

***[Spine]***  
**16**

***[inside cover of notebook]***  
**A S Brown**  
**Secretary**  
**Prime Ministers Department**  
**Canberra**

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***[9 September 1952]***

9.9.52

Cabinet

Peking Conference

There is a large delegation from U.K. going to China from UK. USA is going to stop people, so are the Phillipines. Can, NZ, India, Pakistan & Indonesia are not going to do anything to stop people going. Spry says from security point of view it does not matter. It is important only from propaganda point of view. Healy is only high light.

AG. The information is that Chandler member of Central Ctee of Party is already there. Maynard is already in UK.

Decision re-affirmed - P.M. proposes to make some alterations in proposed statement.

Official Secrets -

The Attorney General outlined the proposals, referred to the article in the S.M.H.

The P.M. said that he ~~did~~ thought that the bill as drawn was very restrictive and referred specifically to the powers of a "Commonwealth Officer" and the wide definition of "Commonwealth Officer". He also referred to the onus of proof.

He asked what new thing was desirable to be inserted in an Official Secrets Act.

A/G. So far we have not found a case which could not be prosecuted under the law - except Cousens case which was dealt with

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under N.S.W law, because C/w law was limited territorially. You can re-enforce law during war under the defence power. So ex-territorial are necessary but that is all.

Casey. In these days you need to have power to deal with mails and telephones.

A/G. The UK has a provision in the Post & Telegraphs act hidden away.

PM. What is the position about disclosure of a document?

A/G. That is already provided for in the Crimes Act, section 79.

A/G. I would not introduce the bill. There is reason for giving extra-territorial operation to treason. 'Spying' is not a new offence - there is a provision now (Section ..... ) which is extended<sup>1</sup> by section 6 of the proposed bill.

Harrison. We must do something. We said we did not have sufficient powers at the time of the anti-Communist bill.

Casey. In addition we need the extra powers.

Kent Hughes. Would it not be better to amend various sections of the Crimes Act.

P.M. Refers to the provision about meteorological measurements.

There is a case for strengthening the law on spying

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but not for allowing all C/w employees to arrest. Nor should we turn the onus of proof around on what is a serious criminal offence - penalty death or not less than 7 years - .

A/G. There is reference to the related subject of sabotage. This bill strengthens the law. Spry thought there was some merit in searching for suspects.

K.H. I think A/G should bring forward a submission to amend Crimes Act.

A/G. The D/G of Security wants Taxation C/ee to be given power to disclose the names of applicants for taxation clearances.

O'Sullivan. Do you want a separate act or an amendment of the Crimes Act.

Francis. The Crimes Act is tied up in the public mind with industrial provisions. Referred also the illegal use of uniforms dealt with in para 14.

PM. A case for Official Secrets bill has not been made out. There is no urgency. The Sabotage will is better, there is no reversal of the onus.

Casey. But what is important is the power to search mails & tap telephones.

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<sup>1</sup> 'to a foreign power' is inserted above the line.

P.M. Official Secrets to be entirely reconsidered. Sabotage bill might be gone on with.

A/G. This bill is said to be urgent & as you have to have a declaration of international emergency to base any action.

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P.M. Powers to search without warrant, powers to arrest, onus of proof should go back for reconsideration -.

Spying is to be extended to foreign powers - as against 'enemy' - extra territorial application. Taxation clearances to be disclosed to Sol<sup>r</sup>. General. Illegal use of uniforms and other matters referred to in para. 14 - do not interfere with postal provisions.

What new provision do we need in relation to sabotage? To extend the protective power of the C/w to industrial undertakings but this depends on a declaration of a state of international emergency. This has probably been inserted to strengthen the constitutional basis.

A/G. I think that we could identify undertakings without this declaration. The operative ~~position~~ provisions are very wide in relation to these undertakings and a power to search<sup>2</sup> & seize materials designed to give assistance to sabotage.

Crimes Act to be amended & redraft.

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#### Abolition of Land Tax

A/G draws attention to various administrative matters which arise out of this - Taxation Administration Act will be a complex bill. A short bill lifting the imposition of land tax now and the other bill next session. Agreed.

#### Communists & Sympathisers

#### Report on the Public Service

The memorandum was read to Cabinet.

During discussion some reference was made to individual cases and the Secretary retired for the remainder of the discussion. ...

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8.45pm Cabinet re-assembled.

#### Bulolo Company:

Commonwealth-New Guinea Timbers Ltd

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<sup>2</sup> 'for' is inserted above the line.

The Minister put forward the names of Mr R.F. Donaldson & Mr S.L. Kessell as C/wealth Directors and also Mr Lane Poole. Agreed on Donaldson.

Provision of Isolated Jetties for Handling Explosives:

P.M. Is there any point between Pt Liliass and ~~Point Cook~~<sup>3</sup> which could be used? What does the marine survey show.

Refer the matter back to the committee on this point. Note funds have not yet been provided.

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Civil Defence Policy

Submission No 305.

The Minister said that the defence ctee having altered its views we should establish a civil defence school and that the Min for Defence and I should discuss how far we should go. I wld not go as far as Wardell. I wld train a number of key personnel – with St John's Ambulance and build up a blood bank. We have had 6 trained over in the UK.

The Treasurer pointed out that this submission ignores the earlier decision – allocation of financial responsibility. The States should have the primary responsibility with the C/wealth as a co-ordinator only.

The Minister did not see how further financial responsibility could be imposed on the states.

Defence suggests that this might have gone to the higher defence machinery first.

The report referred to relates to possibilities, the probabilities do not justify more than a nucleus organisation. See defence minute re building regulations etc and dispersal of industries.

Sir Earle Page. There is a great danger that the Red Cross will tend to become a government department.

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At the moment the Red Cross is stuck for cash. We must be careful when we see where the Blood Bank is going.

The Minister referred to the impracticability of the long term building regulations – who is to pay the cost of the extra structural strength. We should ask the Defence Ctee what is the minimum number of people who must be trained.

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<sup>3</sup> 'Altona' is written above the line.

McMahon. The Services and the Police could look after this – they could train the instructors.

P.M. I have a note from the Defence dept. – The extract is selective ... It does not quote the rest of the statement.

We should ask the defence ctee to make a recommendation on this and within the limits of the defence vote in precise terms as to what ought to be done now.

Agreed. Adjourn 10.15am.

### Leigh Creek Rly

Prime Minister would like to see the record of the Cabinet decision to proceed with the Leigh Creek Rly.

Query. Is the C/w under any obligation to run the trains – No. 75 of 1950.

### Rly from Dajana to Newcastle Waters

Commerce, Transport, Territories, Works, Treasurer, McBride to make a report for Cabinet.

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### ***[11 September 1952]***

#### Cabinet Committee on Overseas Commercial Relations.

11.9.52 Present: Mr Menzies, Sir Arthur Fadden, Mr McEwen, Mr Casey, Senator Spooner, Senator O'Sullivan, Mr Wheeler (Treasury), Mr L.F. Crawley (Trade & Customs), ASB (PMs)

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The Minister read the report of the dollar ctee. The Prime Minister read a letter dated 9.9.52 from the Chief Electrical Engineer<sup>4</sup> (R.W. Mackay) to Messrs Babcock and Wilcox informing them of the need to defer payments if cancellations are to be avoided.

Casey. Said that British reputation for power is better than that of US contractors.

Spooner. Recalled that NSW had had trouble with Br plant – Balmain, White Bay, & Kembla & that technical people are prejudiced against them.

Cahill was ridiculed when he was the appropriate minister. I have no confidence that all will be well by 1955, a great deal of their plant is very old. So we should not deny the need for the plant. There are 3 lots of plant the US, the UK, & the French and I am

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<sup>4</sup> 'Dept of Rlys NSW' is inserted above the line.

suspicious about all this enthusiasm for the US. I am satisfied that there is no technical difference between the French and the US equipment. As to the British plant Sir Harry Brown is satisfied that a suitable plant will be diverted. I would not give them dollars.

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I do not think they have made up their mind where they will instal their package plants. They were not a good buy.

P.M. We can't give them the dollars. The form of the letter is the real question.<sup>5</sup> Brown & someone else said that a report from Axen would be desirable.

We should say any dollars for such a purpose would have to be part of his allocation and explain why, then say we have acted on a principle that we do not make dollars available where alternative sources are available and this is not displaced by minor differences of time etc and we do this because the whole area is short of dollars because these dollars either come out of the loan or the dollar budget which is dollars earned by R.S.A. perhaps UK and it is a little ironical to use their dollars to divert trade from them. Nothing to indicate that there is necessarily any material difference in completion date because site preparation has not begun & therefore power position in NSW in 1955 will not be adversely affected by this decision.

Spooner. Refers to the fact that NSW wants a second ~~state~~ power plant.

5.45pm

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**[16-17 September 1952]**

Cabinet 16.9.52

Wheat Stabilisation

Submission 139E.

Wheat Stabilisation Submission 139E.

The Minister reported that the 6 organisations could not agree on their request. The present proposals represented the highest proposal of each of the 6 organisations.

