

first fourteen months of hostilities, ten naval vessels of various types were laid down in Australia, including a destroyer and patrol vessels. Two vessels were completed, and two were undergoing trials. Preparatory work was begun on a further ten naval vessels of various types, and others were ordered. Additional establishments began shipbuilding operations, and a few months later two additional vessels were completed. Surely that was a practical indication of the government's regard not only for Australia's naval defence but also for the shipbuilding industry.

In the first ten months of the war, 22 Australian Imperial Force camps were established, whilst militia camps were set up at 36 centres. The approximate cost of constructing the camps was as follows:—

Australian Imperial Force camps	£ 1,880,312
Militia	1,254,178
Garrison battalion schools	237,238
	<hr/>
	3,371,728

In a national broadcast on the 16th June, 1940, the then Prime Minister (Mr. Menzies) announced the Government's decision to provide a land force of 250,000 for home defence. To fulfil that objective, an additional 80,000 to 90,000 men were required. Extensive camp accommodation additional to that already available was needed for the home defence force, and the Government set aside £2,000,000 for the purpose. At the same time, the Department of the Army investigated new camp sites in each State, and worked out a schedule of camps which provided accommodation for 250,000 troops of the Home Defence Force.

Australia was one of the four partners in the Empire Air Training Scheme. An agreement was reached between the parties at a conference held at Ottawa. Australia's organization for this scheme was well up to schedule, and the Government produced its quota of air crews in the time fixed under the agreement. In June, 1940, Australia had attained a high degree of efficiency in the production of munitions. Its factories could produce modern munitions and equip-

Mr. Bernard Corser.

ment not only for its own requirements but also to fulfil orders for Great Britain and other parts of the Empire. The rate of production of small arms and munitions was four times greater at the end of May, 1940, than it was in April, 1939, that is to say, an increase of 400 per cent. in thirteen months. In the period April, 1939, to May, 1940, the rate of production of gun ammunition increased as follows:—

Shells—Rate of production fifteen times greater.  
Bombs—Rate of production 25 times greater.  
Depth charges—Rate of production twenty times greater.  
Cartridge cases—Rate of production four times greater.  
Fuses and primers—Rate of production seven times greater.

The rate of output of rifles was fifteen times greater at the end of May, 1940, than it was in April, 1939, whilst the rate of output of machine guns was six times greater. The Bren gun, which was a most complex weapon, was made here. All of the 23,973 gauges and many of the tools required in its manufacture had to be made in England. Early in 1940, the Government decided to build at a cost of £300,000 a factory to make 25-pounder guns. The Menzies Government decided also to produce the famous 2-pounder anti-tank gun. After the Menzies Government assumed office in April, 1939, capital expenditure of more than £14,000,000 was authorized for new government munitions establishments and extensions to existing factories as follows:—Two new gun factories, three new explosives factories, one new cart-ridge-case factory, and one new small arms ammunition factory. The capacity of the machine gun factory, explosives filling factory, shell factory and storage and magazine areas were to be doubled. In April, 1939, no munitions annexes were in production, but by June, 1940, 25 had been established. All that work was planned and done long before the Labour Government took office late in 1941.

After Germany invaded the Low Countries, it became difficult for Great Britain to fulfil all our orders for aircraft. Therefore, other sources of supply were investigated, particularly the

United States of America, and additional new orders were placed in Australia. For example, an already large order for Wirraway aircraft was increased to a total of 811, the additional order representing an expenditure of £3,000,000. Workshops in New South Wales, Victoria and South Australia were prepared for the manufacture of air frame components for the Beaufort bomber. Those achievements constituted an excellent record which was not exceeded by the Labour Government.

This debate has revealed the extent to which this Government lacks ideas for giving people an opportunity to develop the latent wealth of Australia by relieving them of the heavy burden of war taxation. I hope that in the near future, the people will elect a government which will provide relief from heavy taxes and enable the country to develop as nature intended that it should.

Mr. CHIFLEY (Macquarie—Prime Minister and Treasurer) [1.30 a.m.]—*in reply*—I propose to reply to some of the observations that have been made during the debate. I ask leave to continue my remarks at a later date.

Leave granted; debate adjourned.

#### AUSTRALIAN NATIONAL UNIVERSITY BILL 1946.

Bill returned from the Senate without amendment.

