition members think the people would accept a return to the conditions that breed communism and all the other freakish ideologies? They are satisfied that only the Labour Government can ensure adequate production and distribution. But it will be able to do that only if it has complete power over banking. There are two issues about which the people wish to be certain. The first is our reason for introducing this bill, and the second is the effect that it will have upon them. The bill was brought down to enable the Government to guarantee the economic stability of the people. We have accepted the responsibility of laying down a foundation of security. Before the war ended, we embarked upon that task by bringing down legislation to provide for a wide range of social services. We increased pension rates and introduced pensions for widows. We increased the rate of the child endowment and the maternity allowance, introduced unemployment sickness benefits and a free medicine scheme, and adopted a housing programme. We have also maintained a firm control over prices and rents to prevent exploitation of the people.

Primary producers have been assured of payable prices and consequently they are in a sounder position now than they have ever been before. They have assured markets for a period of years at prices that will more than cover their costs. Those industries have been placed on a sounder footing than ever before. With prices guaranteed for years to come, they will be in a much better position than if they were getting boom prices one year and depression prices in other years. The primary producers to-day realize that the Government
has done more for them during its term of office than any other government in the history of Australia. They appreciate the fact that the Government's stabilization schemes save them from the risk of insolvency resulting from depression prices following the inflated prices of boom periods. One of the main planks in the Government's policy of economic security for the people is that of full employment, an undertaking which presents extreme difficulties because of its lack of constitutional authority. A few years ago, it appealed to the people at a referendum for a wide range of powers, but the appeal was rejected, chiefly I believe because of misunderstanding. The fact is that the State governments and semi-government instrumentalities are the only authorities which have constitutional power to provide employment for the people. Therefore this Government must provide them with the funds necessary to create employment if it wishes to implement its policy in full. For this reason, the power which it sought to gain by means of section 48 of the Banking Act 1945, that is the power to compel government and semi-government bodies to conduct their banking business with the Commonwealth Bank, is vital to its plans. Professor Giblin has told us that, if the Commonwealth Bank is to make credit available to government and semi-government instrumentalities, it is essential that the money shall come back to the Commonwealth Bank so that the credits will be further available for the purposes of the employment programme. Such money must not be available to the private banks to use for profit-making purposes, because that would give rise to secondary inflation. The risk of challenge to the Government's authority in relation to banking is of the gravest importance. The Government's power must be unassailable. If the country should fall into a period of economic difficulty, and if, then, the Government's power should be challenged by the State governments, the banking institutions, municipal authorities, or any other bodies, the result might be disastrous to the nation. Even though the legal battle might be decided in favour of the Government, a delay of six, twelve, or eighteen months through the process of litigation at such a vital stage could cause widespread suffering, unemployment, and insolvency.

In stressing the importance of this bill, the Prime Minister said—

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.

That passage from the right honorable gentleman's speech indicates the probable attitude of the banks in times of financial difficulty when the Government might wish to make credit available in order to guarantee employment and security for the people. During a period of about three years of war, the Government raised a sum of £243,000,000 solely from national credit resources for the purpose of financing war-time activities. As that money was made available in time of war, so could it be made available in time of peace in order to find employment and stabilize both secondary and primary industries. However, such a process can be carried out adequately only if the Commonwealth Bank has full power over the banking facilities of Australia. That is why the Government proposes to proceed with this measure.

Honorable members opposite have said that the passage of this bill would remove from the people the right to go from one competitive bank to another in order to secure the most favorable terms. I point out that the Associated Bank Board lays down a general policy for the private trading banks, all of which comply with that policy. Other honorable
members on this side of the House have already described the way in which the private banks "stood over" the Australian Government and demanded that hardships be inflicted upon the people before they would make credit available during the depression. Their attitude towards private depositors and borrowers was in conformity with that policy. It has been said that a government institution would not treat the people as liberally as the private banks do. I have personal knowledge of events which prove the contrary. I refer to the operations of the Rural Bank of New South Wales and of the Mortgage Bank Department of the Commonwealth Bank in that State as an instance of sympathetic government administration. The Rural Bank of New South Wales was created as the result of events in my home town, Coonamble, and all of its activities sprang from there. The facts are on record to support my statements. In 1921, the Dooley Government of New South Wales passed special legislation to establish the bank in order to relieve the dire situation of certain primary producers. Following a drought in 1918-19 and disastrous floods in 1920, landholders in the Coonamble district were in serious financial straits. At least 50 of them were unable to draw cheques on private banks operating in Coonamble. Those banks were the Commercial Bank of Australia Limited, the Bank of New South Wales, and the Australian Bank of Commerce. Deputations representing the graziers concerned were sent to Sydney to interview representatives of the managements, but they were told that the banks could do nothing for them and would not grant additional advances. The then Premier, Mr. Dooley, and the Commissioner of the Savings Bank of New South Wales visited the town. They were accompanied by Mr. Kearins, the present commissioner of the bank. Within six weeks, an amount of £286,000 had been advanced to graziers in the district of Coonamble. With this money, they were able to re-stock their holdings, and effect improvements. The centre emerged from a condition of stagnation and depression to one of health. All these advances were completed by the end of December, 1921. Following the wool sales in 1924, the indebtedness had been discharged. I do not know of any incident which demonstrates more clearly the difference between a government instrumentality and a private bank. The Rural Bank of New South Wales assisted primary producers after they had been refused financial accommodation by private financial institutions.

I also cite the case of a father and son, each of whom owned a property. The father's property was re-possessed by a private bank, and handed over to a prominent city resident for merely the amount of the mortgage. After having worked all his life on the property, the father was penniless, and ultimately had to apply for an old-age pension. The son was fortunate enough to be able to obtain financial assistance from the Rural Bank of New South Wales before his property was re-possessed, and, consequently, was able to remain solvent. Only recently, the western part of New South Wales experienced two or three years of drought, and many graziers lost the whole of their stock. The private banks pressed many to repay their mortgages, and would not advance them any money to enable them to re-stock their properties. Two of these men explained their plight to me, and I put them in touch with the Mortgage Bank Department of the Commonwealth Bank. Recently, when I was in Bourke with the Prime Minister, one of these men came to town, and thanked me for the assistance that I had rendered to him. He informed me that the Commonwealth Bank had not only taken over his mortgage, but also advanced him additional money with which to re-stock his property. At the time, he had 2,000 sheep on his holding, and had repaid a substantial part of the mortgage to the Commonwealth Bank. He said, "Had it not been for the Commonwealth Bank I would have been pushed off my property". Graziers in other parts of my electorate have had similar experiences. Of some of these cases I have a personal knowledge, and if time permitted I could refer to them to-night. However, I shall not deal with them, because I desire to turn to other matters.

Under this legislation, the Commonwealth Bank will be able to help all sections of the community. It will assist the
wage-earner, whether or not he has a banking account, by financing government and private enterprises in times of difficulty, and ensuring his employment and economic security. It will help the primary producer by assisting him through periods of difficulty. The banking policy of the past would not do this. I refer to the "banking policy of the past" because, with the passing of this legislation, new conditions will operate. The old policy of the private banks was to assist the customers by lending them all the money that they required, and even more than they required, in prosperous seasons. In difficult periods, when the customers were not in a position to repay the loans, the banks would recall them. We have had that experience, and we do not want a recurrence of it. I have no fears in placing before the electors of Darling the case for the nationalization of the banks. The people realize that the Government intends to ensure their economic security to-day and to-morrow. The greatest fear of man is the economic fear of to-morrow. No matter in what sphere he may work, or whether he be rich or poor, each man wonders throughout his life whether he will be able to provide adequately for his family. Under the administration of a Labour government he knows that his future will be assured. For that reason he has voted for Labour party candidates at previous elections, and will continue to vote for them in the future. As the Labour Government did an excellent job in war-time in providing for the adequate defence of Australia, so the Labour Government in peace-time will set up the economic defence of Australia in the interests of the whole of the people.

I believe, also, that the control of the Commonwealth Bank will enable the Treasurer to reduce taxes, because the Commonwealth Bank will be able to provide money for the Government at a substantially lower rate of interest than it is paying at present. The interest bill of the Government is by far its greatest item of expenditure. If, as the result of this bill, the Government can reduce its interest payments, it should be able to considerably reduce taxes. Loans will be liquidated at a lower rate of interest, and there is no reason why the Commonwealth Bank should not provide funds at the cost of issuance and service, and substantially lower than to-day's figure. That, in itself, will effect a substantial saving. The people will benefit from this legislation by obtaining loans at a lower rate of interest for the erection of homes, the improvement of properties and the establishment of businesses. If the interest bill in the community can be substantially reduced, the Government will be able to reduce taxes, and lessen the economic burden of the people.

I now desire to refer briefly to the method which the Government has adopted in order to take complete control of banking and finance in Australia. In the past, the Government was satisfied to follow a policy which would cause the least possible economic interruption, and the least inconvenience to the people concerned. In other words, it was content with the authority which the banking legislation of 1945 conferred upon it. When section 48 was successfully challenged in the High Court and the validity of other sections was placed in doubt, the Government could not allow that position of uncertainty to remain. Accordingly, it has introduced this legislation, which provides for the taking over of control of the private banks. Under this bill, the shareholders of the private banks will be adequately compensated, the deposits of customers will be protected and the rights of employees will be safeguarded. Of course, the Government could have taken other action. As a matter of fact, it is said that the Government should not nationalize the banks. By legislation, it has nationalized the note issue, and prohibited private banks and State governments from issuing their own notes. That function is reserved for the Commonwealth Bank. The Bank Notes Tax Act of 1910 imposed a tax of 10 per cent, per annum upon all notes issued by private banks, in order to drive this currency out of circulation. Similar legislation could have been introduced to deal with the private banks to-day. For instance, had the Government so desired, it could have taken away from the banks the right to issue cheques, and that would have enabled it to take over the business of the banks without paying any compensation. It could have imposed a tax on cheques so as to make it unprofitable for the banks.
and financial instrumentalities to issue their own cheques; and it would have been entitled legally to impose a turnover tax on the financial activities of banking institutions. By adopting any of those means, it could have driven the private banks out of business, but it preferred to adopt the straightforward method proposed in the bill. The Government is following that course because of consideration of the interests of the whole community. It proposes to assume control of the banking system with the least possible disturbance of that system; in fact, the only disturbance will be to the directors of the present trading banks. Of course, the names over the doors of present private banks' premises will be changed; otherwise, the banking system will continue to function as at present. The only difference noticed will be that in times of difficulty the national bank will pursue a more liberal policy towards customers and towards the Government than the present private banks. For those reasons, I believe that the people will have every confidence in the Government, and will appreciate what it is doing for them. The community need have no fear because the Government will protect adequately the interests of all sections.