The Minister in the submission<sup>6</sup> seeks Cabinet views on

1. Period of plan - and grower approval
2. C/wealth guarantee -
  - (a) Should C/w agree to no quantitative limit on exports  
- <sup>7</sup> suggests retain the 100m bushel limit. Perhaps review the quantity guarantee but not the principle of some quantitative limit -
  - (b) What level of reserve fund - see para. 39.
  - (c) The method of determining cost of production (see Submission 346.) and para 40(d).

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<sup>5</sup> 'Sir Harry' is inserted above the line.

<sup>6</sup> 'paras. 35, 36' is inserted above the line.

<sup>7</sup> 'Minister' is inserted above the line.

### 3. Home market price

The Minister said that wheat growing was determined on comparative profitability - it was less profitable than<sup>8</sup> barley, lamb & wool, see table on p.4 of 139F. and this should be kept in mind. Mr McBride asks whether it matters whether they grow wheat or oats. The Minister referred to the dollar expenditure on wheat last year. The market for oats and barley fluctuates widely.

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#### Wheat Stabilisation. 139E. (contd)

Senator Spooner asks what happens if the States will not make an arrangement. The Minister sd the wheat growers know they have made an extravagant claim. The C/w can make a deal on the guarantee by making the contribution to the stabilisation fund high enough. The more extravagant their demands the more likely is it to be unacceptable to the rank and file. I want to let them quarrel with the State govts on the point that local selling price should be the I.W.A. price.

Is this govt indifferent to the suggestion that the home consumption price should be the world parity price.

Mr McMahan said that the govt had already approved other things - cost of butter, turbo-jets for ANA, loan programs for the states and that the effect on the basic wage was less than alleged. The Minister said that this would be the 6<sup>th</sup> year that we had had an above average yield. This had never happened before. Next year might well be below average yield. This could be serious to the economy.

Mr K.H. drew attention to the present practice of using a yield of 12... bushels has provided a very profitable price. The Minister agreed but sd that the interest allowance and the owner operator's

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#### Wheat Stabilisation. 139E (contd)

return was too low.

The Domestic Price of Wheat 139F.

#### Submission 139F      The Domestic Price of Wheat

The Treasurer read the Treasury memo. Note the assumptions made by the Treasury

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(1)      size of crop      -      150<sup>9</sup> bushels marketable.

Spooner - The Treasury says that to let wheat prices run free would add 3/- or 4/- to the basic wage and that they do not think that this will increase the output of

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<sup>8</sup> 'oats' is inserted above the line.

<sup>9</sup> 'm' is inserted above the line.

wheat very much. I would disagree with this conclusion. It should have looked at the consequences of increasing production - on our balance of payments and on the cost of our exports.

McLeay. Six state ministers & ours recommended an extension for one year. We would be silly to commit ourselves at this stage. I think prices will fall. I do not think that the States will agree to increase in stock feed price & local price. The State Ministers (Prices) will want to carry on for another year.

McEwen. We have no chance of working out a plan under 6 mths. It is better to let the states<sup>10</sup> agree to an increase in local price.

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The Domestic Price of Wheat  
139.F.

The States will want the C/W to subsidise the difference. This will not let them out because it is their usual gambit.

Page. We should not make a decision for 6 mths. We repeat our believe in organised marketing, a home price, a guarantee for a limited export surplus.

McMahon. We should have a one year agreement. In addition to McLeay's reasons basic wage rises might not be important in a years time. The industry wants a producer's marketing board and secondly a home consumption price (which they will fix?). We can get away from subsidies or guarantees.

McEwen. They won't consent to a one year period but that might be forced on them by the fact that governments failed to agree. I want to avoid if I talk to the States on price policy the States saying what is the C/w policy on export guarantee. I wld like to say in principle we guarantee exports, we place a limit of 100m b, we guarantee costs of production according to a formula, the contribution & the limits of a stabilisation fund should be immediately investigated by the industry and the govt.

If the govt wants to say the domestic price should be the cost of production then I should know - or is it whatever the States say - or is it some intermediate figure as I suggested in my earlier submission.

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The Domestic Price of Wheat  
139.F.

If we have 100m bushel crop and a low local price the return to farmers will be low. I do not think that this is for the good of the sterling area.

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<sup>10</sup> 'fail to' is inserted above the line.

McBride. The only justification for a ~~concession~~ guarantee is a concession to the economy. Once we ask them to grow wheat then they say we'll make it as profitable as oats, barley etc. That may help the sterling area, but perhaps oats or barley would help as well. In the early stages home production price was above the export price. But now the industry is contributing to the economy. I can visualise a state of affairs where wheat prices fall considerably and the guarantee ~~em~~ of cost of production may cost us something. The farmer will decide what he is going to grow. We want production, export, but not wheat exclusively. Let stock feed pay the parity price.

P.M. Can we get the stock feed proposal through the party-room without subsidy.

McBride. We may have to taper it off - but let us start now. It would pay us to subsidise the conservation of fodder rather than this cheaper wheat.

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The Domestic Price of Wheat  
139F.

McLeay. There is a grievance to farmers ~~that~~ against the 40m sold to human consumption for cost.

<sup>11</sup>Casey reports the message from Canada. '52 crop largest on record. 632m bushels, 213m b. carry-over, 705m bushels available for export for '53. Canada will need to exploit every market.

McEwen. The UK will seek to exploit this situation so that there may not be a wheat agreement.

Spooner. I would let wheat run free. That is said this is political suicide. I don't agree even although both parties have said their policy is wheat stabilisation. I don't think that the rise in the basic wage would be as great as the Treasury says. I wld like to get Copland's views.

McEwen. You can't get away from "organised marketing". There is a chance of organised marketing, a domestic policy, an international agreement & no guarantee.

P.M. We are in agreement in wanting a one year plan. Yes.

McEwen. We will get that by default - but I don't want the Cabinet to have a policy on domestic price which I don't know.

P.M. Organised marketing should continue through the Board. Some guarantee of export price on a limited quantity 100m bushels

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The Domestic Price of Wheat

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<sup>11</sup> 'Get copy of this cable for Cabinet records' is written in the margin.

139F.

Do we tell the Wheat Board it can sell at on local market at I.W.A. floor price, or local cost of production, or [? - unable to transcribe this word] plus profit, or something in between.

Dept of Commerce favours Combination 'B' - this will add 1/- (perhaps 1/6 to basic wage).

McEwen. I am troubled by cost plus a margin. You can't deny it to others. Why not let me talk about one year and talk in terms of an arbitrary figure for that year. I will be careful not to be pinned to it.

P.M. I don't see how we can go above the cost of production, especially if we set up the investigation board.

McEwen. You will give the States an alibi if you stick to cost of production. "An arbitrary" incentive price for one year ...

Resume at 10am.

Cabinet 17.9.52

Bills to go to the Party

The Prime Minister recalled the need for bills to go to the party before being introduced. The present bill will remain at the bottom of the list and the matter dealt with in the next session.

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ANA & TAA Bill

ANA are deciding today on two things - (1) financial matter and (2) the agreement. Walsh to come to Cba if necessary.

Business of the House

The Vice Pres of Ex. Council asked ministers to pay more attention of the house.

Proposal for keeping the House

Kekwick has a proposal for the hours of meeting.

Caldwell says Labour party will not agree to reducing meal hours or to have ~~over~~ 11 ½ hours on Thursday

Tuesday, 2.30 - 6.30, 8 - 11.30

Wednesday

Thursday, 9.30 - 1, 2 - 6.30, 8 - 11.30

Mr Townley mentioned that it was difficult to get home at week-end.

McLeay. Can you fix a time when we will finish?

P.M. We have not got the main bills yet.

Not agreed to. Hasluck. There must be a roster. Each minister get hold of the list of bills and gives his officers a deadline.

### Wheat

Some kind of a C/w guarantee<sup>12</sup> for 5 yrs on 100m bushels. Yes. There is to be a stabilisation fund contribution by growers and a maximum agreed figure.

What is our policy on domestic price.

There are important reasons for having a price higher than cost of production.

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We would take the prevailing export price for stock feed – that means the agreement price. The growers ought to get & the buyers pay the International<sup>13</sup> price if there is an agreement and the realisable price if there is not.

It is my view not practicable economics for the poultry-growers to pay over £1 for feed wheat.

P.M. We need not deceive ourselves that we can get away with no subsidy.

McEwen. It would be the prevailing I.W.A. price – in the past it has been the ceiling price. (If the Board sells at three prices over 3 weeks we could have a mechanism similar to that ~~under~~<sup>14</sup> the flour tax.)

The one year interim arrangement will not be arrived at by agreement but this is to guide the minister.

Agreed that prevailing export price for stock feed – ie. the I.W.A. price.

At present the subsidy is 4/- in future it may be anything ~~for~~ from 2/1 to 2/7. No final commitment on this matter. No encouragement to be given to subsidy but no doors locked.

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For human consumption.

H. C. Price	10/-	per bushel	51/52.
" " "	11/9	" "	52/53 will be.

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<sup>12</sup> 'for cost of production' is inserted above the line.

<sup>13</sup> 'Agreement' is inserted above the line.

<sup>14</sup> 'for' is written above the line.

" " " 13/- " " 53/54 best guess.

Our policy would indicate 13/-. We assume an international agreement of 19/-. Growers ask for 19/-. I recommend a figure in between 13/- & 19/-.