#### OVERSEAS TELECOMMUNICATIONS BILL 1946.

Bill returned from the Senate with amendments.

#### PAPERS.

The following papers were presented:—

Commonwealth Public Service Act—Appointment—Attorney-General's Department—  
I. H. Green.  
Seat of Government Acceptance Act and Seat of Government (Administration) Act—Ordinance—1946—No. 7—Industrial Board (No. 2).

House adjourned at 1.32 a.m. (Friday).

## ANSWERS TO QUESTIONS.

The following answers to questions were circulated:—

ARMED FORCES: PUBLIC RELATIONS OFFICERS; DEMOBILIZATION; REPORTING OFFICERS ORGANIZATION; DETENTION CAMPS.

Mr. RANKIN asked the Acting Minister for Defence, upon notice—

1. Are any public relations officers now maintained outside Australia by (a) the Navy, (b) the Army, and (c) the Air Force?
2. If so, what are their (a) names, (b) ranks, and (c) salaries?
3. What are their duties?

Mr. FORDE.—The answers to the honorable member's questions are as follows:—  
1. The number of public relations officers maintained outside Australia is as follows:—(a) Navy, one; (b) Army, one; (c) Air Force, one. These figures do not include members of the Australian Forces employed on the staff of *British Commonwealth Occupation News*, the service newspaper produced in Japan for issue to members of the British Commonwealth Occupation Force.

2. (a), (b) and (c). The names, ranks and pay, &c. of the officers referred to in No. 1 are as follows:—

Navy.—Name—Lieutenant-Commander G. Rawson. Pay—Active pay, 35s. 6d.; deferred pay, 3s.; total, 40s. 6d. per day (sterling). London allowance, 20s. 8d. per day (sterling). Marriage allowance, 4s. 6d. per day (sterling).

Army.—Name—Lieutenant. (Temporary Captain) J. H. Morrison. Pay—Active pay, 20s. 6d.; field allowance, 3s.; exchange allowance, 2s. 2d.; deferred pay, 4s. 6d.; total, 30s. 2d. per day (Australian). Dependent's allowance, 4s. 6d. per day (Australian).

Air Force.—Name—Flying Officer. J. Evans. Pay—Active pay, 16s. 6d.; field allowance, 3s.; exchange allowance, 2s. 3d.; deferred pay, 3s. 6d.; total, 25s. 3d. per day (Australian).

NOTE.—The Army and Air Force officers receive rations and quarters in kind.

3. Lieutenant-Commander Rawson, who is stationed at Australia House, London, is primarily engaged in historical research in connexion with the production of the War History. He also carries out public relations duties as an additional function. Lieutenant (Temporary Captain) Morrison is attached to 34th Australian Infantry Brigade in Japan. His duties are to assist correspondents in the British Commonwealth Occupation Force Area in obtaining information regarding activities of the Australian component of the British Commonwealth Occupation Force. Flying

this bill is merely the forerunner of further steps in this direction, and that it will soon be possible to embark on a plan which will ultimately achieve the entire removal of the means test from invalid and old-age pensions. Not only will this assure that state of social security which we hear so much about to-day, but it will undoubtedly serve to encourage thrift and stimulate the will to work.

Question resolved in the affirmative.

Bill read a second time, and reported from committee without amendment or debate; report adopted.

Bill—*by leave*—read a third time.

#### WIDOWS' PENSION BILL 1946.

##### SECOND READING.

Debate resumed from the 12th July (*vide* page 2461), on motion by Mr. HOLLOWAY—

That the bill be now read a second time.

Mr. MENZIES (Kooyong)—Leader of the Opposition [10.50].—I do not propose to detain the House by debating this measure. I repeat by reference what I said on the question of principle on a former bill; but, assuming the principle, the amendments provided in this bill are such as will commend themselves to all honorable members.

Question resolved in the affirmative.

Bill read a second time, and reported from committee without amendment or debate; report adopted.

Bill—*by leave*—read a third time.

#### OVERSEAS TELECOMMUNICATIONS BILL 1946.

*In committee* (Consideration of Clause amendments):

This Act is divided into parts, as follows:—  
Part I.—Preliminary.  
Part II.—The Overseas Telecommunications Services.

Division 1.—Establishment and Constitution of the Overseas Telecommunications Commission (Australia).