I noticed a recent article in the press dealing with the Government's proposal, which posed three questions. The first question was: Is it necessary? I think that I have made out a case for the Government's action. The next question was: Is it in the public interest? The humanitarian policy of the Australian Labour party is well known, and it is obvious that the Government, in introducing this measure, is motivated by consideration for the people. Passage of the bill will confer security and stability on our economy, and will afford full employment and continuous spending power for business men, manufacturers, primary producers and all sections of the community. It is quite obvious that any diminution of the spending power of the community reacts to the detriment of all. The third question contained in the article was: Will the power proposed to be conferred on the Government be used wisely and not abused? Terrifying speeches are made by members of the Opposition whenever progressive legislation is introduced, and all sorts of dire calamities are prophesied. During the fourteen years in which I have been a member of this Parliament I have listened to innumerable speeches of that kind. Members of the Opposition, when they were in power, were continually warning the people of the dread possibilities should Labour attain office. Well, Labour has attained and held office, and what is the position to-day? Australia has never enjoyed a greater period of prosperity, and to-day its economy is one of the soundest. All sections of the community share in that prosperity. Our own deficiency is manpower, and if that deficiency can be overcome all our requirements will be forthcoming. I commend the Government's proposal to the judgment and good sense of the people, knowing that they will stand solidly behind the Government, and I am confident that in years to come they will regard the introduction of this measure as the most momentous occasion in the development of our economy.

Mr. D A L Y (Martin) [8.55].—The measure before the House is possibly the most important ever introduced into this Parliament, and I take advantage of this opportunity to place my views before my constituents and the people of Australia. Although practically all the criticism of the Government's proposal has been directed at the Prime Minister (Mr. Chifley) he has the entire support of every member on this side of the House. In common with my colleagues, I support the measure, not because I have been told, as honorable members opposite, who are acting at the direction of their bankers, suggest, but because the principles embodied in it have long been advocated by the Australian Labour party. I propose to say a few words in regard to the reasons for the introduction of the bill. Previous speakers have pointed out the reason why it became necessary for the Government to nationalize the trading banks of this country. In 1945 the Government, after consultation with able constitutional advisers, introduced the Banking Act in order to secure full and effective control over monetary and banking policy. However, section 48 of the Banking Act 1945, which embodies the principle that all government and semi-government banking business shall be reserved to the
Commonwealth Bank, has been held by the High Court to be invalid so long as private banks operate. Because of that decision complete control of banking is not possible while private banks exist. In the statement of claim filed in the recent litigation the validity of sections 18 to 22, which are vital, was challenged, but the challenge was not proceeded with. Because of that it is obvious that at some future date the bill may be again successfully challenged by the banks and the whole structure of control proposed by the previous act upset. To sum up, the private banks of this country have never, with the exception of the period during which section 43 of the Banking Act 1945 was operative, been under any effective control. The recent decision of the High Court leaves the way open to the bankers to choose their own battle ground, as they did in the recent State elections in Victoria, in order to upset the legislation and the Government. We have decided that the time is now opportune to take over the private banks of this country in order to ensure that private enterprise shall not at some future date be able to wreck governments as it has in the past. We have before us now an example of their policy in the defeat of the Cain Government in Victoria. This measure would not have been introduced but for the paramount necessity for preserving the sovereign right of Parliament to control the financial destiny of the country.

Most of the criticism directed at this proposal has been uttered over and over again, and it is interesting to refer to newspaper files to observe the monotony with which critics of the Government have stated their case. I listened attentively to the honorable member for Richmond (Mr. Anthony) a few nights ago, and checked his speech with statements which he made in 1945 when the previous Banking Bill was being debated. His speech in that debate was an almost complete repetition of his previous one. In that year the honorable member for Balaclava (Mr. White) uttered dire threats against the Government if it proceeded with that bill, and he did exactly the same thing the other day. The honorable member for Wentworth (Mr. Harrison) referred to "dictatorial control", and made similar accusations against the Government. I compared his speech with that which he made on the 30th May, 1945, which is reported at page 2279 of Hansard. Speaking on the Banking Bill 1945, he said—

If these bills are passed the way will be open for radical politicians and trade union bosses to get their sticky fingers on the delicate financial controls which govern the economy of the nation.

The "tragic Treasurer", the right honorable member for Cowper (Sir Earle Page), when he spoke on the Banking Bill 1945 on the 29th May, 1945, which is reported at page 2196 of Hansard, said—

I wish to state, as I shall later show, that the changes provided for in the banking measures now before Parliament go far beyond changes of mere banking structure. They threaten the lives and liberties of present and future generations and the future of our representative institutions.

He has been saying the same thing ever since he wrecked the Commonwealth Bank in 1924. Does it not show the shallow hypocrisy of the arguments advanced by members of the Opposition? Their present statements are simply a repetition of the same old arguments they have put forward every time a banking measure has been introduced. I shall make another quotation from a speech which the honorable member for Wentworth made on the 30th May, 1945, as recorded in Hansard, Vol. 182, at page 2380. It is this—

The whole business of banking is to be a government monopoly under the control of the Treasurer—which means, eventually, the Communist party—who will be a dictator in his own right on finance and banking.

All of those tragic things were going to happen in 1945, but did not. One thing which amazes me is that for years the members of the Opposition have been saying that we would nationalize banking. Only in that connexion have they been right, yet I have never known so many people annoyed about a decision having been made which they themselves anticipated. They say that we have not a mandate for this legislation. Compare the number of honorable members on this side of the House with the number on the other side. Does not that indicate

Mr. Daly.

that they are not in a majority? Despite the whipped-up campaign of fictitious letters, telegrams, and all sorts of other propaganda that has been associated with this matter——

Mr. Menzies.—Keep on whistling, son.

Mr. SPEAKER.—Order! There is no “son” in this House. All are “honorable members”.

Mr. DALY.—The Leader of the Opposition (Mr. Menzies) should not mention petitions. He wrote a very nice book on the subject, which was quoted in this House recently. I assert that the criticism of this legislation has been whipped up by the usual line-up of financial interests and private banks that are opposed to it, as they have always been opposed to banking legislation whenever it has been introduced in this country. They have come out in their old colours, as they have shown them to be from 1911. One could quote over and over again almost the same statements that have been mouthed by the same party.

I say to the people of Australia that the demand that has been made for a referendum will not bear investigation. It is all very well for honorable members opposite to want a referendum. They seem to demand one whenever it suits their purpose. All the criticism that has been levelled at this bill by the financial interests is playing on the fears of the people. It consists of exaggeration and false statements about the legislation and its probable effect. It is well-known in this country that for many years the Labour party has maintained that, owing to the great influence of money, the entire monetary and banking system should be controlled by public authorities which would be responsible, through the Government and the Parliament, to the nation. Members of the Opposition state that money and its control affect the welfare of every member of the community. That is a statement with which I entirely agree. Furthermore, that is the major reason why the elected representatives of the people in the Parliament, and not the private financiers, should control the financial destiny of this country and the banks and other financial institutions in it. The policy of the Labour party in relation to banking is well known to the people. It is interesting to hear members of the Opposition say that we have not a mandate. I well remember the Leader of the Opposition, the right honorable member for Kooyong and the honorable member for Wentworth coming into my electorate and saying that Labour was not making any promises. That was quite sound. In other words, we were given an open order in respect of legislation. The Opposition parties claimed that if the Government were elected it would mean that it had been given a blank cheque. Furthermore, that well-known organ of liberalism, the Sydney Morning Herald, in a leading article published on the 27th September, 1946, dealing with Labour’s election policy, said this——

This time there are no promises one way or the other. On socialization as on so much else voters are asked to take the Government on trust.

In a Labour advertisement which that journal published on the 28th September, 1946, this appeared——

Australia will vote Labour because Menzies has threatened to restore the Commonwealth Bank Board. This would put the farmer, the small industrialist and business man back into the grip of the private banks.

They knew what was the policy of the Liberal party in respect of banking. Almost identical advertisements appeared on the 23rd and 26th September, 1946, just prior to the date of the election. Banking policies were made clear to the people, and the policy of the Liberal party, which was to restore control to the Commonwealth Bank Board and to the private banking institutions, was clearly rejected by an overwhelming majority of the people, whilst our policy, which had been given effect to in the 1946 act, was endorsed by the people, the evidence of that being the number of members who now sit on this side of the House and in the Senate.

On the 30th September, 1946, two days after our magnificent victory, the Sydney Morning Herald published this——

Labour’s decisive victory in the federal election must be interpreted, first, as an endorsement by a majority of the people of the record and policies of the Chifley Government.
... But Labour bids fair to dominate the Senate and can claim to have received an outright renewal of its mandate.

The Leader of the Australian Country party (Mr. Fadden) whom we all acknowledge to be a realist who faces up to situations in a very practical manner, congratulating the Prime Minister upon his re-election, said, "The Government has been given an open cheque by the electors of Australia." That appeared in the issue of the Sydney Morning Herald of the 30th September. We are now about to fill in that blank cheque which was given to us in 1946.

There is no doubt that the people have given the Government a mandate to carry out its banking and financial policy. That is confirmed by statements that were published in leading newspapers and were made by prominent members of the Opposition parties both before and after the elections of 1946. I say quite frankly that the Government would be displaying distinct weakness if, on every important issue, it decided to go to the people and seek a mandate by way of a referendum. When war was declared officially on Australia's behalf by the then Prime Minister, who is now the Leader of the Opposition, the matter was not put to a referendum of the people. I do not say that it should have been. National security regulations affecting the life and welfare of every individual in the community were brought down in this Parliament without any reference to the people, simply because the government of that day decided that they were necessary in the interests of the great majority of the people, and that view was later accepted by the people at general elections. We as a government take the same view in regard to banking, which is vital to every Australian. Our policy is well known to all Australians to be a fundamental of our existence as a party, and we have a just right to give effect to it, having been elected by such an overwhelming majority.

This demand for a referendum has come also from the private trading banks. Let us hear what the National Bank of Australasia has had to say in regard to a referendum or an election on the subject of banking. The following is an extract from the monthly summary of conditions issued by the bank on the 11th April, 1931, published at page 21 of the Battle of the Plans, by Sheehan and Copland—

Though intimately affecting the welfare of the people as a whole, banking is a highly technical function. To make it a vital issue in a general election is to ask a mass of the people to vote upon measures that they do not, and cannot in the nature of things, adequately comprehend. A government that enters wilfully upon such a course is betraying its trust as a guardian of democracy, and making the task of democratic government needlessly complex if not impossible.