We were troubled by the precedent that cost of production plus something would create for other industries. Why not start from 19/- and subtract something, say 2/6 = 16/6. There is no international agreement for another commodity so there is no precedent. This will give a fillip to wheatgrowing, it will help the balance of payments, I wld say to the state ministers. The growers have asked for 19/1 the prevailing export realisation on quota wheat. The State Prices Ministers will flounder for months & I should let them but not let them come down on 16/- or 19/- and then ~~let them~~ say we stand on cost of production.

McBride. You are proposing to guarantee cost of production for export for 100 million bushels of wheat.

Page. Wheat industry is in a different position from all others. It has subsidised the community for years. This was because they were helped in the '30's. No other industry has done this - interjection - The sugar industry has done this -.

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In the future they should have a home consumption price maintained.

Harrison. The wheat industry will not necessarily accept what we propose and we take the whole of the political odium both from wheat growers and non-wheat growers.

~~McEwen. If you don't get an international wheat agreement.~~

P.M. You cannot satisfy the federation. We ~~pr~~ gave them something on stock feed last year. They now want it for wheat for human consumption. Take the two figures for 53/54 harvest.

13/- cost of production      19/- world price.

You propose therefore cost of production plus 3/6. This would mean 1/2 on basic wage on bread & flour.

McEwen. Both you and Scullin have made an appeal to wheatgrowers in a crisis.

P.M. The emphasis was on quick.

McLeay. I wld agree with his proposal. I think price will be lower in 1954. What we do for 53/54 will be used as a precedent for the long term agreement. Export price will soon be lower than home consumption price. (In '39 it was 1/9 as against 5/2.)

Why not say<sup>15</sup> 15/- straight out for home consumption, world parity for export & no guarantee.

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<sup>15</sup> 'for 53/54' is inserted above the line.

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McEwen. I could do business on 15/- but what are the consequences of picking an arbitrary figure.

Spooner. Why not drop out of the guarantee and let the Board sell at world parity both at home and abroad.

McEwen. This is the only industry which can give you an increase in<sup>16</sup> balance of payments without great capital expense.

McBride. USA is bolstering her wheat industry. I think Canada is too, there is some government support.

P.M. Five possibilities.

1. No home consumption price - ~~home~~ Export parity
2. Cost of production
3. Arbitrary figure
4. Cost of production plus
5. Export parity minus.

I see difficulty in everything except cost of production simpliciter.

Page. I see no objection to Export parity minus with a floor at the cost of production.

Fadden. I agree.

McEwen. I don't mind if the minus is 4/- a bushel.

Page. It is only when we have a stabilisation fund that a guarantee was given.

McEwen. Suppose cost of production is our policy. Can I say home price is your problem. I can't very well equivocate if I am asked what is the C/w's policy

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I think the States will agree with home consumption and all the guns will be on the C/wealth.

P.M. Who are for ~~home con~~ cost of production?

Matter left for P.M to choose a few ministers to determine the matter.

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<sup>16</sup> 'exports for' is inserted above the line.

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***[23-25 September 1952]***

Djakarta Conference

Cabinet 23.9.53

The Minister read a report ~~from~~ on the Djakarta conference and the attendance of Elliott at it. The conference is to settle the party-line. Passport not to be refused.

Ambassador for Japan in Aust.

Minister for External Affairs

Nishi has been put forwards as Ambassador. He was head of foreign office at Pearl Harbour and assistant to Togo. We have had a good report on him from UK, US & Sweden. He was purged by SCAP but many others were also.

Harrison. Can't we possibly have a 'clean-skin'. This will have a bad reaction in R.S.L. circles.

Consideration deferred.

Legislative Programme

Vice President of Executive Council

Land Tax Abolition - Taxation people are trying to put in things that can be dealt with in Feb.

Tradesman's Rights Regulation - McBride is having meeting.

V.P. of Ex. C. to give ministers a copy of the memo & they are to take a personal interest in it.

Bills to go before the party.

Re-establishment bill is ready. There is a division of opinion on it. R.S.L. says it is not worth anything,

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it does not deal with promotions. We would be better off with the Victorian Act. We proceed with the 3 years extension.

V.P. of Ex. C. reads list of bills requiring Cabinet approval.

ANA, TAA Cabinet 8.30 Wednesday.

### Select Ctee on Electoral Matters

Motion in Senate for Select Ctee on the Electoral matter. Query whether electoral office should not be established at Australia House. Short submission to Cabinet next week on Aust House. Senate ministers to submit a note on Select ctee position. In the meantime vote in Senate to be avoided.

Query. Is it possible to have two ballot papers in W.A.

Research Section of the Liberal Party has done some work on this.

In law the States have control of the Senate election – you may have a series of state elections. First Saturday in May. SA & WA elections will be over. This to be covered in Senate ministers paper.

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### Retiring Allowances

#### Retiring Allowances

The provisions in the bill are harsh in the case of genuine superannuation funds. McGovern is to consider an amendment ~~to~~ whereby sums paid out of ~~the~~ 'approved' superannuation schemes<sup>17</sup> are freed from the provisions of the proposed amendment.

At present a taxpayer<sup>18</sup> has an allowance of the amount paid and the recipient pays tax only on 5%. Treasurer suggests that the only genuine cases are those where there is a fund.

Harrison says objections have been raised to the retrospective operation of the proposal to the contracts already entered into and also to the limit of £10,000.

Casey suggests that the amount should be treated as a gift<sup>19</sup> to the extent that it was not taxable in the hands of the donee.

P.M. It would be wise to say close examination having disclosed anomalies the clause will be withdrawn and re-examined by the Cabinet.

There is a injustice in the case of the genuine fund & we are left in doubt whether there will not be other anomalies.

McEwen. This amendment was introduced on the basis of a recommendation.

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On discussion it was decided that as the Treasurer could not make a statement in the house ~~on a~~ without closing the debate (except by leave) or answer a question and

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<sup>17</sup> ' – Sections 66 & 79 – ' is written above the line.

<sup>18</sup> '(usually a Company)' is inserted above the line.

<sup>19</sup> 'in the hands of the donor' is inserted above the line.

accordingly the ~~St~~ Treasurer should make a press statement, perhaps after circulating a notice of withdrawal of the clause.

#### Submission 346

The Minister read the submission and circulated a <sup>20</sup>draft of the recommendations.

McMahon. I would like to express my views. I am for a free market economy. This measure will make our own people say that we are more socialist than the socialists. The Liberal party has changed its view from the time when its policy statement was made.

We are going to establish basic costs and make this a C/wealth matter for the future.

McEwen. The practical difficulties to abandoning it are first the fact that it was in our policy speech, it was again in the G.G.s speech. It is raised to me constantly by the primary industries. We would pay dearly if we abandon it now. We have fixed our prices

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for butter & cheese based on B.A.E. but we have said we will soon set up a body to guide us on this matter.

This idea has arisen out of the struggle of the primary industries to live in an economy who is no longer free. The Tariff Board has established an artificial level of costs for industries which have to sell on the world markets.

#### Public Accounts Committee

Treasurer reports that Leader of Opposition wanted 5/5 with them have Chairman.

I sd 6/4. They wanted Chairman.

They suggest they have Deputy Chairman - Agreed.

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Cabinet 24.9.52

#### Civil Aviation Policy

##### Domestic Airlines

#### Submission 350

The Minister read the submission -

Para 7. P.M. refers to need for 'improved' facilities as well as additional facilities - under part 2(a) and that 'existing' should be deleted under para 2(b).

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<sup>20</sup> 're-' is inserted above the line.

### Air Route Charges

A/G. What difference is there in this proposal and a proposal that the C/w should not impose a higher tax on petrol than at present.

McEwen. Thought that the petrol tax was a revenue item but that these charges are service charges and that therefore it is proper to peg them.

McMahon. This is not a time for logic. We have to keep ANA in existence.

Hasluck. Certain route charges were due & disputed. Cabinet decided that we would settle for 1/3. We are now asked to reduce all charges to 1/3. So we are pegging at a very low level.

McLeay. The charges were deliberately made too high in the first instance and 1/3 of the rates is not an unreasonable charge. This has become a major issue since the Board meeting.

Agreed to accept (a) & (b) as altered subject to group of senior ministers being satisfied that 33 1/3 % is a reasonable charge.

### Capital Issues & Import Licensing

#### Paras 8 & 9

Cabinet could not agree to the second part of the

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Company's proposal. The clause should end at the word facilities in line 4 of the clause.

### Share of Government Business

Para 12. The company's proposal was agreed to.

#### Access to Aircraft

Para 14.

The P.M. raises the issue whether the agreement should not be a three-cornered agreement including TAA. Cabinet agrees that ANA should have equal opportunity of purchase from an international airline.

McEwen raises the point that the same restrictions on disposal of these aircraft as apply to aircraft bought with money provided by the govt - ie not to be used out of the country without the consent of the govt. The Minister mentioned that TAA had placed orders for 6 Viscounts and questioned whether it would have the cash to pay for them.

This is not to extend to semi govt aircraft all over the world. It is limited to Qantas, B.C.P.A. & T.E.A.L.

### Miscellaneous

Treasurer, Minister, A/G & P.M. to determine the other two submissions.