*Senate's Amendment No. 1.*—After "Division 1.—Establishment and Constitution of the Overseas Telecommunications Commission (Australia)", insert "Division 1A.—The Service of the Commission."

terms and conditions of employment (including conditions with respect to punishment for breaches of discipline) as are determined by the Commission.

(12.) Notwithstanding anything contained in this section, any other employee of the Company or any employee of Cable and Wireless Limited who, at the date of acquisition by the Commission of the tele-communication assets referred to respectively in sub-sections (1.) and (2.) of section twenty-three of this Act, is exclusively or mainly engaged in Australia in or in connexion with telecommunication services and has been so exclusively or mainly engaged for a period of three years, and for whom the Commission can find suitable employment shall be entitled to a position in the service of the Commission with such status and salary and under such conditions as the Commission thinks just:

*Senate's Amendment No. 4.*—Sub-clause (3.), leave out "a clerical", insert "an".

Motion (by Mr. CALWELL) agreed to—That the amendment be agreed to.

*Senate's Amendment No. 5.*—Sub-clause (8.), leave out "section", insert "Division".

Motion (by Mr. CALWELL) agreed to—That the amendment be agreed to.

*Senate's Amendment No. 6.*—Sub-clause (8.), leave out "(including conditions with respect to punishment for breaches of discipline)".

*Senate's Amendment No. 7.*—Sub-clause (12.), leave out "and has been so exclusively or mainly engaged for a period of three years".

Mr. CALWELL (Melbourne)—Minister for Immigration and Minister for Information [11.2].—I move—

That the amendments be agreed to.

Following representations by the honorable member for Warringham (Mr. Spender), I gave an undertaking that the provision in clause 18 (11.) of the bill as originally presented, stipulating that employees of the two companies should have completed a qualifying period of three years on telecommunication work before entitling them to employment in the commission's service, would be reconsidered and, if thought desirable by the Government, deleted at a later stage. The honorable member for Warringham referred to circumstances under which this particular provision could operate unjustly against certain employees of the companies as, for example, those who had been engaged on war service. He also contended that persons who had been employed by the companies for

Question resolved in the affirmative.

Clause 18—

(8.) A person shall not be appointed to a clerical office in that Service unless he has in open competition successfully passed the prescribed entrance examination:

(8.) Officers appointed by the Commission shall, subject to this section, be subject to such

less than three years might reasonably be entitled to some consideration.

Mr. HARRISON.—The Minister has apparently overlooked the fact that I dealt with that very matter at considerable length in my second-reading speech.

Mr. CALWELL.—If the honorable member wishes to back in the reflected glory of other honorable members I have no objection. I note his protest against being overlooked in my acknowledgements. The honorable member for Warringham dealt with the matter in the committee stage. Reference was also made to it by the honorable members for Moreton (Mr. Francis) and Adelaide (Mr. Chambers), and other honorable gentlemen. Re-consideration of this matter by the Government has led to the conclusion that, in order to obviate any possibility of injustice to the employees affected, the stipulation should be deleted from the sub-clause in question, now renumbered 18 (12.). An amendment to this effect was accordingly passed in the Senate.

Question resolved in the affirmative.

*Senate's Amendment No. 8.*—Sub-clause (12.), after "conditions", insert "(subject to this Division)".

Mr. CALWELL (Melbourne)—Minister for Immigration and Minister for Information [11.4].—I move—

That the amendment be agreed to.

This addition is necessary following the insertion of new clauses 18A to 18P and the inclusion of all provisions relative to staff under a separate Division of Part II. of the bill.

Question resolved in the affirmative.

*Senate's Amendment No. 9.*—After clause 18, insert the following new clauses:—

"18A.—(1.) The Commission may, from time to time, create any position in the Service of the Commission and may abolish any such position.

(2.) The Commission may, from time to time, reclassify any position in the service of the Commission by raising or lowering the salary, or the range of salary, applicable to the position.

(3.) Whenever any position is reclassified the position shall be deemed to be vacant.

"18B. The Commission may transfer or promote an officer to fill a vacant position in the service of the Commission.

"18C.—(1.) In the selection of an officer for promotion to a vacant position, consideration shall be given first to the relative

## [REPRESENTATIVES.] Telecommunications Bill 1946.

efficiency of the officers available for promotion and, in the event of equality of efficiency of two or more officers, then to the relative seniority of those officers.