The National Bank of Australasia did not then consider that banking was a fit subject for a general election, or that the people should even decide upon it.

We have had demands for a referendum from members of the Opposition. That is all very well when it suits their case. In Victoria, the Labour Government was undemocratically discharged from office because of the action by the Upper House in that State in refusing to grant Supply. The attitude of that chamber has been roundly condemned by such a prominent man as Sir Isaac Isaacs, ex-Governor-General of Australia. The demand in this Parliament is from Liberal and Australian Country party members of the Opposition. In Victoria, when the Cain Government submitted to the Upper House a supply bill which was rejected by that chamber, it submitted legislation which provided that a referendum of the people of Victoria should be taken as to what should be the future constitution of the Legislative Council in that State. The so-called democrats did not grant a referendum. They postponed the legislation for six weeks, which was tantamount to rejecting the request for a referendum. If it is good enough to demand a referendum now in respect of banking, it was good enough to follow the same policy in connexion with the continuance of such an undemocratic institution as the Legislative Council of Victoria. It is significant that the leader of the majority party of that chamber is a director of the National Bank of Australasia. I shall have more to say about him presently.

Listening to honorable members opposite during recent weeks, one would be tempted to believe that the private banks are benevolent institutions, and that a
person in need of finance has merely to proffer a request for assistance to be granted an overdraft immediately. That has not been the experience of those whom we on this side represent; but perhaps the treatment of Opposition members and their friends by the banks is less harsh. There is a difference of opinion even among Opposition members as to the place of banks in the community and the policy pursued by them. For instance, the Leader of the Opposition recently described the Commonwealth Bank as a conservative institution because it would not lend enough money to people requiring it. He said that it was easier to obtain money from a private bank than from the Commonwealth Bank; but the honorable member for Wentworth, who is Deputy Leader of the Opposition, condemned the Commonwealth Bank because it granted assistance amounting to £200,000 to a person who had been refused an overdraft of £100,000 by a private bank. The Opposition wants it both ways.

Another contention of Opposition members during the debate has been that Australia has been saved by its private banking institutions, but they do not like attention being drawn to what happened during the depression years, because it shows up most glaringly the failures of non-Labour governments to meet a difficult situation. At the worst period of the depression there were about 480,000 persons unemployed in Australia, whilst those in receipt of a miserable dole at the 30th June, 1932, totalled 783,000. There were many bankruptcies in which a total of £7,000,000 of assets was involved. At that time a single man was granted 5s. 8½d. a week sustenance, and a married man was supposed to maintain his family on 20s. a week. During those tragic years, when thousands of men walked the roads and streets fruitlessly seeking work, the banks were concerned only with maintaining their profits. When I recall the depression years I wonder if honorable members opposite ever realized the plight of men, and boys of eighteen years, the pride of Australia’s manhood, when they could not find work. Did they ever share the experience of a man who went from door to door trying in vain to get work? Can they appreciate the humiliation and despair of a man who cannot find a job and knows that his family is suffering? Have they ever realized that thousands of men and women died long before their time because of their sufferings, want and worry in those tragic years? Those things happened in this glorious country at a time when nature was bounteous and there was plenty for all. There was no need for people to suffer as they did in those days, but the banks forced them into a state of degradation. We on this side say that never again shall such a state of affairs exist if we can help it. That is why we are fighting for the people of Australia to-day on this issue.

How did the banks serve the people in those dark days? When the Scullin Government needed finance to place workless people in jobs the Commonwealth Bank Board refused to advance the money. It held a gun at the head of the government of the day and subsequently wrecked it. Members of the Commonwealth Bank Board, who owed their positions to their political affiliations with non-Labour parties, followed the dictates of private financial institutions. On the 13th February, 1931, Sir Robert Gibson, the Chairman of the Commonwealth Bank Board, wrote to the then Prime Minister, Mr. Scullin, in the following terms:—

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 Government of Australia in sustaining industry and restoring employment.

In other words, the Commonwealth Bank Board decided that the people of Australia must pull in their belts in order that the banks could continue to make their profits. Ultimately, the Scullin Government had to go to the people. Writing to Sir Robert Gibson, the Chairman of the Commonwealth Bank Board, on the 15th April, 1931, the then Treasurer, Mr. Theodore, said—

The attitude of the board throughout the recent negotiations, and as disclosed in the letter now referred to, can only be regarded by the Commonwealth Government as an attempt on the part of the bank to arrogate
to itself a supremacy over the Government in
the determination of the financial policy of
the Commonwealth, a supremacy which, I am
sure, was never contemplated by the framers
of the Australian Constitution, and has never
been sanctioned by the Australian people.

I draw attention to paragraph 565 of the
report issued in 1937 by the Royal Com-
mission on Monetary and Banking
Systems—

Along with other parts of the system, the
trading banks must bear some responsibility
for the extent of the depression. In the more
prosperous times preceding the depression,
they went with the tide and expanded credit.
There was then no central bank to guide their
policy, but, even in its absence, the banks
might have taken concerted action which
would have helped to check the boom, and
thereby have lessened the extent of the de-
pression. At the outbreak of the depression, the
trading banks, in the interest of their deposi-
tors and of their own solvency, were forced by
the general conditions and by the reduction of
their London funds, due to the fall in ex-
port values and the cessation of overseas
borrowing, to adopt a policy of contraction
which intensified the depression.

The report went on to say that the banks
restricted advances by £44,570,000. It is
impossible to measure in terms of money
the misery and suffering which followed the
withdrawal of that amount of money
from the community. The report of the
commission stated that a contraction of
credit accentuated the depression, and
that the banks must accept some of the
responsibility for the state of affairs that
existed. It is remarkable that those benevol-
tial institutions, known as the
private banks, were able to make substan-
tial profits during the depression years.
It is interesting to note that the
profits of the trading banks between
1893 and 1946 have amounted to
£128,000,000. During the course
of two depressions and two wars,
when the bulk of the people were
engaged in struggling against adverse
conditions, these masters of finance still
maintained their profits. The profits,
amounting to £128,000,000, were paid out
to 70,000 shareholders, only 50 per cent.
of whom lived in Australia. This
Government intends to ensure that all the
profits from banking go to the 7,500,000
Australians who live in this country. The
banks have always made big profits, and
their directors have not cared about the
welfare of the great majority of the people.

Mr. Daly.

The private banks, by a system of inter-
locking directorates, have obtained control
of a great many private financial
interests throughout Australia. For in-
stance, H. G. Darling, a director of the
National Bank of Australasia, is also a
director of Imperial Chemical Industries,
Australian Iron and Steel Limited, and
Broken Hill Proprietary Company
Limited. That so called democrat, Sir
Frank Clarke, besides being a director of
the National Bank of Australasia, is also
a director of Goldsborough Mort and Com-
pany Limited, and the Australian Mutual
Provident Society, and many other in-
stances could also be cited. Thus, it is
seen that private banking interests are
everywhere linked up with other big
financial concerns such as the Australian
Mutual Provident Society and Golds-
borough Mort and Company Limited.

Mr. Anthony.—Does the honorable
member include the Australian Mutual
Provident Society among the bad finan-
cial institutions?

Mr. Daly.—At any rate, it is viciously
opposed to the Banking Bill, and the
directorate is spending the firm's money
in fighting the bill. The private banks
have always been prepared, if need be,
to wreck governments, in order to pre-
serve their own interests. It was done to
the Scullin Government, and to a Labour
government in New South Wales. To
those who say that it cannot happen
now, I point to what happened only the
other day in Victoria. As the honorable
member for Fremantle (Mr. Beazley)
pointed out, Sir Frank Clarke, in the
Legislative Council of Victoria, sank to
the lowest possible political level in order
to wreck the Victorian Government. In
June he refused to vote against the
Labour Government on a supply bill,
saying that he did not believe that it
would be right to do so. However, as a
director of the National Bank of Au-
stralia, he did not hesitate to wreck the
Government in order to preserve his own
interests.

Mr. Holt.—The honorable member
does not know him if he says that.

Mr. Daly.—I do not want to know
him.

Mr. Holt.—He supported the Labour
party's referendum proposals.
Mr. DALY.—That is probably why we lost. Sir Frank Clarke is a very rich man. He is vice-chairman of the National Bank of Australasia Limited, which has £97,000,000 of assets, and a director of the wealthy pastoral firm of Goldsborough Mort and Company Limited, which has assets amounting to £7,000,000. He was prepared to sacrifice his political integrity in order to wreck the Labour Government, so as to preserve the financial interests which he represents, which was a gross betrayal of the trust placed in him. This is the kind of democrat which the honorable member for Fawkner (Mr. Holt) admires. If he is in any way typical of the men who are supporting the re-born Liberal party, the sooner Australia is rid of such a party the better.

How is this bill calculated to give the people a measure of economic security in the event of another depression? Members of the Labour party have always thought it strange that, during the depression years from 1930 to 1935, money could not be found even in comparatively small amounts, to enable the people to keep body and soul together. The Scullin Government was wrecked because it sought authority for a fiduciary note issue for a paltry £18,000,000; yet, the day after the war broke out in 1939, the sky was the limit when it came to making credit available. This was done in order that we might win the war, and so that the nation might survive. I approve of what was then done, and I merely point out that if unorthodox financial methods were right for such a purpose, they can be no less right when the purpose is to ensure economic and social security for the mass of the people. This bill is to be regarded as a guarantee that no government of Australia shall again be held to ransom, as was the Scullin Government during the depression. It is an insurance against another depression, and will enable the purchasing power of the community to be maintained. Any government, present or future, which says to the people that money cannot be found to keep industry going, provide employment, social services, or to build homes will be seeking political annihilation. The Government sees in the campaign against this legislation a direct attack on its intention to discharge the functions of government in time of peace.