A/g Minister to tell TAA that we are assuming that no call on Treasury. If there is to be any call on Treasury the matter is to come to Cabinet. Minister sd he wld get statement on costs and likely fare rates by TAA.-

*[Page 30]*

### Temporary Employees in Civil Service -

The P.M. reported that the ex-servicemens ctee had raised the following points - (see note to P.M.)

1. They feel the P.S.B will dismiss large nos. in the next three years ... etc.

Adjourned at 11.45pm.

Cabinet 25.9.52

### Comptroller-General of Customs

Cabinet agreed to the appointment of F.A. Meere.

### C.O.R.

The Prime Minister reported that a sale of C.O.R. shares on the terms recommended by the Cabinet.

Page. - 6<sup>th</sup> May, 11<sup>th</sup>, 14<sup>th</sup>, 16<sup>th</sup> May 1920. Labour opposed it.

Kent Hughes. expressed the view that this act would damage the party.

Cabinet congratulated the ministers concerned on the conduct of the negotiations.

### Coal & Employment

Spoooner referred to the report on Mining industry. 1 million to 1 ½ tons in excess of requirements. Spooner thinks it is ½ to ¾ m above requirements and has prepared a press statement on this.

### Northern Territory Trust Fund

Cabinet agreed that a bill should be prepared to amend the Northern Territory (Administration) Act to establish a Trust a/c into which the royalties levied on

minerals won from mining on aboriginal reserves or from land resumed there from should be paid.

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**[1 October 1952]**

Committee on Wheat Stabilisation

1/10/52

Wheat Present. Mr Menzies, Sir Arthur Fadden, Mr Harrison,  
Mr McEwen, Mr McBride, Sen McLeay, Mr McMahon  
5pm.

Mr McEwen. I wld intend not to give any indication of our views on either stock feed wheat or flour wheat. But I want to know myself. It is highly political, consumers want low prices, wheatgrowers want high prices. Economically it has [too] aspect - it wld put up the cost of living. If you say 16/- instead of 13/- basic wage wld be 1/3 ½ per wk. But if this provides an incentive & the larger acreage were achieved (in 4 yrs time) there wld be £29 ¼ m extra per annum.

My view is that politically the wheat growers will take cost of production only badly for next 5 years. Who are they to be vicious at. I don't recommend the international wheat agreement price because the reward for wheat growing is too great. I suggest something less. If the free price is less than the wheat agreement price you work down from the agreement price. The agreement price is a price between limits & you would take the actual price within this.

McBride. What effect has this proposal on offal prices.

McEwen. In the absence of price control millers take what they can get. Prices ministers have

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an offal price policy & they have to adjust the price for flour.

McMahon. The Statistician says you can't make accurate predictions as to the effect on the basic wage. Strong's calculations assumes that everything happens for the worst.

You wld have 1/7½ on basic wage on 5/- on wheat directly and about 9<sup>d</sup> indirectly. So at the worst you wld have 5 ¾ for every 1/- on wheat.

McEwen. I think there should be a floor which is cost of production for home consumption.

McBride: If we are giving a minimum of cost of production plus what you can get overseas. This removes all incentive to efficiency. US production costs are high and

so will strive to keep the wheat prices high. But there is a real possibility that they will fall somewhat. We stand a chance of pricing ourselves out of the market.

We should say cost of production for local consumption and export price for the rest. If you don't like this let us get away from the guarantee. But if you want a guarantee then you must supply the consumer at cost of production.

*[Page 33]*

McEwen. I agree that quid pro quo is needed. But if we design the stabilisation fund so that it is sufficient to pay on a falling market there is no quid pro quo. If we ask for cost of production the quid pro quo is a guarantee by the govt which is a real guarantee, ie. contemplates a real liability. But if we give them something more than the cost of production then you can design the stabilisation fund so that there is no real liability on the govt.

P.M. The practical choice is between getting export & cost of production or some half-way figure so that the public gets something out of it. I wld like them to meet the market & if they want a fund to smooth it out we will help with legislation.

Then there is the arbitrary figure – [say 15/- McLeay]<sup>21</sup> And as a third proposal I wld agree to cost of production price – & an export guarantee on terms to<sup>22</sup> You can put these all up as possibilities.

McEwen. I am hoping that we will be able to have a vote on alternative plans.

I wld prefer not to reveal any of this tomorrow – organised marketing, etc. – I shd be nebulous tomorrow. Let us do our negotiating with the wheat growers – We offer our alternatives in January to the wheat growers.

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***[2 October 1952]***

Cabinet            2.10.52

Absent.            Mr Holt, Sen Spicer, Mr McMahon,<sup>23</sup> Mr Kent Hughes, Mr McEwen

The Minister raised the question of passports to Moscow,<sup>24</sup> but Cabinet decided that passports should not be refused.

P.M. asked what happened in relation to Youth Conference at Prague. First instructions to impound passports were cancelled.

A.N.Z.U.S. Conference

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<sup>21</sup> 'and an export guarantee on terms to be negotiated – big stabilisation fund.' is written above the line.

<sup>22</sup> 'be negotiated – smaller stabilisation fund.' is written above the line.

<sup>23</sup> 'Mr Anthony,' is inserted above the line.

<sup>24</sup> '& Vienna' is written above the line.

Casey reported a message from Webb – Military people met in Honolulu recently. Gentry has sent a telegram to Radford suggesting that there should be <sup>25</sup> military planning. I have asked him to hold this up until we see the report. There is a military five power meeting in Washington on Oct. 6.

P.M. I agree. Our real problem is becoming one of public presentation. The opposition is becoming pro-British.

### Diplomatic Appointment

The Minister mentioned diplomatic appointments overseas. Leader & deputy leader of each party to determine the matter in consultation with External Affairs Minister.

*[Page 35]*

### Legislative Programme

The P.M. reported that he had invited Holland to discuss the Re-establishment bill with the ex-servicemen's committee of cabinet.

Tradesmen's Rights Bill is said by the Minister to stand on its own feet.

Matters not yet dealt with by Cabinet are to be ready for Cabinet by Tuesday week.

The 24 bills that have been deferred should be put in hand during the recess and ready before the February session. McKnight to prepare a short letter on bills for P.M. to send to all ministers.

TAA & ANA – Minister says there is only one problem to be fixed ie. air-route changes for the first few years. The men are all here today.

3.30<sup>26</sup> for Treasurer and P.M. on this.

Banking. Treasurer has no idea when something will be ready. Wilson has been told to expedite the submission of matter to Cabinet.

Treasurer & P.M. had cfce with trading bankers. P.M. says that this has been confusing.

The real issue is the uncalled liability question. McComman raised this. There are some relatively minor issues – eg marshalling of exchange. But in the party room there is the question of the separate incorporation of the trading section of the bank.

Gaudron says central bank is the banker of the govt

*[Page 36]*

Suppose S.E.C. wants accommodation in advance of loan – No –:

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<sup>25</sup> 'British' is inserted above the line.

<sup>26</sup> '4pm' is written above the line.

If housing is to be encouraged – is this for the central bank – No. These are for trading banks.

Suppose trading banks say we do not want any more building loans, then that shd be done by Kangaroo bank. But suppose it refuses too. You can give directions to the Kangaroo bank. Are we to give a positive direction to this bank. Yes. Is this fair competition between the banks. We will have to determine whether we have a<sup>27</sup> bank which is increasingly excluded from ordinary banking business.

#### Bank Board and Westralian Farmers

Thompson and the Bank Board – General Manager of Westralian Farmers. The ES&A have asked them to find other finance. The C/w Bank will accept the business. I think that he should resign.

P.M. said that he agreed with the Treasurer. In companies it is sufficient if a director declares his interest. This is not the ground for our view. It is the fact that one big customer being refused and a director bringing his company along and getting accommodation. We are trying to get Thompson to get his money somewhere else. – Agreed.

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Uranium Committee

Beale suggests meeting next week.

Cabinet

Tuesday 10.30am

Accommodation for Under-Secretaries

Hasluck says Howse's typist can occupy part of his typing room.

Daily Telegraph

Page. What is to be done about the Telegraph's attack on the Govt & the Treasurer. We should counter-attack on the lines of the tax evasion, Fadden should table the report of the Taxation Cfce. Here he set out the position of the Companies. The Cos are referred to by letters only.

Treasurer. This has been prompted by Radcliffe – but it is not the Daily Telegraphs transactions.

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<sup>27</sup> 'separate' is inserted above the line.

P.M. Don't let us tie this on to the Telegraph. You can't make a story about it until you decide what you are going to do.

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[7 October 1952]

Cabinet October 7<sup>th</sup>, 1952

Sugar Inquiry Report  
Submission No. 352

The Minister read his comment & recommendations.  
If costs are projected and averaged

		9.48	
8 3/4' becomes 9.0	8 3/4 becomes 9.0		av 8.96
1' " 9.33			
1/2 " 8.58	see para 418		

Treasurer: The ctee rejected the idea of averaging and projecting. If Cabinet accepted these the figures would be as above.

3/4 3-4/4	>	1.48
1'	>	1.86
1/2	>	1.09

I suggest the majority report of 3/4 ' and then we consider the other two matters - the committee posed these questions.

Averaging

The practice<sup>28</sup> has been to have a price which when averaged with export price gives a cost of production home consumption price.