(2.) For the purposes of this section—  
 (a) 'efficiency' means special qualifications and aptitude for the discharge of the duties of the position to be filled, together with merit, diligence and good conduct, and, in the case of an officer who has at any time been engaged on war service, includes such efficiency as, in the opinion of the Commission, the officer would have attained but for his absence on war service; and  
 (b) the seniority of officers shall be determined as prescribed.

18b.—(1.) The promotion of an officer to a vacant position shall be provisional and without increased salary pending confirmation of the promotion, and shall be notified in the prescribed manner, and shall be subject to appeal as provided by this section.

(2.) Any officer who considers that he should have been promoted to a vacant position in preference to the officer provisionally promoted, may appeal to the Promotions Appeal Board on the ground of superior efficiency or equal efficiency and seniority.

(3.) The regulations may prescribe the manner in which, and the time within which, appeals may be made under this section.

(4.) Upon any such appeal being made the Promotions Appeal Board shall make full inquiry into the claims of the appellant and those of the officer provisionally promoted and shall determine the appeal.

(5.) Where the appeal is upheld the appellant shall be promoted to the vacant position and the provisional promotion shall be cancelled.

(6.) Where the appeal is disallowed, or where no appeal is lodged within the prescribed time, the provisional promotion shall be confirmed.

(7.) Notwithstanding anything contained in this section, the Commission may, at any time after notification has been made of a provisional promotion to a vacant position, and before the promotion has been confirmed, cancel the provisional promotion if the Commission is satisfied that the position is unnecessary or can be filled by the transfer of another officer, or that in the circumstances notification or further notification of the vacant position is desirable.

(8.) The powers of the Commission under the last preceding sub-section may be exercised whether an appeal has been made or not.

18c.—(1.) For the purposes of this Division, there shall be an Overseas Telecommunications Commission Promotions Appeal Board (in this Act referred to as 'the Promotions Appeal Board').

Mr. Calwell.

(2.) The Promotions Appeal Board shall consist of—

(a) a Chairman, who shall be appointed by the Governor-General and shall hold office on such terms and conditions as the Governor-General determines;

(b) an officer appointed by the Commission; and

(c) an officer elected by the officers of the Commission in the prescribed manner (in this section referred to as the 'officers' representative').

(3.) The officers' representative shall hold office for such period as is prescribed but shall be eligible for re-election.

(4.) The officers of the Commission may, in the prescribed manner, elect a deputy of the officers' representative and the deputy so elected shall hold office for such period as is prescribed but shall be eligible for re-election.

(5.) A deputy so elected may, in the event of there being a vacancy in the office of officers' representative, or in the event of the absence of the officers' representative (whether in pursuance of a direction given under the next succeeding sub-section, or through illness or otherwise), attend and vote at meetings of the Promotions Appeal Board, and, when so attending and voting at a meeting, shall, for the purposes of sub-section (7.) of this section, be deemed to be a member of the Promotions Appeal Board in lieu of the officers' representative.

(6.) Where the Chairman of the Promotions Appeal Board is of opinion that the officers' representative is personally interested in, or affected by, any question to be considered at a meeting of the Promotions Appeal Board, the Chairman may direct that the officers' representative shall absent himself from that meeting while that question is considered and decided.

(7.) Where, at any meeting of the Promotions Appeal Board, the members are divided in opinion on any question, that question shall be decided according to the decision of the majority.

18f.—(1.) Every officer who has attained the age of sixty years (or, in the case of a female officer, fifty-five years) shall be entitled to retire from the Service of the Commission if the officer desires to do so, but any such officer may, subject to this Division, continue in the Service of the Commission until the officer attains the age of sixty-five years (or, in the case of a female officer, sixty years).

(2.) If any officer continues in the Service of the Commission after the officer has attained the age of sixty years (or, in the case of a female officer, fifty-five years), the officer may at any time before attaining the age of sixty-five years (or, in the case of a female officer, sixty years) be retired by the Commission from the Service of the Commission.

(3.) Every officer shall, on attaining the age of sixty-five years (or, in the case of a

female officer, sixty years), be retired by the Commission from the Service of the Commission.