Honorable members opposite said that the bill represents an attempt to establish political control of banking. The fact is, that political control of the Commonwealth Bank was established in 1924, when the then Treasurer, Sir Earle Page, was able to effect the amendment of the Commonwealth Bank Act. Private financial interests have always played a tremendous part in the domination of governments in Australia, but by the amending legislation of 1924 there was set up a Commonwealth Bank Board directly representative of financial interests. On that board were such men as Mr. J. J. Garvan, managing director of the Mutual Life and Citizens Assurance Company Limited; Mr. R. S. Drummond, a wheat-grower; Sir Samuel Hordern, governing director of Anthony Hordern and Sons, a director of Perpetual Trustee Company of New South Wales, and a director of the Royal Insurance Company; Mr. J. Mackenzie Lees, who had been chairman of the Associated Banks in Queensland, and general manager of the Bank of Queensland; Sir Robert Gibson, a director of a number of companies; Sir Claude Reading, who had been managing director of the British Australasian Tobacco Company Limited, and a director of other companies; and Mr. A. F. Bell, a director of the Union Trustee Company of Australia. They were appointed to the bank board because of their political affiliations with the government of the day, the Bruce-Page Government. From the date of the appointment of that board the general financial policy of the Commonwealth Bank passed from the control of the Parliament to the hands of the persons whom I have named. Honorable members opposite tell us now that it is political control of finance when we propose to restore control of the currency to the elected representatives of the people. That argument will not hold water when we recall the dictation of individuals which governments which they supported appointed to the Commonwealth Bank Board.

We have heard much from honorable members opposite about the necessity for freedom of choice and competition in banking. The Leader of the Opposition
stated that this legislation denied that freedom and was an infringement of individual liberty. The only freedom which this legislation will infringe is that of the powerful financial interests to dictate the financial policy of this country to the Government, and through it to tell the people how they must live. This legislation is an attack upon the freedom of those interests to make thousands of Australians starve in peace as they did from 1930 to 1939. Under this legislation the Government will give to the people freedom from unemployment and freedom of use of their purchasing power. We shall ensure that the people shall have freedom to purchase their requirements and freedom to obtain social and economic security.

Honorable members opposite state that competition among banks is essential; but the people will be rather surprised to know that, in fact, over the years the number of banks in this country has decreased from 76 to 8 at the present time, due to amalgamations which have taken place. The people were not given any opportunity at a referendum to express their views on that development. I am interested to know whether the depositors of the banks that were eliminated in these amalgamations were consulted. Were the staffs of those banks consulted? Were they kept on by the banks which took over those that were eliminated? I am wondering how the reduction of the number of private banks from 76 to eight could increase competition among the trading banks. It is now clear from the report of the Royal Commission on Monetary and Banking Systems and from the evidence adduced by honorable members in this debate that there has never been any competition between the trading banks, but that they operate according to a gentlemen's agreement. The honorable member for Parkes (Mr. Haylen) cited the case of a man who consulted the branches of six banks in a country town for an advance and all he got for his efforts was a bill for six guineas for advice given. He did not succeed in getting any advance at all. The honorable member for Wentworth, the great upholder of private enterprise, in the course of a debate in this chamber on the 30th May, 1945, declared as reported on page 2280 of Hansard—

By giving to the Commonwealth Bank the power to enter into open and aggressive competition with the trading banks, the Government is endangering the whole of the economic system of this country.

Honorable members opposite who now want free and open competition forbade the Commonwealth Bank to go into competition with the trading banks, because they knew that as the result of such competition the trading banks would be obliged to reduce interest rates. To-day, honorable members opposite clamour for competition in banking, but, bearing in mind their past attitude in this respect, they will not “get away” with that argument. They claim that after this legislation is passed the branch manager of the Commonwealth Bank in any town will have complete control over his local community. The Prime Minister has stated clearly that provision will be made for appeals from decisions of bank managers by individuals who believe that they have a grievance. By this method such grievances will be redressed in very quick time.

I come now to the position of the employees of trading banks under this legislation. Unfortunately, in the brief time at my disposal, I shall not be able to deal with that aspect as fully as I should like. All I say to employees of the trading banks is that I, certainly, do not feel upset about their future, because the facts do not support the fears expressed by honorable members opposite with respect to their position. Full and adequate safeguards are provided under this measure, and such employees will find themselves far better off as employees of the Commonwealth Bank than they have been in the employ of the private banks. One cannot but help compare the present sympathetic attitude of honorable members opposite towards employees of trading banks with their attitude in the past towards other great bodies of employees. Almost weekly they have demanded that thousands of public servants throughout Australia should be sacked. We never heard any cries of protest from honorable members opposite when private firms were paying off their employees. At that time, honorable members opposite did not
demand that a referendum be held in order to safeguard the interests of those employees. The Leader of the Opposition, who now poses as a stalwart of the employees of private banks, did not even mention them when he spoke for nearly one hour and a half.

Under this legislation employees of private banks will be fully protected. Honorable members opposite claim that the conditions of those employees will not be safeguarded; but let us have a look at those conditions in general. In the August issue of the New South Wales Banker, the official organ of the United Bank Officers Association of New South Wales, particulars are given of the case of a bank officer who, after working for 37 years for a private bank, cannot make ends meet on the allowance now paid to him by his employers. He detailed his unavoidable weekly expenses, and the facts he supplied were used in the bank officers' statement of claim for higher allowances. That officer stated that if his wife did not go out to business he would have to give up smoking, the members of his family would not be able to go to the pictures or other amusements. If this Government could not give bank officers better conditions than that it would be indeed a sorry state of affairs. However, employees of private banks should realize that they will enjoy far better conditions in the employ of the Commonwealth Bank. I appeal to them not to be misled by the propaganda that is being pumped into them in the campaign against this legislation by financial interests which have only their own concern at heart.

The employees should not be misled by all this talk about freedom. I have here a form used by the National Bank of Australasia Limited, which is run by that so-called democrat, Sir Frank Clark. It is a copy of a confidential report which each branch manager is obliged to send to his head-office dealing with every employee under his charge. This report, by the way, is not seen by the employee concerned. In a footnote to the report bank managers are instructed to—

... include anything connected with the employee's family or habits, or his views regarding religion, politics, and social questions which should be added to above.

That is the method of the Gestapo! What chance would a Labour man have of obtaining employment with a private bank under those conditions? What has a man's religion got to do with his qualifications for a job? It is a fundamental of British justice that in such circumstances a man should never be asked his religion. Yet honorable members opposite talk about the Four Freedoms and liberty. I say that the practice of calling for reports of that character should be the subject of inquiry by the Commonwealth Investigation Branch, because it represents a direct infringement of the rights of the individual. That state of affairs will not exist among employees of the Commonwealth Bank. All employees of the Commonwealth Bank will be given "a fair go", and will be allowed full freedom within the law.

I wholeheartedly support the Government's proposal for the nationalization of banking. The Commonwealth Bank stands to-day, after facing up to very solid opposition since its foundation in 1911, as one of the most successful institutions in this country. After the trading banks have been nationalized, there will be no danger under the new set-up of discrimination against individual employees of the kind that I have mentioned. That fact is clear from the treatment meted out to employees of the publicly owned utilities, such as the railways, which give full satisfaction also to the people as a whole. The false cries of the Opposition will not be listened to by the people of this country who see in this legislation the means of safeguarding democratic principles by giving to their duly elected representatives control over financial policy and freeing them from domination by private financial interests. This legislation is in the interests of Australia and its people. Therefore, I support it.

Mr. SHEEHY (Boothby) [9.39].—I am in the unique position of having heard practically every speech delivered in the course of this debate. I propose to answer some of the points raised by honorable members opposite. They claim that the measure was introduced by the Prime Minister (Mr. Chifley) in a fit of pique
because of an adverse decision by the High Court. The Government has introduced this legislation in order to give to the elected representatives of the people in the National Parliament control of what we may call the blood resources of the country so far as finance is concerned. Honorable members opposite also claim that this proposal was not mentioned by Government candidates during the last general election campaign. The Minister for Post-war Reconstruction (Mr. Dedman) addressed a very well attended meeting at Hawthorn, in my electorate, at which this problem was discussed at some length. The people were fully aware of the powers conferred upon the Government by the Banking Act of 1945. When that legislation was before the Parliament, petitions and letters of protest against it were forwarded just as they have been in connexion with the proposal contained in this bill. The strength of the propaganda directed against that legislation by the banking institutions and vested interests was equally as great as that levelled against the bill now before us. I am convinced that electors throughout Australia realized the significance of the Banking Act of 1945, and that they appreciated the benefits it would bestow upon them. When that measure was being debated in this House I had the honour to follow the honorable member for Warringah (Mr. Spender), who claimed that the powers sought to be conferred upon the Government by that measure were very extensive and could be very greatly abused. I then stated that any government which abused powers conferred upon it by any enactment would be defeated at the following elections. Had the Government abused the powers conferred on it by the Banking Act of 1945, as the honorable member feared it would, it would not have been returned to office at the elections of 1946. Knowing full well the limitations of that legislation the people returned the Labour government to office, thereby giving it a mandate to implement its financial policy.

The Liberal party has by no means spoken with one voice on this subject. The honorable member for Wakefield (Mr. McBride), during his second-reading speech on this bill, made statements which sharply conflict with those made by another member of his party in the South Australian Parliament. In his second-reading speech the honorable member for Wakefield said—

Honorable members who sit on this side of the House can consider this proposal completely unfettered and unbiased. We are not crammed by any political philosophy on the subject of public utilities—

And these are the words I accentuate—and are not fettered by any instruction from our party, or organizations outside the party.

What a gallant statement that would have been had it been in accordance with the facts! The honorable member for Wakefield was an organizer of the Liberal party in South Australia and must have known something of how its activities are financed. In 1946 the Electricity Trust Bill was introduced into the South Australian Parliament for the purpose of nationalizing the Adelaide electricity supply undertaking. A colleague of the honorable member for Wakefield, the Liberal member for Mitcham in the South Australian Parliament, Mr. Dunks, is reported in South Australian Parliamentary Debates No. 2 of the 2nd April, 1946, at page 72, to have said—

The Chambers of Commerce and Manufactures have not an axe to grind in the matter. All they are looking for is fair play. I think members of these organizations supply a lot of the funds which enable the Liberal and Country League to exist. It is all very well for us to say that we do not care what they do or how they live, but if the people of these organizations say they are getting tired of the League and its socialistic attitude it will not get any more money from them to fight elections. Those are facts and facts are stubborn things.

That shows how free and unfettered are the Liberal and Country parties!

Mr. ARCHIE CAMERON.—The honorable member may take it from me that the chambers of manufactures do not finance the Australian Country party.

Mr. DEPUTY SPEAKER.—Order! The honorable member must cease interjecting.

Mr. SHEEHY.—If the honorable member cares to read the speech of Mr. Dunks in detail, I shall be only too happy to lend him my copy of the Parliamentary Debates. I do not intend to be led astray by his interjection from the case I propose to submit on behalf of the proposal contained in this bill, The
Prime Minister was chosen by the people to marshal the economic resources of this country in what were its darkest days of trial and tribulation. Under his guidance Australia has attained an economic position which, overseas visitors have assured us, is unrivalled by that of any other country. To-day Australia is the only country with a balanced budget.