It is said that the committee while agreeing that this should continue has not taken it into account in its figures.

The P.M. referred to para. 1. of 517 which says the recommendations are in accordance with the principles in the succeeding paras, and that he would like something from the Chairman saying that this is wrong.

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Sugar Inquiry Report

Treasurers

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<sup>28</sup> 'since 1931' is inserted above the line.

Total	860,000	550,000 (home)	310,000 export
		£44.6.0 (recommended)	av £43.6.0 <sup>29</sup>
		£38.6.0 (present)	£41.10.0 <sup>30</sup>

P.M. In paras 417 & 418 the ctee deals with projection. The question is what does the crop cost to grow. This will have advantages in a period of falling costs. They have rejected the growers argument in favour of projection. Then in 510 they deal with averaging and say the informal arrangements should be allowed to continue - they uphold averaging. They have upheld averaging and rejected projection.

Treasurer. Nevertheless I say they have not taken averaging into account in their figures.

P.M. We will send for the Chairman. Let us turn our attention to the ½, ¾, 1'.

McEwen. If you apply 10% to wheat it can amount to 7' a bushel. Dairying is a better basic. We operate on C/w Banks land value at the time, & current rates. We do not allow value of the home or working capital.

Treasurer. The rate on mills is calculated on the original price less depreciation.

McBride. Well what about it - every industry is in the same situation.

McMahon - What is a proper return. Generally brokers would not put in a yield less than 7½.

*[Page 40]*

### Sugar Inquiry Report

Colonial Sugar has just issued a debenture at 5%. In US, U.S. still gives you 7½ %. It is all a matter of judgement and opinion.

McEwen. If 5% or 6% were applied to a current valuation of assets that would be rational. But 10% on a written down value is unrealistic.

Spooner. We take interest on capital, a fair wage, depreciation that plus 5% or 10%. Sooner or later we will look an awful lot of fools.

Holt: This report will be a public document. We set the ctee up because we wanted a firm basis to our determination. There is an average figure of ¾'. We cannot defend a decision above 1'. Are to wise to try to challenge any of the decisions of the committee. Once we challenge one others can challenge others.

<sup>29</sup> '(recommended)' is inserted above the line.

<sup>30</sup> 'pres.' is written above the line.

P.M. This has been a searching enquiry – we were to get a price and also a basis for future adjustments. It does commit us to the future adjustments. I don't believe that you can avoid applying this in some of its aspects with other primary industries – eg. 5% on land & 10% on other assets.

Holt. But what incentive do we give the more efficient man.

McEwen. I would find no trouble in explaining the 5% & 10%.

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### Sugar Inquiry Report

Treasurer. On  $\frac{3}{4}$  funding, total profit is £8. As against that the fellow selling it gets more.

McBride: I support  $\frac{3}{4}$ . If the averaging has not been taken into account then that must be added on.

P.M. I agree that we have to explain away the 10% – N. Aust, tropical, great proportion of population in tropics – defence importance of ~~the~~ developing the North.  $\frac{3}{4}$  is I think the figure.

Page. The industry has been carrying on since June at the lower price.

McEwen. There is already a difference between .75 and .58 and that takes this into account.

P.M. We are to discuss with McCarthy the question of averaging and of projecting.

McEwen. On the question of averaging this has always been done in this industry but not in others. We are not here concerned with govt guarantees. On balance we should give the extra  $\frac{1}{4}$  if it has not been taken into account. It will help our balance of payments. On projection. I am disposed against it. You are getting more into the real of estimates & away from actual figures.

There is a relation with the fruit industry. A committee fixes prices which canners should pay for fruits – if they do so they get a rebate of over £2 per ton on their sugar. In 1931 the rebate

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### Sugar Inquiry Report

was £6 as against £32. Now £2.4.0 in relation to £68 sugar is no longer a weapon and you have<sup>31</sup> disorganisation in the market. To re-establish the ratio the rebate would have to be £10 per ton. I do not support this. But this device should be preserved.

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<sup>31</sup> 'an element' is inserted above the line.

"The adequacy of the domestic sugar rebate etc...  
be reported upon either by the Tariff Board or the Primary Industries Investigation  
Board."

Temporarily there have been no payments into the fund so the £216,000 has not been  
loaded into these particular costs.

I support paras 6 & 7 of the ctees recommendations.

Mr McEwen left the meeting at this stage.

#### Temporary Ex-Servicemen and the Public Service

Mr Dunk: The present proportion of temporary officers is higher than usual. We  
appoint permanently from ex-servicemen (intermediate), young people (leaving),  
and fourth division (standard between the two). We have appointed 6,000 R.S. - &  
have 1,000 more<sup>32</sup> on our books who have qualified. In the same time we have  
appointed 3,000 from the other two sources.

We use the exam system because no-one

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#### Temporary Ex-Servicemen and the Public Service

can think of any better. No other country has found a better method. The reduction  
of 9,000 we ~~took~~ made has reduced the temporary service almost entirely to R.S.  
Almost any appointment in Q'land, WA & SA ~~you~~ must displace a R.S. There is more  
flexibility in NSW & Vic.

There is also the rigid application of the army discharge age 55. We are being pressed  
to find jobs for these men.

We have issued instructions to our inspectors to proceed with recruitment to 3<sup>rd</sup>  
division & to do it with the least effect to long service temporary clerk. ie (2-3 years).

We have 20,000 R.S. permanently appointed to the ~~third~~<sup>third</sup> division. You would have  
to measure the capacities of these men & the only basis is some examination. ~~But~~ I  
cannot over-emphasize the importance of age balance over a period. But 50% of the  
appointment should come from youth. Only 30% has been coming recently. After the  
first war almost complete preference was given to R.S. & no youth recruitment was  
made for 10 yrs. We are in trouble now with a lack of middle & higher range people.

This leads to (a) continuation of exam system, (b) a proportion of youth recruitment.

Wastage over-all is 1500 - 2000 a year in all divisions.

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<sup>32</sup> 'R.S. is inserted above the line.

<sup>33</sup> 'fourth' is inserted above the line.

## Temporary Ex-Servicemen

Kent Hughes. All this arose out of dismissals of some and the threatened dismissal of 4,000 over the next 2 yrs. There was no demand prior to that.

Isn't one reason why you haven't got the senior officers the absence of a senior civil service examination.

Dunk. If we appoint only R.S. in Q'land, WA & SA we would still have to displace R.S.

P.M. The question is whether the act should be amended to provide a new means of entry to the permanent service.

Dunk. We have 1,000 regd for <sup>34</sup> employment. They won't all get appointed. If we can get 500 a year from the youth that is all we can get. We never discharge a first war man of old war.

K.H. Two or three ministers & Davidson & ors & Dunk should talk this over.

P.M. Nothing at all is to be said on sugar, also we must let the State Prices Ministers know.

1.5pm

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## Sugar Inquiry Report

Cabinet 8.45pm

Mr M.E. McCarthy was present by invitation.

The Prime Minister outlined the questions which had arisen during the morning's discussion.

McCarthy. We did not average and we did not project. Over the last 20 years there was no arithmetical averaging system but both export price and local price have both been taken into account in fixing the local price - local price not being moved up when export price was high & vice versa.

We think this should continue. We thought that wide disparities in these prices would continue, a precise averaging might not be satisfactory. If our costs are high and overseas price low the industry would probably be better off with a benevolent look than with a precise formula. This view was unanimous.

I have seen the paper <sup>35</sup> showing the working out

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<sup>34</sup> 'perm.' is inserted above the line.

<sup>35</sup> 'Wolfensbergers' is inserted above the line.

$\frac{3}{4}$  becomes  $1\frac{1}{2}$  roughly,  $1' > 2'$ ,  $\frac{1}{2} > 1'$ .

Re para 417 & 418. – That is a unanimous recommendation. I would not accept the datum point of Wolfensbergers figures. – I would start with the cost of production.

If the govt had sd averaging & projections are in we would do that first and then round it off either up or down as seemed good to us.

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### Sugar Inquiry Report

We would have got different figures from the ones in W's memo.  
 $8.96 > 8.71$ ,  $9.48 > 9.22$ .

The committees view is that if you adopt averaging & projections you start with 8.58 and not 8.75. We ad look at the matter generally at the next stage but we do not make a general decision and then add on to that.

Mr McCarthy left the meeting at this point.

The Prime Minister recalled that on the two outstanding points the committee was unanimous.

The Cabinet did not agree to the projection proposal. The question is whether there should be a precise formula or whether it should be a rough & ready method of averaging.

McMahon. If you are going to give  $1'$  – it is better to adopt the third view and not adopt the averaging.

Uphold committees recommendation on averaging and projection and uphold Queensland members recommendation on price. Agreed.

9' Ctees report otherwise adopted see p.116.

query as to recommendation number 5. Is the view of Dept of T & C different from this.

Defer recs 11 & 12.

McCarthy to tell Prices Ministers

P.M. to notify Gair before public ~~agre~~<sup>36</sup>

Rise to be effective from Monday. –

10.25pm

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<sup>36</sup> 'announcement.' is written above the line.

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Income Tax: Scheme to Avoid Tax on Company Profits Distributed to Shareholders

Submission No. 348

The Treasurer read the submission & the proposed press statement.