18g.—(1.) If at any time the Commission finds that a greater number of officers is employed than is necessary for efficient working, any officer whom the Commission finds is in excess may be transferred to such other position of equal classification as the officer is competent to fill, and, if no such position is available, the officer may be transferred to a position of lower classification.

(2.) If no position is available for the officer, the Commission may retire him from the Service of the Commission.

(3.) An officer shall not be retired from the Service of the Commission under this section unless he has been given one month's notice or is paid salary in lieu of notice.

18h.—(1.) A married woman shall not be appointed to the Service of the Commission except in special cases.

(2.) Every female officer shall cease to be an officer on her marriage unless the Commission is satisfied that there are special circumstances which make it desirable that she should continue in the Service of the Commission.

18j.—(1.) Unless the Commission, in any particular case, otherwise directs, the appointment of every officer (not being an officer to whom sub-section (11.) or (12.) of section eighteen of this Act applies) shall be on probation for a period not exceeding twelve months and the appointment may be terminated by the Commission at any time during that period.

18k.—(1.) If an officer appears to the Commission to be inefficient or incompetent, or unfit to discharge or incapable of discharging the duties of his position, the Commission may retire him from the Service of the Commission, or may transfer him to some other position in the Service of the Commission with salary appropriate to that other position.

(2.) An officer shall not be retired from the Service of the Commission under this section unless he has been given at least one month's notice or is paid salary in lieu of notice.

18l. The Commission may dismiss an officer, or reduce his status or rate of pay, for incapacity or misconduct.

18m.—(1.) Where an officer is dismissed, retired, transferred or reduced in status or rate of pay under either of the last two preceding sections, the officer may appeal to the Disciplinary Appeal Board.

(2.) The regulations may prescribe the manner in which, and the time within which, appeals may be made under this section.

(3.) The Disciplinary Appeal Board shall hear each appeal submitted to it under this section and may confirm, vary or set aside the decision of the Commission.

(4.) The decision of the Disciplinary Appeal Board shall be final and the Commission shall take such action as is necessary to give effect to the decision.

(5.) On the hearing of an appeal under this section, the Disciplinary Appeal Board may take evidence on oath.

18x.—(1.) For the purposes of this Division, there shall be an Overseas Telecommunications Commission Disciplinary Appeal Board (in this Act referred to as 'the Disciplinary Appeal Board').

(2.) The Disciplinary Appeal Board shall consist of—

(a) a Chairman, who shall be appointed by the Governor-General and shall hold office on such terms and conditions as the Governor-General determines;

(b) an officer appointed by the Commission; and

(c) an officer elected by the officers of the Commission in the prescribed manner (in this section referred to as the 'officers' representative').

(3.) The Chairman of the Disciplinary Appeal Board shall be a person who is or has been a Police, Stipendiary or Special Magistrate of a State or Territory of the Commonwealth.

(4.) The officers' representative shall hold office for such period as is prescribed but shall be eligible for re-election.

(5.) The officers of the Commission may, in the prescribed manner, elect a deputy of the officers' representative and the deputy so elected shall hold office for such period as is prescribed but shall be eligible for re-election.

(6.) A deputy so elected may, in the event of there being a vacancy in the office of the officers' representative, or in the event of the absence of the officers' representative (whether in pursuance of a direction given under the next succeeding sub-section, or through illness or otherwise), attend and vote at meetings of the Disciplinary Appeal Board, and, when so attending and voting at a meeting, shall, for the purposes of sub-section (7.) of this section, be deemed to be a member of the Disciplinary Appeal Board in lieu of the officers' representative.

(7.) Where the Chairman of the Disciplinary Appeal Board is of opinion that the officers' representative is personally interested in, or affected by, any question to be considered at a meeting of the Disciplinary Appeal Board, the Chairman may direct that the officers' representative shall absent himself from that meeting while that question is considered and decided.

(8.) Where, at any meeting of the Disciplinary Appeal Board, the members are divided in opinion on any question, that question shall be decided according to the decision of the majority.

18y. Sections eighteen A to eighteen (inclusive) of this Act shall not apply to the general manager of the Commission.

Mr. CALWELL (Melbourne)—Minister for Immigration and Minister for Information [11.5].—I move—  
 That the amendment be agreed to.