I wish to deal briefly with the constitutional aspect of this measure. Section 51 of the Constitution, which has an important bearing upon this bill, reads—

The Parliament shall, subject to this Constitution, have power to make laws for the peace, order, and good government of the Commonwealth with respect to:

(xiii.) Banking, other than State banking—

This is what this bill seeks to achieve. The section continues—

also State banking extending beyond the limits of the State concerned, the incorporation of banks, and the issue of paper money.

Thus the proposal contained in this bill is already within the powers conferred upon the Parliament by the Constitution. In support of my argument I shall quote the opinions of two eminent constitutional authorities. In his judgment on a recent constitutional case, Mr. Justice Starke said that section 51 of the Constitution gave to the Parliament full power to make laws on banking except State banking. That is exactly what I have said. He added—

The power extends not only to those regulations which aid, foster and protect banking . . . It also embraces the making of rules which prohibit it.

Another constitutional authority, Mr. Justice Dixon, said that if there was to be a monopoly of banking lawfully established by the Commonwealth, the States must put up with it. Under God's rule, the supreme civil authority in any country is its lawful government. In Australia that authority has taken a democratic form, and unless it can govern a state of anarchy must prevail. To be able to govern, a government, regardless of its political complexion, must have control of all powerful economic and political groups.

Much has been said in the course of this debate about the 1945 banking legislation. The claim advanced by the Opposition is that that measure provides adequate powers for the control of banking. Strangely enough, those individuals in the Parliament who condemned the 1945 act when it was before the Parliament have spent the last fortnight singing its praises. I wish to refer specifically to statements made by the honorable member for Darwin (Dame Enid Lyons) and the right honorable member for North Sydney (Mr. Hughes), each of whom claimed that the Government had sufficient power under the 1945 act to control banking adequately. I do not doubt the sincerity of the honorable members in making that statement, but I recall vividly that when the 1945 measure was before this chamber, the Leader of the Opposition (Mr. Menzies) declared, in no uncertain manner, that should he ever again become Prime Minister he would repeal that act. He repeated that statement just prior to the last elections, but neither he nor any of his supporters made any mention of the matter on the hustings. How do the right honorable member for North Sydney and the honorable member for Darwin reconcile their contention that the 1945 legislation is necessary in the interests of the people of the Commonwealth with the declaration by their leader of his intention to repeal that measure should his party again occupy the treasury bench? Speaking on the 1945 bill, I said that it would enable the Commonwealth Government to act as a buffer against a depression coming to our shores from overseas. The same may be said of this measure. It is essential that the Government should have some means of controlling the finances of this country, so that the welfare of the people may be adequately safeguarded. There must be no repetition of the degradation of the depression days. I have no doubt that if a Liberal government were to return to office in this country the 1945 act would be repealed, thus leaving the banks in the same dominant position that they occupied before the war. Even if the 1945 act were not repealed, I am certain that its provisions would not be exercised by an anti-Labour administration, because members of it would take their instructions from those powerful interests.
in the community which have no wish to see that measure maintained in operation.

I come now to a remarkable statement made by the right honorable member for Cowper (Sir Earle Page), a former Treasurer of this country, who should know something about Australia's finances. The right honorable gentleman said—

Mindful of their own interests, the private banks have no such regard for the public welfare, as is undoubtedly required.

Yet honorable members opposite suggest that in bringing forward this measure the Labour party is acting under the domination of outside interests! The Opposition has claimed that this is a Communist-inspired bill. My mind can go back to some of this country's darkest days, when unemployment and intolerable living conditions made Australia a breeding ground for communism. I believe that legislation such as this will mean the death-knell of the Communist party in Australia. Within two years after the proclamation of this measure Communists will not be known in this country, because we shall be able to provide the necessities of life for the Australian people.

When the Prime Minister announced the decision to introduce this legislation, I was interviewed in Adelaide by members of the Bank Pensioners' Association. Later, I attended a meeting of members of the association at the premises of the Bank of Adelaide. I told them that I was confident that the Government would not in any way interfere with their rights or privileges. I pointed out to them that that government, which I was proud to support, had not done anything that was not beneficial to the community. I said, "Although I have no authority to speak on behalf of the Government, I believe that whatever measure is brought down to deal with banking you shall not suffer in any way". I had not then seen the bill, of course, but I was confident that its provisions would confirm my prediction, as they have done. I knew that the Government that had guided Australia through the trials of the war would not do anything detrimental to the interests of the employees and pensioners of the private banks. When the Banking Bill 1945 was being debated, all sorts of propaganda was indulged in. The officers of the private banks were told that they would be regimented and displaced. I had the opportunity of talking to many of them and told them not to listen to that propaganda, because Labour's policy was full employment and they could rest assured that they would not be in any way interfered with by that legislation. Propagandists have endeavoured on this occasion to implant fear for their future in the minds of the private bank officers, but I have told them that I am equally confident that their rights will not be jeopardized in any way. For several weeks, there has been a drive to induce private bank officers in South Australia to enter the political arena in connexion with this bill. A special meeting of the Bank Officials' Association of South Australia was called to discuss the proposed legislation. The notice convening the meeting was as follows:—

THE BANK OFFICIALS' ASSOCIATION
OF SOUTH AUSTRALIA,

SPECIAL GENERAL MEETING.

Notice is hereby given that a special general meeting will be held in the Australia Hall, 65 Angas-street, Adelaide, on Thursday, 16th October, 1947, at 7.45 p.m.

The reason for summoning the meeting is to accede to the demand of a petition of thirty-eight financial members that such be held.

Business.

1. To discuss the policy of the association as regards nationalization of banking.

2. To vote on the following motion:—"Are you in favour of the association adopting a definite policy to combat the proposed legislation to nationalize the banks?"

By order of the Committee of Management.

E. H. Cook, General Secretary.

Adelaide, 2nd October, 1947.

The meeting had a most interesting result. The South Australian Bank Officials' Journal of the 25th October states—

The result of the ballot on the question submitted was as follows:—

<table>
<thead>
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<th>No</th>
<th>Yes</th>
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<td>725</td>
<td>376</td>
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So, by a majority of nearly two to one, the officials of the private banks in South Australia expressed their complete confidence in the ability of the executive of their association to look after their interests and decided to take no political action as an association in connexion with the measure.

Mr. Sheehy.
A referendum has been demanded by opponents of this measure. When we have felt the need for enlarged powers we have held referendums, but section 51 of the Constitution gives the Government all the powers it needs to operate this legislation. The Government already has a mandate for it. The demand for a referendum is especially interesting in view of the history of the Premier of South Australia, Mr. Playford, one of the chief denunciators of the Government’s plan. At a meeting held in Adelaide to protest against the bill he said that nearly all the State’s banking was done with the Commonwealth Bank and that he had found it “an efficient and well-run institution”. The Government of South Australia has done very little banking with other than the Commonwealth Bank in the last 25 years. When Mr. Playford set out to socialize the efficient Adelaide Electric Supply Company he did not consider a referendum necessary. I ask householders in Adelaide to say whether the company did not provide a cheap and efficient service. There was no demand for the socialization of the company, but Mr. Playford decided to socialize it because it would not burn coal from the nationalized coal-mine in South Australia, for the operation of which the Australian Labour Government provided some money. He introduced the legislation for the nationalization of that company in defiance of his own party. When the party rejected the proposal he did not make it the subject of a referendum. What action did he take? He called a special session of the South Australian Parliament to deal with the measure again, and after all the lobbying and the “ear-bashing” that he gave some of the members of his party he was able then, and only then, to socialize a very efficient and well conducted service. He did not go to the people, even though his action was repudiated by his own party after he had anticipated its support. In spite of all this, he told the people last week, from the hustings in Victoria, that this bill was a communistic piece of legislation. Was he dominated by the Communists of South Australia when he socialized the Adelaide Electric supply Company? When this bill is passed, the Commonwealth Bank will not deny financial aid to the people of Australia. It will supply funds as necessary, even as the Adelaide Electricity Supply Company has continued to supply power to the Trades Hall as well as to the Liberal Club since it has been socialized. It will continue to make credit available to the people of Australia as it has always done. I ask the people of South Australia to refresh their memories. Were they asked by referendum to give their views on the socialization of a big enterprise which was providing them cheaply with an efficient service?

During World War II, the Commonwealth Bank was instrumental in advancing £400,000,000 to the Government in the interests of the liberty of Australia. Yet we are told by honorable members opposite that the liberties of the people are in jeopardy! I ask the small business men and the workers of Australia: When were they in a better economic position than they are in to-day? I claim that the sound economic situation of Australia is due solely to the wise administration of the Treasurer who has been handling the finances of the nation for the last six years. The same propaganda as was used when the Commonwealth Bank was formed in 1911 is being used to-day. It is interesting to me to be able to quote from the Adelaide Advertiser the balance-sheet of the Savings Bank of South Australia. It appears under the headlines “Savings Bank Goes from Strength to Strength—Encouraging Progress by People’s Bank”. If one people’s bank can make encouraging progress and work in the interests of the people, the Commonwealth Bank of Australia can do likewise. The Leader of the Opposition declared in his second-reading speech, “To-night I open the second battle for Australia”. It was interesting to hear the right honorable gentleman make that remark because, when a real battle for Australia was in progress, he and those associated with him fell by the wayside. It was left to my colleagues on this side of the House to marshal the resources of the nation so that we might have the liberties which we enjoy to-day. Should we have had to sue for peace with Japan because we had run out of money? Of
course not! There would have been ample finance to enable us to carry on the war for years. But my mind returns to the very dark days in Australia when we could get no finance at all for the needs of the people.

I have been surprised that protests against this measure have been made by some people who, not so many years ago, were appealing for subscriptions to blanket funds for women and children who had to sleep at night under wheat sacks. Those are the conditions that we ought to remember. In those days men were unwanted, families suffered, and children were affected by malnutrition, a fact which was reflected, when the country was again at war, in the number of men who were rejected as being unfit to serve in the armed forces. I say to the people that they should remember those evil days. The children of this country—our children and their children—have the right to live in peace and happiness. They can do so only if they have the right to work and shape their own freedom and their own salvation. We must implement at least two points of the Atlantic Charter in order to enable them to do so. Those two points provide for freedom from fear and freedom from want. If this measure gives the people freedom from fear and freedom from want, I shall consider that the Government, on this count alone, has done a magnificent job for Australia.