It was suggested that the statement in question should not disclose the interview as this would be<sup>37</sup>

The statement should say that this loop-hole is to be blocked up. If the Commissioner thinks he can validly assess he should do so and leave the taxpayer to challenge the assessment. Paras 7 & 8 would need to be deleted and para 9. altered.

Disclose the nature of the scheme, govt is going to stop them & that the law will operate as from this date. Nothing to be said about retrospectivity. Statement to be made in the House<sup>38</sup> P.M. & Treasurer to consult on the statement. General view was that the amount of over £1m should be mentioned.

11.15pm

Sugar Inquiry Report

Principles to be the McCarthy and Wolfensberger principles plus something.

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**[13 October 1952]**

Cabinet 13.10.52

Review of Banking Legislation -

10.30 - 1.pm

Cabinet considered this matter in the absence of the Secretary. The Governor of the Bank was invited to be present for portion of the meeting. -

8.30pm. The Secretary attended.

The Cabinet considered a proposal to define the ~~amou~~ maximum amount which could be the uncalled unliability of the trading banks.

Say	Total assets now	£1200m
	rise to	£1800m
	Under para 1. call	£600m
	Suppose you call	£200m
	This leaves	£400m

Instead of £400 the amount callable but uncalled would be £180m.

<sup>37</sup> 'the disclosure of a confidence.' is written above the line.

<sup>38</sup> 'on Thursday night.' is inserted above the line.

In relation to the £1800m you would be fixed at the figure until the assets changed when you started again but I meant you to be pegged at this figure.

Basing the proposal on assets instead of on deposits is a provision in favour of the trading banks.

If assets rise to £2000m  
You now have a right to call £380m  
If you call £100m

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you have a nominal right to call £280m  
but you are restricted to 10% - ie £200m

It was agreed that the power to call should be based on assets rather than on deposits.

McMahon. I think that we should adopt the clean-cut proposal of the trading banks rather than that of the Gov of the C/w Bank - see para 6. on page 4.

Holt. You must realise that if we adopt the view of the Gov of the Bank we go a long way to take this out of the realm of politics.

Fadden. The Bank Board is unanimous in favour of the asset method of calculation.

McBride: This new idea will be difficult to explain to the party and I think that it will be difficult to reconcile with general banking practice. I am satisfied that the central bank will be conservative and will call up too much.

Page: If the Bank calls the whole amount at anytime then there is no uncalled balance to take 10% of.

Holt: The banks proposal is for 20% and then up to 30% after reference to the G.G. etc.

Spooner: I wld not hesitate to go against the private banks but let us get the banks criticism of the proposals. The central bank & the trading banks should be able to agree on this.

Page. Let us try this proposal on the banks & if they won't agree let us see what % we can get them to agree to.

*[Page 50]*

Hasluck. The banks two main objections are being met by the Treasurer's new proposal.

Harrison. If we are not making a firm decision I am happy to use this as a basis for discussion with the banks.

Para. C. on page 4.  
C/wealth Banks position

Menzies. There is a proposal that the trading bank should be kept separate but that it should operate under the Bank Board in the same way as the other departments –

The trading banks want the general banking<sup>39</sup> and the rural credits department the mortgage bank department, & the industrial finance department should have a separate incorporation.

Page: Could not the trading bank be put in the same position as the savings bank – ie a separate entity in the same way.

9.30pm

McMahon. I think the trading banks assume that the savings bank also will have a separate board.

P.M. Suppose we have two corporations, the trading bank, & the savings bank, and in addition the central bank. The central bank cannot lend money for housing, the trading bank refuses and so does the savings bank.

*[Page 51]*

McMahon – You can always positively direct the trading bank to lend money. And although you abuse the governments own creature then it is your creature that you abuse.

Alternatively the central bank can make money available to either of these other banks for this purpose.

Spooner. I think that you overstate it when you say you must have a bank to carry out govt policy – eg housing. The central bank must provide the funds for that policy and they must make it available to all banks and not only to its own creature.

McBride: The trading bank should deal only with ordinary banking matters. If you want advances for housing you set up a mortgage bank for that purpose. Similarly you have the industrial finance department. You should have a separate institution for each function.

Page. A central bank can't function properly if it is tied up with these long term matters.

I would be willing to have it in the same situation as the Savings Bank.

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<sup>39</sup> 'division' is inserted above the line.

McMahon: I would regard that as a satisfactory first step.

Treasurer refers to pages 13 & 14.

The Treasurer thinks that the govt should go further and makes the following suggestions

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1. To make the 4 divisions<sup>40</sup> separate<sup>41</sup> in the same way as the Savings Bank.
2. Appoint the General Manager in the same way.
3. Central bank to make loans in ~~the~~ emergency conditions - on conditions (mentioned).
4. General bank to observe bank advance policy & auditor general to report on this.

42

Page: suggests that General Manger should be on the Bank Board.

McBride: The trading section obeys the advance policy but are there limitations on the money which it has available for advances.

Spooner: There is a strong public opinion that will react badly to doing anything to interfere with the C/wealth Bank.

Fadden. The separation of the trading bank and the central bank is a new issue.

P.M. If we propose the complete legal & physical separation of the two - complete staffs etc we will have great trouble.

Spicer: The Treasurers proposal makes very little practical difference and we will probably be told that we are only playing with the problem.

Spooner: I also distrust the half-way approach.

11.pm

PM. If you lump these four divisions together

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you will again have the same misleading statistics as are being put out today. I would incorporate each ~~section~~ division of the bank separately.

Treasurer

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<sup>40</sup> 'a' is inserted above the line.

<sup>41</sup> 'unit' is inserted above the line.

<sup>42</sup> 'get copy of Treasurers statement on this point.' is inserted in the margin.

Our special accounts. – The proposals put forward by Coombs should be accepted and discussed with the Banks. Have I to stand firm, or what is the position.

P.M. We said we have come to some tentative conclusions on this. Here is something which is a different approach. We have this under consideration. If they have some powerful arguments. We will look at this matter again. This is our current thinking. To also with the second proposal.

Other proposals of the Trading Banks.

- (i) Section 13 (2) (c) No change to be made in existing provisions.
- (ii) Section 15 (1) This to be confined to foreign banks, ie banks incorporated outside Australia and having the bulk of its assets outside Australia. – Investigation of this point.
- (iii) Section 28. To be repealed.
- (iv) Section 50. To be retained but information to be available only to the Central Bank.
- (v) Section 27. Trading banks proposal not to be agreed with. (C/w Bank<sup>43</sup> to have same supervision by auditor-general. This dealt with elsewhere.)

*[Page 54]*

- (vi) Part III – Enabling legislation for Exchange control, see memo headed Working Balances of Overseas Funds for Private Banks. This to be left for negotiation.
- (vii) Section 40. Provision of statistics to Central Bank. Agreed that central bank should be entitled to collect have the statistics ~~sugg~~ indicated.
- (viii) Investigation and Reports by Auditor-General. Treasurer to act on the recommendation of the Central Bank in ~~in~~ directing an investigation.
- (ix) Section 51. Approval for amalgamations. Trading banks proposals agreed to.

Part v. Other Minor Amendments to the Banking Act 1945.

These matters left to the Treasurer.

Part vi. Minor Amendments to C/wealth Bank Act 1945-1951

Each of these four points agreed to.

*[Page 55]*

***[21 October 1952]***

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<sup>43</sup> 'general division' is inserted above the line.

Review of Banking Legislation: Interview with Trading Banks and C/wealth Bank.

The Treasurer read the submission (No. 355) together with the comments by the C/wealth Bank on Trading Bank Proposals of 18 October. He then read submission number 356 entitled Review of Banking Legislation – Alternative Proposals on Disputed Issues.

The Special Account System – Cabinet considered the possibility of a shifting date ~~in~~ for the base of the special account system. It was said that in war time the Central Bank would have extra powers derived from the defence power and that the provisions now laid down should be designed for peace time and therefore some lesser powers might be sufficient.

On the other hand it was urged that you cannot legislate against bad faith.

It was mentioned that it was desirable to defer legislation until after the Senate election because the legislation would lose friends on both sides. On the other hand it was said that it was necessary to go ahead in order to satisfy the government parties.

The Prime Minister indicated that <sup>44</sup> the trading banks would never be fully protected except by abolishing the Central Bank. Now having accepted the principle of deposits it is necessary to establish some limits. But 20% is too low and but we should not need a declaration of emergency

*[Page 56]*

#### Decision

We must have the greatest possible area of agreement. On this deposit point we should accept the deposit basis and we should try to reconcile the C/w Bank's view & the trading banks view.

It was urged that therefore you should deal with this in the February session. It might even develop into a favourable senate issue. The P.M. recalled that the Governor was prepared to consider an upper limit based on a percentage of assets (?) deposits (?).

It was thought that it was not necessary to safeguard against every possibility. –

If the Central Bank thinks a greater percentage necessary it shall confer with the trading banks. – This is a suggestion for negotiation.

#### Decision

It was understood that the bill will not be introduced until the beginning of the February session – but the problem is still to be regarded as urgent.

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<sup>44</sup> 'in one sense it could be said that' is inserted above the line.