These clauses contain provisions relating to the creation, abolition or re-classification of positions by the Commission.

the filling of vacant positions and the selection of officers for promotion; the right of an aggrieved officer or officers to appeal against any provisional promotion and the setting up of a promotions appeal board to deal with such matters. They also provide for a definite tenure of office for persons employed on the staff of the commission and prescribe the age for retirement. Other essential provisions included in these clauses concern the right of appeal by officers of the commission against any penalty imposed or disciplinary action taken by it in respect of the misconduct, incapacity, etc., of any particular officer, and the establishment of a disciplinary appeal board for the purpose of hearing such appeals. The clauses correspond with similar provisions in the Commonwealth Bank Act 1945, and also with those contained in the Commonwealth Public Service Act and Regulations. During the course of the debate on the bill in this chamber, the honorable member for Bourke (Mr. Bryson) drew attention to the desirability of including these provisions in the bill, particularly those relating to the right of appeal of an officer against a provisional promotion made by the commission or any action of a disciplinary nature taken by it against him. I gave an undertaking that the matter would receive due consideration and, if thought fit, any necessary amendments would be made to the bill upon its introduction in the Senate. It is also desirable to state that a recommendation was recently made by the Parliamentary Broadcasting Committee for the application of corresponding provisions to employees of the Australian Broadcasting Commission. It is, therefore, contemplated that the bill to amend the Australian Broadcasting Act, which was introduced into the Senate to-day, shall embody clauses identical with those proposed to be included in this bill. The general provisions of clauses 18A to 18P have also been advocated for inclusion in the bill by the employees affected inasmuch as they will provide essential safeguards from their point of view in connexion with the making of promotions and any disciplinary action which may be taken against officers by the com-

Mr. Cartell.

mission. I might also explain that it was originally intended that these provisions should be included in regulations to be made under the act. As the result of the observations of the honorable member for Bourke, it was decided that it would be better to insert them in the act itself.

Question resolved in the affirmative. Resolution reported; report adopted.

#### ATOMIC ENERGY (CONTROL OF MATERIALS) BILL 1946.

##### SECOND READING.

Debate resumed from the 12th July (*vide* page 2478), on motion by Mr. DEPMAN—

That the bill be now read a second time.

Mr. HARRISON (Wentworth) [11.8].—It would be futile for one to indulge in flights of fancy relative to a bill of this description. The Minister in introducing the bill was very restrained and dealt with only certain aspects of it. He stated that atomic energy was shrouded in such mystery that little had been heard of it outside the flights of imagination of certain novelists. This bill is designed to vest the ownership of uranium and certain other substances that are known to exist or may subsequently be discovered in the Commonwealth and its territories. The bill vests in the Minister power to prohibit the possession of or dealing in any of these substances except under licence. Commonwealth officials may enter land or property and search or interrogate persons and insist that all past and future discoveries be immediately notified to the Government. This, of course, is necessary, because we are dealing with a force which the Lillienthal report on the international control of atomic energy described in the following language:—

The atomic bomb, which appeared at the very end of hostilities, made it clear that plans which had been laid at San Francisco for the United Nations organization would have to be supplemented by a specific control of an instrument of war so terrible that its uncontrolled development would not only intensify the ferocity of warfare but might directly contribute to the outbreak of war.

This bill is designed to control the use of certain substances and to promote research into atomic energy. I have no

doubt that these controls will have to be extended as investigation proceeds and new substances are found from which atomic energy may be produced. This is only one of many legislative enactments that will have to be passed by Empire countries and, indeed, by countries throughout the civilized world. Until international control is agreed upon and exercised, as a matter of sheer survival, nations will have to take control of all substances within their boundaries capable of developing atomic energy for defence, if for no other purposes, and encourage research into the development of atomic energy. Because of its peculiar geographical position and the fact that it has extensive deposits of uranium, Australia should not be laggard in its own defence. It may be that greater developments will take place outside of international control because of the great importance of this new weapon. No international agreements relative to the use of atomic energy have yet been made. Every nation in the world, in the interests of its own safety, however, is taking control of energy-producing substances and developing research into this important subject within its own borders. This intense concentration will undoubtedly give a great impetus to the production of atomic energy. Legislation along similar lines to the bill now before us will have to be passed by the parliaments of New South Wales and Queensland, as recent investigations have revealed the existence of deposits of thorium in the coastal sands of both of those States. It is difficult to gauge the extent of the deposits of uranium and thorium in Australia. Investigations that have already taken place, following the passage of legislation in South Australia, has revealed the existence of substantial deposits of uranium in that State. But the amount of thorium extracted from monosite found in sand on the north coast is minute. It would seem that legislation similar to this must be introduced in State parliaments other than the parliament of South Australia, because I take it that this legislation applies only to Commonwealth territories.