Mr. CHIFLEY (Macquarie—Prime Minister and Treasurer) [10.17].—In reply—Most of the matters that can be spoken of in relation to this bill have been traversed eloquently, by honorable members on both sides perhaps, and certainly by members of my own party. The debate generally has been of a fairly high standard and my colleagues have tried to put the case for the nationalization of banking on a high national plane. During the debate, both here and throughout the country, there has been a suggestion that the members of this Government bear some personal animosity towards people who are employed in private banks and, indeed, towards those who manage private banks. I want to disabuse people's minds of any such suggestion. I have had the privilege of being Treasurer of the Commonwealth for six years. During that period, this country has passed through some very difficult and trying times in which I have had assistance from a great number of officers of private banks in connexion with loan campaigns. I want always to give credit where credit is due. Those officers have given their help whenever the Government has called upon them to do so. I also have a great regard for the ability of certain men associated with private banks in very high capacities. For instance, one of the leaders of the campaign against the Government is Mr. L. J. McConnan, who, I think, at the moment is chairman of the Associated Banks of Victoria. He and Sir Alfred Davidson are very important people in the private banking world, and the honorable member for New England (Mr. Abbott) and I realized, when they were giving evidence before the Royal Commission on Monetary and Banking Systems, that they showed some knowledge of national banking.

Mr. Annon.—The right honorable gentleman was very chummy with them.

Mr. CHIFLEY.—I hope that I shall always be able to recognize a person's ability to put a case, even though I do not necessarily agree with the views that he expresses. The honorable member for New England knows that the Royal Commission on Monetary and Banking Systems appreciated the clarity of the manner in which those two gentlemen submitted the case for the private banks. However, I might add that at least two managers of private banks, who also gave evidence, were completely pathetic. While not reflecting upon them personally in any way, I do say that any statement that the knowledge which they displayed about national finance was of the kind needed to guide national affairs, would be absurd. I am sure that the honorable member for New England will agree with me that whatever our differences of opinion may have been, we were able to separate the wheat from the chaff.

I take the opportunity, before I proceed to deal with other matters, to remove the imputation that members of the Labour party and I have anything against any persons in the community because they are servants of some body which is opposing us. I deplore the fact that the
private banks themselves have attempted to use their own employees, in many instances, as hirelings to put their case against the Government's banking proposals. In my office, I have a bundle of papers which the private banks have disseminated through their employees. Much of this printed matter amounts to intimidation. It almost directed the employees what they were to do, irrespective of their personal views regarding the Government's proposals. I desire to clear that ground before I refer to some of the misstatements that have been made in this debate. I do not want any citizen of Australia to gain the impression that a Labour government, which stands for justice to all, is taking a stand that, because some body is opposed to it, the members of that group are disreputable types. Definitely, we should not be parties to anything of the kind. I realize that the employees of the private banks have to serve their masters, and no man can serve two masters. A man cannot serve the interests of this Government, and what we believe to be the national interest, and, at the same time, serve the employers who are opposing, in some cases by very dubious methods, the Government's banking proposals. The knowledge that man cannot serve two masters is not a new discovery. The great Master himself said that it was impossible.

I come now to some of the points which honorable members raised in this debate. The Leader of the Opposition (Mr. Menzies) conveyed, or seemed to convey to the House, that the challenge of the Melbourne City Council in regard to the validity of sections 18 to 22 of the Banking Act of 1945, did not mean anything. I ask one question: "Why did the Melbourne City Council, which had nothing to do with sections 18 to 22 of the act, ever mention them in its statement of claim? I can understand the challenge to section 48.

Mr. MENTZIES.—Would the right honorable gentleman like me to tell him?

Mr. CHIFLEY.—I could tell the Leader of the Opposition something about this matter.

Mr. ABBOTT.—Well, why not do so?

Mr. SPEAKER.—Order! The Prime Minister is replying to the second-reading debate.

Mr. CHIFLEY.—I shall not repeat the Leader of the Opposition's exact words, but he said that while he would not discuss the legal implications of sections 18 to 22, he would say without hesitation that no lawyer of any description— I believe that there must be many descriptions of lawyers—had inspired doubt in the mind of the Government on that point. No officer in the Government's own legal department had expressed the slightest doubt regarding the legal validity of sections 18 to 22. The Leader of the Opposition said that those sections were not doubtful, had not been challenged, and were not susceptible to challenge. I turn to the statement of claim of the Melbourne City Council in the recent High Court case. It read—

The Banking Act of 1945—
That is, the whole act—or alternatively, section 48 thereof, is beyond the powers of the Parliament of the Commonwealth of Australia, contrary to the provisions of the Constitution of the Commonwealth and is void.

So, the whole act was challenged in that case or, alternatively, section 48. The defendants were the Commonwealth Government and myself as Treasurer. In order that the Attorney-General's Department might have a clear statement on this matter, the Crown Solicitor wrote to the solicitors of the Melbourne City Council. Incidentally, I understand that the Melbourne City Council's solicitors are also the legal representatives of some of the banking companies. The Crown Solicitor wrote—

With reference to the statement of claim herein, I note that in paragraph 13 thereof sections 18 to 22 inclusive of the Banking Act are challenged as infringing section 56 of the Constitution. I should be obliged if you would furnish me with similar particulars in regard to paragraph 12 of the statement of claim, indicating what provisions of the Constitution, it is contended, are infringed by the Banking Act 1945 or, alternatively, by section 48 of the Act.

The following is an extract from the reply written by the solicitors for the Melbourne City Council—

In any case, the particular provisions of the Constitution which it will be contended are infringed by the Banking Act 1945, or alternatively section 48 thereof, are matters of
legal argument and it is not customary to give particulars in advance of what legal argument will be put to the court.

That is a complete reply to the suggestion that sections 18 to 22 were not in the original case, and that it was not intended to challenge them. However, there is a more important point. The judgments of the High Court have made it clear that, although the Parliament of the Commonwealth has power under the Constitution to legislate on banking, nevertheless, a law which is clearly a law with respect to banking can be held invalid on other constitutional grounds. So, honorable members will understand that this story does not work out in accordance with what the Leader of the Opposition has said, or partly said, because his statement was only a half statement.

Mr. MENZIES.—I quoted all that.

Mr. CHIFLEY.—A half statement, or if I may say so, without infringing the Standing Orders, a political half-truth. I understand that the Leader of the Opposition has not deliberately misled the House; but I assume that some of his advisors have not given to him correct figures and other information. I refer again to his statement that of every twelve trading accounts in Australia the Commonwealth Bank holds one and the private banks eleven, and that where there is competition between Commonwealth and State savings banks the State savings banks hold the great majority of accounts. That statement is not correct. Of the total trading accounts in Australia the Commonwealth Bank holds one in seven, not one in twelve. Trading accounts in the Commonwealth Bank total 210,000 of a total of 1,450,000. I shall mention presently some of the reasons why the Commonwealth Bank does not hold more accounts. Between June, 1899, and June, 1947, savings deposits held by the Commonwealth Bank in Victoria, South Australia and Tasmania increased by 110 per cent., whilst the deposits in State savings banks in those States increased by only 26 per cent. My purpose to-night is to show that the figures quoted by members of the Opposition are entirely misleading. The total amount of the savings bank deposits in the Commonwealth Bank increased in those States by more than 300 per cent. I emphasize that this increase occurred during a boom period. The amount of accounts in State savings banks increased by less than half that percentage.

The right honorable gentleman mentioned the taxation provisions in the bill, which, he said, were “designed to extort property by threats”. That is very violent language. He alleged that those provisions were intended “to buy off litigation, and to penalize those who stick to their guns and stand upon their rights”. I do not propose to go into the taxation provisions of the bill in any detail. Our present taxation law provides, except in the case of people dealing with shares, that when shares are acquired the accretion in value is not taxable. When the assets of any company are acquired the present taxation law applies. However, if a private bank is prepared to make a voluntary arrangement with the Commonwealth Bank, its shareholders will enjoy the same treatment in regard to taxation as applies in cases where shares are acquired. In point of fact, this provision does justice to shareholders of English banks. One cannot acquire the shares of English banks, because the great majority of those banks are incorporated in Great Britain. Since their shares are not sold in Australia, the holders of those shares are not entitled to the operation of the present taxation law, and would not receive the same treatment as shareholders of Australian banks. It is obvious, therefore, that shareholders of English banks will benefit if those banks make voluntary arrangements with the Commonwealth Bank. That is all there is to the contention of honorable members opposite. They have referred to the taxation provisions of the bill as “an attempt to extort property by threats”. As I say, if it were not for the provision in the bill which I have mentioned, shareholders of English banks would not be in as favourable a position as shareholders in Australian banks.

The right honorable gentleman then referred to the activities of the trading banks during the depression period, and he alleged that I made some “scandalously misleading statements”. He went on to speak of the figures which I had given of depression and its relation to advances made by private banks during

certain years. The figures which I quoted in my speech were in respect of the period December, 1929, to March, 1932. That period was chosen because it is usually taken to mark the interval between the onset of the crisis and the trough of the depression. In that period advances to ordinary customers, including the discount of bills, declined by £45,000,000. The Leader of the Opposition prefers to deal with the period from December, 1929, to December, 1932. That does not alter the position materially, because statistics show that even during the period which he selected advances made by the banks declined by £55,000,000. I assume that the figures which the right honorable gentleman had prepared for him include treasury-bills and government securities. Some interesting facts will emerge concerning the activities of private banks during that period. Treasury-bills were bought by the private banks from the Commonwealth Bank at a very high rate of interest, and the banks insisted on payment in cash when they demanded it. Although the private banks wanted repayment of the treasury-bills on demand, they charged borrowers very dearly for any advances which they made. The treasury-bills were actually liquid assets; they were not advances to the public. I want to tell honorable members and the people the plain truth about the position of the private banks from December, 1929, to December, 1932, the period selected by the Leader of the Opposition. Trading banks' holdings in cash, in London funds, and in treasury-bills increased during that period by £50,000,000, or nearly 100 per cent. While they were piling up these liquid assets so that they would be safe and be able to get their money "on the nail" in case of trouble, they withdrew their loans to businesses, and private individuals. The figures which bear out my statement cannot be denied.

I have not sufficient time to cover all the points mentioned by members of the Opposition, but I must pay attention to some of the matters referred to by the Leader of the Australian Country party (Mr. Fadden). Apparently he also has been given false information by some one. I select one point in his speech for reply. He said that the loss of tax if the Government takes control of the private banks will be £3,000,000 per annum. He included in that amount money which does not go to the Government in tax but goes to some one else. His statement must have been prepared by some one who does not know much about financial affairs, because the person who prepared it has apparently taken the accounts shown in the balance-sheets of the private banks and aggregated all those amounts in determining the sum on which tax is payable to the Government.