### The Separation Issue

It was pointed out that you cannot separate the trading bank and attach to it the rural credits division, the mortgage bank, and the industrial finance division because they are millstones round its neck and it was suggested that you should have a separate trading

*[Page 57]*

bank and attach the rest of the divisions to the Central bank. It was agreed that separation should go no further than this suggestion.

Does the new bank have to establish a new head office. You lose the transferability of officers.

The essential thing is to have the C/wealth Bank's trading section subject by statute to the same restrictions as the other trading banks. This meets the point of substance.

General banking division to be subject by statute to the same provisions as the other trading banks.

Should you incorporate it separately. It was thought that incorporation was an empty gesture.

You would establish the position of Manager (General?) by statute but you would not incorporate it separately, as is the case of the Savings Bank. It would be the same as the Industrial Finance Division. The only difference of opinion is on the point whether the trading division is separately incorporated. Page points out the you should define the functions of the trading bank. - Incorporation agreed to - the other divisions remain as they are.

*[Page 58]*

Retrospective Legislation in the Senate

Senator Spooner outlined the<sup>45</sup> senate's objections to the measure. They complain that they had no effective opportunity of discussing the proposals before they were introduced.

*[Page 59]*

***[28-29 October 1952]***

Cabinet      Tuesday, 28.10.52 - 10.30am

Funeral of late Rt Hon W. M. Hughes.

Cabinet indicated that it was desirable for the funeral of the late W. M. Hughes on Friday 31<sup>st</sup> at 2.30pm.

Business of the house.

Meet at the normal time tomorrow - ANA-TAA not to be gagged. If Labour party is anxious to finish this week that can be arranged.

➔

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<sup>45</sup> 'govt supporters in the' is inserted above the line.

### Retention allowance of 25%

... "in which the amount retained by the individual owner is equal to his rateable proportion of the partnership assets."

The controversy is around those partnerships which were formed after the Rose case in the second year. ~~of the~~ McEwen suggests that the concession should be applied to all bona fide partnerships.

Treasurer reported that there were ~~over~~<sup>46</sup> 4,000 family partnerships created in NSW since the Rose case to take advantage of this decision.

Does this impose an obligation retrospectively. Rose decision Nov. 1951. Partnerships could have been formed between then and now there would have been no disposition of stock. We now say these transactions are to be subject to S.36 (from now on) subject to this that people who retain 25% and agree can avoid this provision.

*[Page 60]*

In relation to this period<sup>47</sup> provided the Ctee is satisfied that there is a bona fide partnership then he can be satisfied with less than 25% retention. Agreed to unanimously. 12.30pm

No announcement until the amendment prepared.

Cabinet to meet at 3.15pm

State of the Nation ➔

McEwen. International Harvester are proposing to close their tractor factory – 600 dismissals plus consequential ones – Some ministers to meet at 5.30

Review of Banking Legislation ➔  
Further Interview with Trading Banks & C/wealth Bank

12.40pm

The Treasurer read the submission and reported orally on the general nature of the discussion. The Banks were not opposed to the ~~ent~~ special account system. But they wanted a maximum of 30%. But the bank board showed that it had been over 40% for the last 5 years. By way of compromise I suggest 75% of the increase in deposits and the Melbourne bankers were inclined to agree to it. But I reserved our position on this. The Bank Board somewhat reluctantly would be prepared to accept the 75%.

*[Page 61]*

3.30pm Resumed

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<sup>46</sup> 'nearly' is written above the line.

<sup>47</sup> 'ie. from Nov '51 to the introduction of the bill' is inserted above the line.

No. 349. 35.                      No. 8. 355     to Sir Earle Page (returned)  
349. 16.                      Mr Kent Hughes.

McMahon: I do not think that the association of the rural credits department, the mortgage bank department, & the Industrial finance department with the general banking division would be a weakness to that division. Each of these departments makes a substantial profit.

Harrison: Why should not the Savings Bank finance the Mortgage department, and the industrial finance department, leaving the rural credits department to get its finance from the Central Bank.

It is agreed that the Central Banks should continue to operate the specialised sections as now.

It is agreed that the Trading section should by statute be subject to the same requirements as the trading banks - separate manager - separate incorporation.

Question - 1. Is it to be under entirely different control - eg a separate board (which would of course appoint the manager). No.

2. Is such a Board to be subject to the Treasurer. No.

Is the Bank Board to appoint the manager or is it to be the same as the Industrial Finance Department by the Governor-General.

*[Page 62]*

Treasurers directions would be given to the Bank Board.

The Treasurer read a memo pointing out the views of the Governor of the C/w Bank that time would be required to enable new provisions to operate - he suggests that certain sections should not come into operation except on proclamation.

It was agreed that the party should be informed at an early date and on the day of the information to the party a press statement will be made indicating the decision.

The A/G asks under what section do various government accounts go - the Central Bank, or the Trading Bank, C/wealth govt accounts, State govt a/cs, local govt a/cs. It was noted that further advice would need to be obtained on these issues.

Electoral Bill

The only difference of the bill as drafted is that it refers to "any place outside Australia" and not just to Australia House. Agreed to amendment re territories.

*[Page 63]*

Japanese Representation.

No longer objections to announcement.

Suggested lines of government policy.

This to be opened up at 8pm.

Argentine Amt. Sir Earle Page wants to mention this to some committee.

London Conference The P.M. raises the question of outside people being present in London. -

Adjourned till 8pm.

Cabinet 29.10.52 10.15am

Navigation Bill - Holt. We have all the maritime unions and the ACTU against us. They want a conference. I wld favour letting it stand over for the time being. There have been ~~no~~ discussions with the owners & none with the unions.

The Maritime Industries C/ion orders have lapsed.

They object to (Elliott, Coles, Noakes, & Lawrence who are on C/ion) these matters being ~~dealt with~~ taken away from the C/ion.

McMahon. This bill was approved by the committee & is approved by the parties - even acclaimed it.

Holt suggests adjourning for a fortnight and resuming the house then.

Harrison. I can get the house up on Wednesday night.

P.M. Party meeting Thursday Cabinet Tuesday 10.30am  
Cabinet - Friday

[Page 64]

Suggested lines of government policy -

Spooner: The view round the table said the remedy proposed was more public works - (some dissent). I am opposed to this although I am not opposed to some pump priming. We should make the climate favourable to private enterprise and that means tax reductions. We got £2.7m plus £1.5m out of the budget, that is £4.2m to the good. (Treasurer. ~~We~~ State Grants went up by 5m.) We should reverse the trend. Let us reduce sales tax immediately.

Kent Hughes: What are the foundations of our economic policy. We are doing federal works out of tax, last year we added state works to it. This year we are taking federal works (£100m).

Page: In addition to this there is £200m for defence. What an incentive taking £100m off the budget would give.

Treasurer: We have no alternative to paying for public works out of taxation. We have in fact used bank credit.

McEwen: At the end of the war taking public works on the budget was an anti-inflationary measure. We now have a paper setting out indicators of deflation. We may have to change our anti-inflationary policy. We may have to go deeper into Treasury bill matters ~~and~~ or alternatively urge higher interest rates.

*[Page 65]*

Holt: I am concerned with the political situation in the next few months. Let me read the draft statement which I propose.

Reads it.

P.M. This problem will also be posed by the London Conference where all the pressures are going to be<sup>48</sup> anti-inflationary measures.

*[Page 66]*

***[4 November 1952]***

Business of the House

Cabinet      4.11.52

Business of the House

1. Defence Transitional – Mr McBride
2. Three Air bills – an hour each in committee
3. Navigation Bill–

Holt. I take no responsibility for this. The amendments will not take away the bad features eg a provision that it is an offence to<sup>49</sup> take ship to sea – penalty 4 years.

There was strong pressure to abandon Maritime Industry C/ion. I opposed it but it was ultimately agreed it should go. The C/ion has by excluded certain individuals from the industry. The disciplinary side was ....

...

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<sup>48</sup> 'on' is inserted above the line.

<sup>49</sup> 'persuade people to' is inserted above the line.

Holt gave an account of ~~an~~ a meeting which Bland and McFadyen with unions and shipowners.

...

McLeay. Williams & Bland should examine the three objections to see if they can be met & then go to the Industrial ctee.

A/G. To find out what happens if this bill stands over.

McMahon. If we do that we will be accused of indecision.

Holt, McLeay & Spicer to consult and report to the Prime Minister.

*[Page 67]*

Auditor-General:

P.M. proposes to make a statement on the Auditor-General. No need to make a statement in the Senate.

McEwen suggests that the statement should be expressed as the view of the Law Dept.

Amenities Committee ➤

Stamp allowance for members<sup>50</sup> should be increased by 50%.

No relief typists - No.

Air Travel - Alter 'or' to 'and'

➤ Wives of<sup>51</sup> to be increased to 4 times a year<sup>52</sup>

[Restore right to Territorial visit once in 3 years. No]

Look at air travel - 2 or 3 ministers to look at it & private member using own car.

Holt, McBride & Kent Hughes,<sup>53</sup> - to make decision, include use of car<sup>54</sup> To look into all proposals.

P.O.W.S. (Europe)

Cabinet agreed that no payment could be made.

Coal

Spooner: Elections are to be held ~~will~~ this week. In my opinion the L & NS scheme should be put in operation this week. I would not expect much opposition to this.