Mr. DEPMAN.—The honorable member is under a misapprehension. This is a bill

for an act to control all deposits wherever they occur in Australia.

Mr. HARRISON.—I gained the impression from the Minister's second reading speech in which the Minister used the term "Commonwealth Territories" that the legislation applied only to those territories, but I am glad to have his assurance that it is all-embracing. Legislation of a like kind has been passed in the United Kingdom, Canada and New Zealand and in the United States of America, but, whereas the United Kingdom and Canada are agreeable to Australian scientists working with their scientists on research into and development of atomic energy, the United States of America is jealous of its researches. Therefore plans envisaged by Australia must unfortunately be developed into close co-operation with the rest of the Empire. I say "unfortunately," because when the day of international control arrives, obviously there will be the closest co-operation between all countries in the use of this new-found force for the betterment and benefit of mankind and not destruction. But while nations are concentrating on the development of atomic energy as a means of defence, the work they do on it must be a closely guarded secret, and development will be on destructive rather than constructive lines. The Commonwealth Government meanwhile should arrange for an exchange of scientists working on atomic energy between the different parts of the British Empire in order that we may keep abreast of developments. The jealous action of the United States of America of course has been dictated by Russia's rejection of the main proposals by the United States of America for the control of atomic energy. Although not necessarily closing the door to ultimate agreement on international control it indicates the difficulty in reaching world agreement in this important connexion. In the long run, whether a formula can be arrived at will be dependent on the decisions of the Security Council of the United Nations and, of course, the Atomic Energy Commission. This bill deals with certain specific substances, but the day is not far distant when other substances must be taken into account as sources from which atomic energy is likely to be developed.

Senator J. M. FRASER.—The Minister for the Army has supplied the following answers:—

1. Yes.
2. No. The enlisted personnel of the District Accounts Office, Sydney, excluding those stationed at a long distance from their leave destination who were obliged to accumulate recreation leave, were authorized by the District Finance Officer to take their recreation leave as from the 1st October, 1942, on the basis of alternate Saturdays or, in lieu, four half-days per month (i.e. on Saturday afternoons) except on occasions when there were five Saturdays in a calendar month and one of those Saturdays became a full working day.
3. Yes.
4. No.
5. Complaints have been made by some ex-members of the District Finance Office, Sydney.
6. This matter has been considered exhaustively and the complaint has been found to be without foundation.

#### WAR SERVICE HOMES.

Senator HERBERT HAYS asked the Minister representing the Minister for Works and Housing, upon notice—

1. Is it a fact that the Government has rejected a proposal made recently by Senator Herbert Hays that in the treatment of applicants for war service homes the difference between the present-day costs and pre-war costs of home building, which the Government admitted approached £300, should be given to the soldier as a subsidy?
2. Is it a fact that the sister dominion of New Zealand has now arranged for the increased costs in that dominion to be granted free of interest to the soldier?
3. If the answers to Nos. 1 and 2 are in the affirmative, will the Minister state whether the Government will now give further and favorable consideration to the proposal, or, alternatively, introduce a concession similar to that in operation in New Zealand?

Senator COLLINGS.—The Minister for Works and Housing has supplied the following answers:—

1. No. The proposal which the honorable senator refers to as having been rejected by the Government was that made during the debate on the War Service Homes Bill 1946 and read as follows:—"the bill be withdrawn and redrafted to include a provision for the making of a grant to any applicant seeking assistance under the act equal to 20 per centum of the capital cost of the land and the dwelling-house thereon—this provision not to apply to any dwelling-house constructed or acquired prior to the 3rd day of September, 1939."
2. It is understood that under the general rehabilitation scheme operating in the Dominion of New Zealand interest free loans

may be made to ex-servicemen and other eligible persons to cover the difference in the pre-war cost of homes and present day cost subject to certain conditions.