Mr. Fadden.—The right honorable gentleman has overlooked the amounts shown in land tax and pay-roll tax.

Mr. Chifley.—I have not time to answer all those queries. The total amount of income, land and other taxes shown in the trading banks' last published reports amounted to £3,000,000. What is the right honorable gentleman's answer to that? Of that £3,000,000, only £1,700,000 will be lost to the Government, because the £3,000,000 includes a lot of other things besides taxes that are paid to the Government. I do not suggest that the right honorable gentleman has had any desire to mislead the House. Some one has taken the balance-sheets of the private banks, added up all the taxes shown in their reports, and put that down as taxes which the Government will lose. The matter is only trifling, and I mention it merely in order to show how inaccurate are some of the statements that are made in this House and outside it in regard to matters of that character.

The honorable member for Indi (Mr. McEwen) got "off the rails" slightly when he spoke. There was some sense in what his leader said about the repayment of special deposits, namely, that they were placed in some respects against treasury-bills that were loaned by the Commonwealth Bank to the Government. There is some colour in that sort of statement. I assure the right honorable gentleman that there has never been any doubt about the capacity of the Commonwealth Bank to repay every penny of special deposits should it be necessary to do so at any time. On this subject, the honorable member for Indi was very confused. He asserted that special
account moneys had been invested in mortgage loans, advances to home-builders, and advances to the Australian Wheat Board and the Australian Meat Board. There is not the slightest skerrick of truth in that statement. Anybody can examine the accounts as closely as he likes, and he will find that there is not the slightest truth in it.

Mr. McEwen.—Nor will there be found in the accounts any disproof of it.

Mr. Chifley.—I give the honorable member the assurance that his statement, whoever supplied it to him, is completely incorrect.

Mr. McEwen.—The accounts do not disclose that.

Mr. Chifley.—The honorable member for Warringah (Mr. Spender) made one or two points about staff. In case there might seem to be some point in them, and somebody might read them in the wrong way, I shall reply to them. This, in brief, is what he said—

No protection whatever is given to employees of the trading banks. The Commonwealth Bank itself will decide what jobs are given to ex-employees of the trading banks employed under clause 50. Where employees are found to be surplus, they may be discharged under section 169 of the Commonwealth Bank Act. Employees of banks taken over by compulsory acquisition of shares under clause 13 of the Banking Bill will have no protection once the banks are liquidated and their assets are transferred to the Commonwealth Bank.

I shall deal with the first point mentioned by the honorable gentleman. For many years, employment in the Commonwealth Bank was not governed by any body such as the Public Service Board. In years gone by, the boys who were selected to enter the service of the Commonwealth Bank were very carefully chosen. The sons of workers, such as railwaymen, did not have much chance of gaining entry to the bank's service. They could have leaving certificates; but if their fathers did not happen to be members of the local bowling club or golf club, which were a little more exclusive in those days, they did not gain entry into the Commonwealth Bank's service. The present Government provided for a competitive examination, so as to ensure that those who joined the service of the Commonwealth Bank did so on their merits, and not because of the social standing of their families. I am not making any accusation against the present Governor of the bank. The local branch manager made the recommendation. That practice was continued for a long time. In one instance, a son of a labourer in a town twice passed the leaving certificate examination, which is an examination of very high standard in New South Wales. He was an applicant for appointment to the bank, but did not get the position, which went to the son of another individual in the town who occupied a position of fair standing in the community, yet that lad had just “scraped through” the intermediate certificate examination. The two fathers were friends. That is what happened long ago. Entry to the Commonwealth Bank's service now is by merit.

There are some points in the speech of the honorable member for Warringah which I think ought to be replied to. I believe that I ought to deal with his statement about compulsory share acquisition under clause 13. If the honorable member will examine clause 49, he will see that provision is made for the employees of the banks that come under that clause as well as of the banks initially taken over by agreement under clause 22. They are to be given full protection in the employ of the Commonwealth Bank. In this instance, the honorable member for Warringah put his case reasonably fairly, and he was entitled to a reply.

The provision in relation to redundant employees in the service of the Commonwealth Bank has been taken from the Public Service Act. It is perfectly clear that in this legislation we are giving an undertaking that those employees shall be protected. By a wide stretch of the imagination it could be suggested that either the Government or the bank would, after taking over employees and employing them for twelve months, declare them redundant under what will be section 169. But the fact of the matter is that the Commonwealth Bank has been expanding at such a rate that it cannot obtain a sufficient number of employees for the work that it now has to do. It has taken on over 1,000 young men in the last twelve months.
As the honorable member for Warringah referred to section 169 of the Commonwealth Bank Act, I now inform him that that legislation will come up for revision before long. If there is anything in the honorable member's contention, an amendment of section 169 can then be made.

During the debate a good deal has been said about the holding of a referendum. Among those who advocated such a course was the right honorable member for Cowper (Sir Earle Page). I mention him specially because of his record in connexion with referendums. That record is worth reading to the House. On the 11th September, 1929, the right honorable member for North Sydney (Mr. Hughes) moved an amendment which led to the defeat of the Bruce-Page Government. The report of the then Prime Minister, Mr. Bruce, on behalf of the defeated Government, to the Governor-General makes interesting reading. The right honorable gentleman wrote—

In committee an amendment was carried by a majority of one declaring that the bill should not be brought into operation until it had been submitted to the people at a referendum or at a general election. The Constitution makes no provision for a referendum of this description and the Commonwealth Government has no power to pass effective legislation.

Mr. McEwen.—Then why did the right honorable gentleman vote for the amendment?

Mr. Chifley.—A man uses all sorts of weapons in the political game when he votes. We have had some striking instances of that kind of thing in this House, as, for instance, when the honorable member for Reid (Mr. Lang) and the honorable member for Wide Bay (Mr. Corser), who is the whip of the Australian Country party, have voted together so often, notwithstanding their widely different views on many subjects. That is what Mr. Bruce, speaking for the Bruce-Page Government, wrote to the Governor-General.

Mr. Harrison.—Did the right honorable gentleman get a copy of the letter from Mr. McKell?

Mr. Chifley.—I leave that matter there.

Reference has been made during the debate to the Commonwealth Bank not expanding. If we study the history of the Commonwealth Bank we shall find that honorable members opposite, or their predecessors who, perhaps, were even more conservative in those days than are the present occupants of the Opposition benches, prevented the Commonwealth Bank from competing with the trading banks. I call the honorable member for New England as my witness that, when giving evidence before the Royal Commission on Monetary and Banking Systems, Sir Ernest Riddle was asked whether the Commonwealth Bank competed with the private banks. It must be remembered that Sir Ernest was on oath, but he had no hesitation in saying that the Commonwealth Bank did not go out in open competition with the private trading banks. When questioned further, he admitted that managers of branches of the Commonwealth Bank had been spoken to when they sought to get accounts transferred from trading banks, and that the trading banks had got in touch with the Commonwealth Bank Board.

Mr. Abbott.—Tell us the reason.

Mr. Chifley.—The reason was that he was treating the Commonwealth Bank merely as a central bank. That does not take anything from my point, namely, that the policy of previous governments was that the Commonwealth Bank was not to compete with the private banks. Sir Ernest Riddle made it clear, when giving evidence on oath, that previous governments had adopted that policy. The implementation of the policy was placed in the hands of a board, nearly all the members of which were tied up with the big financial institutions of this country. In saying that, I do not impute that they were in any way dishonest. That, however, was the character of the Board in control of the Commonwealth Bank. That is why the Commonwealth Bank did not expand until 1945, when legislation was introduced to provide that there could be an expansion of the Commonwealth Bank, and that all sections of the community should be entitled to transact with that institution all kinds of banking business.
Mr. Abbott.—Why did the other banks also expand?

Mr. Chifley.—Had the Commonwealth Bank been able to build branches and obtain staff during that period, the figures that I have already cited would have been trebled.

Another statement made by the right honorable member for Cowper—it is not of great importance—was that the only two countries in which the banks had been nationalized were Argentina and Russia. Apparently, he had never heard of France.

Mr. Abbott.—I quoted from the French Government Gazette to show that the banks of France had not been nationalized.

Mr. Chifley.—It would appear also that those who spoke of Argentina and Russia in this connexion had never heard of Czechoslovakia, and did not know that the Bank of England had been nationalized. I ask honorable members opposite whether a proposal to nationalize the Bank of England would have had the support of the United Kingdom Government ten years ago.

Mr. Abbott.—What about the McMillan report?

Mr. Chifley.—I have not time now to deal with that matter, although I could say a great deal about it. I am grateful to the House for listening to me patiently, and I do not propose to trespass on the indulgence of honorable members by going over that ground. I shall tell the House, however, of what happened in 1924 when Mr. Neville Chamberlain was Chancellor of the British Exchequer. He then made it perfectly clear to the Bank of England that it had to carry out the policy of the government of the day. The honorable member for New England knows that.

Mr. Abbott.—I also know—

Mr. Speaker.—If the honorable member for New England does not know what the Standing Orders provide, I shall give him a lesson.

Mr. Chifley.—Although the Bank of England was recently nationalized, that fact has not been mentioned by Opposition members during this debate. I emphasize that the reason why the Commonwealth Bank has not expanded is that it has been sabotaged by conservative governments. The history of that institution shows that the predecessors of honorable members opposite—men of the same political ilk—opposed its establishment and its expansion, and at all times have tried to stultify it in every way possible. The legislation of 1924 placed the Commonwealth Bank entirely in the hands of private financial interests. The Commonwealth Bank never had an opportunity to expand until after the passage of the Banking Act in 1945.

I have been asked why the Government goes on with this proposal for the nationalization of banking. I have given some of the reasons. The Government believes, as it has already said, that so vital is banking to the economic and financial policy of the country that it is essential that it should be under the control of the people themselves. It is of no use for honorable members opposite to attribute the action of the Government to pique. We are not moved by hatred of individuals. We are not moved to attempt the nationalization of banking because we want to control other activities and industries. Our action has nothing to do with that at all. This action of the Government springs from one thing only within the Labour party, and it is a fundamental thing—the love of humanity itself. [Extension of time granted.] Honorable members opposite may sneer at that remark. It is true that we, being human, may sometimes be mistaken; but let it not be forgotten that there is a light on the hill which guides the movement of which we are members. The light towards which we are striving is the well-being of the toiling members of the community.

Mr. Francis.—The Labour party has no monopoly of that.

Mr. Harrison.—The only difference between the Labour party and the Opposition in that regard is that the Labour party's light is pretty red.

Mr. Chifley.—Many governments have been in power since federation, but the Labour Government, in six years, has done more to improve social services in Australia than all the governments that went before. That is a practical
demonstration of the solicitude of the Government for the welfare of those who are unable to help themselves. All through the ages there have been in every community—I suppose it is a part of human nature—a section which, within or without the law is prepared to exploit the mass of the people—who constitute the economic pivot upon which the nation turns. Henry Wallace referred to them as the common man and woman who make the world work. It is not the bank directors, or the newspaper barons, who employ hirelings to write, not what they believe, but what their employers think; it is not even politicians who play their brief part as they walk across the stage—it is none of these who make the world work; it is the ordinary, common man, the butcher, the baker, and the people who go down into the mines, and work on the wharfs. Our care and solicitude is for people like that, but with justice for all. That is the guiding star of the Labour party, and we make no apology for it. Everything that conservative governments have done in the way of improving social services has been merely a following in the wake of the Labour movement.

Mr. Francis.—We initiated all the social services.

Mr. Chifley.—Whenever conservative governments have introduced social service benefits it was only under tremendous pressure, and in response to feeling aroused by members of the Labour party in preaching for better conditions for the people. Conservative governments introduced social services because they hoped to catch votes, because they knew that if they lagged too far behind, they would go into complete political oblivion.

I know that there are always to be found among the ranks of those who may be described as conservative some who will weep crocodile tears over the workers. They are full of solicitude for the workers, but while they express that solicitude they spend their time junketing with members of the privileged classes, and in fawning upon them. The Labour party does not pretend to do more than give justice to every section of the community.

Behind this banking proposal is the vital determination of the Labour party to do something for the welfare of the community. We have only to cast our minds back to other days, when tens of thousands of the people were deprived of the necessaries of life. Even as a small child, I can remember the depression of the 'nineties, and the farmers near where I lived who were desolated and grief-stricken at the closing of the banks. They had no guarantee of ever being repaid their deposits. In some instances, the deposits never were paid, and in other instances they were converted into interminable deposits. And yet people talk of repudiation! We move on then to the 1930's, and there is not one man, be he an economist or not, who will now defend the economic policy which was applied in 1930. Consider what happened even in regard to the New South Wales Government Savings Bank, the responsibility for which is placed by honorable members opposite on the honorable member for Reid (Mr. Lang), who was then Premier of New South Wales. I very seldom defend the honorable member for Reid; but I can at least say that what started the rush on the New South Wales Savings Bank was the people associated with Mr. Stevens, now Sir Bertram Stevens.

Mr. Abbott.—That was not the conclusion reached by the Royal Commission on Monetary and Banking Systems.

Mr. Chifley.—I do not say that the honorable member for Reid did not make his contribution to the trouble. The honorable member for New England had an opportunity to see the letters, sponsored by Sir Bertram Stevens, which started the fear complex among the people of New South Wales.

Mr. Abbott.—Let the Prime Minister read the whole of the report.

Mr. Chifley.—I should not mind doing that if I had the time. We can all remember the things that happened in 1930. We have seen people crowded at factory gates in their thousands trying to get one job; we have seen people at police stations to collect the dole of 5s. 6d. or 8s. 6d. a week. We do not want those conditions to occur again. We do not say that the depression could have been avoided by monetary action. What we do know is that the misery and suffering of hundreds of thousands of men, women and children in this country could have
been mitigated to a large degree had proper monetary action been taken. That is the answer to those wiseacres who go round to-day whispering among the people. In some cases, those things happened because of financial stupidity; but in other cases, they happened because of financial cupidity. We do not want the conditions of the depression to recur. In any emergency in the future we do not want to be obliged to go to the High Court to find out something when some crisis is happening; we want to ensure that the government of the country shall be in a position to apply through its agent, the Commonwealth Bank, the financial and monetary policy that will prevent, so far as monetary policy can prevent, the sort of thing that happened in the days of the depression.

Mr. BERNARD CORSER.—The right honorable gentleman is creating a depression.

Mr. CHIFLEY.—There is not an economist in this country, including Professor Copland, who, to-day, is prepared even to attempt to defend the policy pursued in 1930.

I repeat that there is a fundamental driving force behind the Labour party. It does not shed crocodile tears or indulge in political hypocrisy in matters of this kind. I do not pretend for one moment that the Labour party is always right; but the driving force always behind it is that the great mass of the people should get a "fair go". They did not get a "fair go" in the 'thirties or the 'nineties. I want honorable members and the people to realize that political success is not everything to us. I, myself, have suffered many political vicissitudes. I have experienced politics both ways. This party is not inspired. It does not need the inspiration of Communists, or Fascists, to enable it to go on with its work of advocating the things that are best and fairest for all our people. It has been doing that for a long time; in fact, throughout the whole of its political life. I, personally, did not need any Communist, or Fascist, to inspire me to write my minority report as a member of the Royal Commission on Monetary and Banking Systems twelve years ago. I was not then a politician, but just a private citizen of this country. So much for the charge that the Communists have influenced the Government in introducing this legislation, and that it is being enacted to do something other than it purports to do. It has no relation at all to any of the things which have been poured into credulous ears by people who are endeavouring to create a fear complex.

Mr. ANTHONY.—What about the right honorable gentleman’s pledge?

Mr. CHIFLEY.—What about the pledge of the Leader of the Opposition? I had hoped at the last general election campaign to see placarded throughout the country his pledge that if returned to power he would again place the Commonwealth Bank under a board of directors. I invited him to repeat his pledge during the last general election campaign; and I hope that he will repeat it.

In conclusion, I repeat that the Labour party brings this measure before the House and the country, actuated by no other motives than those expressed in my second-reading speech and in the bill itself. We bring this bill forward for one purpose only—the good of the nation as a whole.

Question put—
That the bill be now read a second time.

The House divided.

(MR. SPEAKER—HON. J. S. ROSEVEAR.)

Ayes ... ... ... 40
Noes ... ... ... 27
Majority ... ... ... 13

Ayes.


Tellers:

Fuller, A. N. Sheehan, T.
Ons.  
Abbott, J. F.  
Adorman, C. F.  
Anthony, H. L.  
Bowen, G. J.  
Cameron, Archie  
Davidson, C. W.  
Fadden, A. W.  
Falkinder, C. W. J.  
Francis, J.  
Guilett, H. B. S.  
Hamilton, L. W.  
Harrison, E. J.  
Holt, H. E.  
Hove, J. B.  
Hughes, W. M.  
Hutcheson, W. J.  
McBride, P. A.  
McKean, J.  
Menzies, R. G.  
Page, Sir Earle  
Rankin, G. J.  
Ryan, R. S.  
Spender, F. C.  
Turnbull, W. G.  
White, T. W.  
Corser, Bernard  
McDonald, A. M.  

Tellers:  
James, R.  
Beale, H.  
Scullin, J. H.  
Lyons, Dame Enid  

Question so resolved in the affirmative.  
Bill read a second time, and committed pro forma; progress reported.

PAPERS.  
The following papers were presented:—  
Commonwealth Public Service Act—Appointment—Department of Labour and National Service—E. C. Hing.  
Lands Acquisition Act—Land acquired for Defence purposes—Charters Towers, Queensland.  
Seal of Government Acceptance Act and Seal of Government (Administration) Act—Ordinance—1947—No. 10—Canberra Community Hospital (No. 2).  

House adjourned at 11.22 p.m.

ANSWERS TO QUESTIONS.  
The following answers to questions were circulated:—  
SHIPPING: MARYBOURGH AND TASMANIAN SERVICES.  
Mr. Dedman.—On the 4th November the honorable member for Wide Bay (Mr. Bernard Corser) asked a question concerning a direct shipping service from Sydney to Maryborough, Queensland.

The Minister for Supply and Shipping has supplied the following information:—  
It is correct that the last vessel to arrive at Maryborough direct from Sydney was Bingers, on 28th July last, but the vessel Babinda subsequently made a voyage from Port Kembla and Newcastle to Maryborough without calling at Sydney. Maryborough's requirements have been met, as they are normally and usually met, by shipments from Brisbane. The statement made by the Minister for Post-war Reconstruction, that the Commonwealth no longer controls interstate shipping was correct, as derequisitioning of interstate vessels which began on 18th August last was completed by the end of September except for four vessels and these were derequisitioned in October, the two vessels mentioned were handed back to the owner, the Australian United Steam Navigation Company Limited: Babinda on 28th August, and Bingers on 10th September. Prior to the war the practice of interstate shipowners was to have cargo for Maryborough trans-shipped at Brisbane, with the exception of cargo carried on two small vessels from various New South Wales ports to Queensland outlets. To relieve the port congestion at Brisbane during the war the Shipping Control Board (later the Australian Shipping Board) arranged for direct shipments to be made from Sydney to Maryborough as vessels were available, and this system was continued after the war for the period interstate shipping was controlled by the Commonwealth. With the advent of derequisitioning, the interstate shipowners have reverted in the main to the pre-war practice of transhipping cargo at Brisbane and the following sailings have been made from Brisbane to Maryborough since that date:—  
Bingers left Brisbane 12th September.  
Babinda left Brisbane 20th September.  
Babinda left Brisbane 30th September.  
Babinda left Brisbane 8th October.  
Babinda left Brisbane 15th October.  
Babinda left Brisbane 25th October.  

However, direct sailings have been arranged for Babinda, now at Newcastle, to load for Maryborough and Bingers due at Sydney about the 15th November to load for Maryborough.

Mr. Falkinder asked the Minister representing the Minister for Supply and Shipping, upon notice—  
1. What stage have the negotiations reached between the Government and Tasmanian Steamships concerning the future of the Bass Strait steamer Nairana?  
2. If Nairana is not restored to the service between Tasmania and the mainland, what steps does the Government propose to encourage resumption of a satisfactory shipping service across the Strait?  

Mr. Dedman.—The Minister for Supply and Shipping has supplied the following information:—  
1. The company has submitted proposals to the Commonwealth Government with a view
to the retention of the vessel in the Bass Strait trade. These proposals are at present under consideration and the question is being actively pursued.

2. Until a decision is reached in respect of the retention of *Nairana* no indication can be given of the Government's intentions in respect of the Bass Strait service. In the meantime Tasmanian Steamers Proprietary Limited, are running *Taroona* in this service.