3. As this question involves government policy, no information can be given.

#### OVERSEAS TELECOMMUNICATIONS BILL 1946.

Message received from the House of Representatives intimating that it had agreed to the amendments made by the Senate in this bill.

#### INCOME TAX BILL 1946.

Bill received from the House of Representatives.

Standing and Sessional Orders suspended.

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

#### SECOND READING.

Senator ASHLEY (New South Wales—Minister for Supply and Shipping) [3.33].—I move—

That the bill be now read a second time.

I am pleased to submit this measure which provides for a reduction of the rates of income tax imposed on individuals. The reduction proposed will involve a loss of income tax revenue of £14,000,000 per annum. Taken in conjunction with the proposed reduction of social services contribution, the relief granted to taxpayers and contributors will amount to approximately £17,500,000. The proposed reductions will be additional to the 12½ per cent. reduction made last year at a cost to revenue of approximately £20,000,000. Compared with existing rates, the combined new rates of income tax and social services contribution represent an overall reduction of approximately 11 per cent. In individual cases, the reduction varies from 39 per cent. on the lowest incomes to 7 per cent. on an income of £5,000. The new rates will, on the average, be 22 per cent. lower than the peak war-time rates, the reduction being 47 per cent. on the lowest incomes and under 20 per cent. on incomes of £1,500 and over. The minimum taxable income for income tax purposes will remain at £201.

but taxpayers in all grades of income will benefit from the proposed reduction. Under the new scale, the average personal exertion rate of tax commences at a fraction of one penny on a taxable income of £201 and rises progressively until an average rate of 133.32d. is reached on an income of £5,000. Where the taxable income exceeds £5,000, the first £5,000 bears tax at the rate of 123.32d. in £1 and the excess over £5,000 at the rate of 14s. 6d. in £1. Social services contribution at 1s. 6d. in £1 is payable in addition to the maximum rate of 14s. 6d. in £1. Rates of tax for property income are slightly in excess of those for personal exertion in the lower brackets of income. The difference increases progressively until the maximum differentiation of the combined income tax and social services contribution rate is approximately 25 per cent. on an income of £1,000. Thereafter, the differentiation between personal exertion and property rates gradually diminishes, until the maximum rate of 14s. 6d. in £1 is payable on the excess over £5,000, whether the income is from personal exertion or property. The new rates will have the effect of raising the amounts of income which may be derived by persons with dependants before incurring any liability for income tax. These persons, however, will remain liable for social services contribution. The amounts which may be derived before becoming liable to income tax are as follows:—

	Personal Exertion Income.	
	Present.	Proposed.
Person with dependent wife and one child	£ 266	£ 280
Person with dependent wife and two children	318	345
Person with dependent wife and three children	347	378
Person with dependent wife and four children	380	412
...	413	447

It is proposed that the new rates shall apply for the full year commencing on the 1st July, 1946. However, because of the necessity to print and circulate the

new tax deduction scales, it may not be possible to make adjustments to the amount of tax deductions from salaries and wages until the beginning of September. Although this may result in slight over-deduction in some particular cases, any over-payment will be refunded upon presentation of the group certificate or tax stamps with the notice of assessment. Tables showing the amounts of income tax and social services contribution payable by persons on certain incomes, and comparing these amounts with amounts payable under the existing scale and under the peak war-time scale, have already been circulated to honorable senators. These tables show that all classes of taxpayers will benefit from the proposed reduction. I suggest to honorable senators that, in considering the Government's proposals, due regard should be had to the fact that the Government last year increased the rate of child endowment by 50 per cent., thereby increasing the amount of child endowment payments from £12,000,000 to £18,000,000 per annum. A point on which I wish to re-assure honorable senators is that farmers and business and professional men will enjoy the benefit of the proposed reductions during the current financial year. These reductions will be effected by means of the provisional income tax assessments which are issued under the pay-as-you-earn system of taxation. The other provisions of the bill correspond with those included in the annual income tax rating measure. The usual printed memorandum explaining the provisions of the Government's taxation measures has also been circulated for the assistance of honorable senators. I commend the bill to the Senate.

Debate (on motion by Senator McLEAY) adjourned.

#### SOCIAL SERVICES CONTRIBUTION BILL 1946.

Bill received from the House of Representatives.

Standing and Sessional Orders suspended.

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