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<sup>50</sup> 'and Senators' is inserted above the line.

<sup>51</sup> 'travel' is inserted above the line.

<sup>52</sup> 'to Cba.' is written above the line.

<sup>53</sup> 'Beale' is inserted above the line.

<sup>54</sup> 'transport by parliamentary & other officers.' is written above the line.

This leads on to a Treasury problem. I want to stockpile coal. We have agreed in general principle. A substantial proportion of the coal being produced is unsaleable. We will therefore stockpile unsaleable coal if we are not careful. Therefore we should restrict our stockpile to reasonably good quality coal. ~~The~~ We should tell the Coal Board that it can stockpile

*[Page 68]*

from now till Xmas. I have recommended 1 ½ m tons by the end of next year. Treasury, L & NS & Dev. shd be given some measure of discretion. We may have 1m tons at grass by end of Dec '52. I propose to taper off open cut.

I am leaving on one side other issues.

I want decisions on two points - first stockpiling good quality coal, and letting L & NS get into operation.

We are stockpiling at a cost of 58/- a ton.

...

We had a discussion with the Premier yesterday (Beale and myself.)

Kent Hughes: The Victorian & S. Aust markets are now lost to NSW due to Vict brown coal & briquettes and Leigh Creek coal. We need to look at the long term program as soon as we settle the short term one.

Spooner. We must not get into a panic. Over the next 5 years<sup>55</sup> at present rate of output we would have a stockpile of 4m tons. I would not be worried except for the Newcastle coal.

► You want tapering off of open cut program, stockpiling of good quality coal, up to ~~1 ½ m~~<sup>56</sup> tons by the end of 1953 leaving it to Board to

*[Page 69]*

try to get that coal to Vict, SA & BHP. Treasury would have to be brought into this because to some extent this is a loan to the states.

► McBride: If you are going to stockpile you must wherever possible stockpile it with the user - if necessary by financial assistance. In the meantime you keep the transport system running.

Spooner: The State govt wants a levy on coal. I do not. The State govt wants to continue control of the industry but I do not. This will be dealt with on Friday.

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<sup>55</sup> '(ie by 1956)' is inserted above the line.

<sup>56</sup> '2, 1 ½ m' is written above the line.

[Page 70]

[7 November 1952]

Coal Submission No. 344

Cabinet: 7.11.52

The Minister read his submission.

Query - Was Cabinet decision to retain coal plant within the coal industry made on a recommendation.

Recommendation - Note recommendation (b) has now been agreed upon to by Coal Industry Tribunal.

The Minister read a letter from colliery proprietors saying that elimination of distributing functions of JCB should be accompanied by removal of price control and various other matters.

The Minister indicated that he was opposed to the stabilisation fund suggested by the Board because this could be the first step towards nationalisation of the industry.

Holt queries the figures given for long service leave. His figures are 1100 men at a time.

I would prefer to say. Stockpile your 1 ½ m, look for overseas markets. In 2, 3 or 4 mths time we will know what is happening to consumption. There may be greater demand & less production. Gair has no intention of curtailing production of good quality coal.

Cabinet emphasised the need to stockpile coal where it was to be used - users will have some responsibility in turning it over

Adjourn till 2.15pm

[Page 71]

Cabinet is prepared to stockpile to x million tons, ~~the~~ to have a stockpile of good quality coal, Cabinet committee to determine matters, major decisions not to be made at this stage. Statement to be made as soon as possible. Production of good quality coal to continue.

Submission No. 360

Mr Holt said that his department challenged some of the facts stated in the Treasury statement - especially in relation to the building industry & that the real unemployment figure was 80,000.

Kent Hughes: The real problem is to restore confidence in the bond market.

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**[11-12 November 1952]**

Cabinet        11.11.52        8.45pm  
(Mr Bunting present also)

The Prime Minister outlined the history of the discussions beginning with the Finance Ministers Conference and going through the officials meeting.

9.30    Sir Arthur Fadden read Melvilles report beginning at page 6 to para. 27.

Mr McBride pointed out that there was little ~~to be done~~ being done to encourage U.S. investment in the sterling area and that that was the prime need of the present problem.

P.M. replies - 1. You can't expect them to invest here unless they can get dividends out if they want them.

2. Double tax is symbolic.

3. Investment will be aided by convertibility.

One of the UKs planks is the right to discriminate against "persistent creditors".

P.M. reads the extract from Melvilles comment on U.S. being better creditor than the UK wld give them credit for.

Mr McMahan thought that it was so unlikely that deflationary measures would be brought into operation that any parts of the UK plan could be brought into effect. U.S. private investment was not likely to come here when Australian conditions were so unattractive to them.

[Page 73]

Kent Hughes. Can you get convertibility unless you let the exchange run free.

Holt asks what is the position about quantitative imports. He says that Richardson thinks that our balances will improve substantially.

Cabinet        12.11.52        10.45am  
(Mr Bunting present also)

Mica

Mr Beale reported on a scheme for testing the mica market overseas and asked for an extension of the pool for one year. He will bring a submission down within 6 mths. It was suggested that stocks valued in the books at £250,000 approx might be worth substantially less and profits of £18,000 would be more than swallowed up in the loss that would occur when unsuitable mica was sold.

Coal:

Mr Beale said that he asked that the decision should not be taken as over-ruling the earlier decision. Committee consisting of Treasurer, Holt, Beale, McBride, Kent Hughes and Harrison to go into the question & prepare plans<sup>57</sup>

Mr Beale asks whether stockpiling on the premises of the user included power to give credit to interstate users within the ceiling of 1 ½ m. This to be restricted to state & semi govt. Query whether this should be extended to include large private users such as BHP & gas Cos.

*[Page 74]*

Individual cases to be referred to the Treasury for approval.

The Treasurer does not like the principle of helping to finance coal users. -

Treasurer, Holt & Beale to prepare a reply.

Wheat

*[Page 75]*

Cabinet 2.30pm

Royal Style & Title

The Prime Minister reported on the conclusions of the Prime Ministers conference on this matter.

Anzus

and on the Anzus matter.

Eisenhower is not likely to change the view adopted by the Truman administration.

Lord Alexander & Harding accepted the P.M.s solution - more life in Anzam and induce working arrangements with the Americans.

P.M. believes that Churchill has already spoken to Eisenhower and the E. has told him that membership of Anzus is off.

London Economic Conference

London Conference

Mr Menzies: Altho reserves have been improving they are not sufficient to support convertibility. All countries now accept convertibility as a goal. The officials

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<sup>57</sup> 'relating to stockpiling.' is written above the line.

conference thought ought a collective approach to convertibility. Certain European countries are to become convertible and sterling is to be convertible in the hands of non-residents.

You may set up great demands on the pool & so you must have genuine co-operation of European countries and of the US. The US Congress is getting tired of grants-in-aid. The whole proposal is for a guarantee fund behind this operation provided by the I.M.F. ...

*[Page 76]*

PM mentioned £7m as the limit of what Aust might borrow on the London market.  
...

P.M. read to agreed minute of action to follow the conference including CEC 52(9).

[PM agreed that question of import restrictions should be discussed before the house sits.

Treasurer to produce figures on balance of payments figures.

Holt says we are building up prospects of unemployment here because we are running out of stocks of cotton piece goods for example which are raw materials.

P.M. agrees and wants this matter brought up soon.]

Holt suggests that some point might be made publicly of the fact that policies advocated by Sir A. Fadden are now adopted by the 8 govts there. Anthony suggests more publicity should be given to the favourable trade balance over the last 6 mths. Page suggests referring to Cairn's comment about Fadden.

4pm - 4.20pm

India & Pakistan

It was pointed out that UK was supplying tanks to India. This was a matter of intense concern to Pakistan. It was pointed out in discussion that practically the whole

*[Page 77]*

of the sterling areas dollar deficit since 1947 was represented by food purchases by India from U.S.A.

Statement to Parliament on London Economic Conference

P.M. said he would make a statement to the house on the subject of the London Economic Conference.

The P.M. reported that it would be necessary to discuss the availability of overseas capital with the Premiers.

Uniform Tax

Are we going to ask them to discuss uniform tax on Feb 20.

Treasurer. We have to produce a proposal for them. The Attorney-General read the relevant portions of memo prepared by Bailey.

Submission 380

Legislative Program

Queensland may be Feb. 27 or 28, or even 21<sup>st</sup>  
S. Australia will probably be March  
Sit 4 days a week? but not first week.

Starting on the 17<sup>th</sup> Feb for the House and 18<sup>th</sup> for Senate. <sup>58</sup>

Page suggests meeting a fortnight after Easter at least so as Supply, Banking.

If some bills can be introduced in Senate call senate for same day as the House of Representatives.

McEwen raises the question of Primary Industries Board & asks for Cabinet Consideration of it.

Banking bills to be guillotined right from the beginning.

Legislation ctee to determine

*[Page 78]*

This should be a propaganda session and the best speakers put off to speak during the best listening time.

Each minister to indicate which bills are important for this session.

Party meeting on Tuesday morning at 10am.

Post J.O. Profits

It was proposed to make a further payment of J.O. profits. There is an appeal on Poulton's case lodged.

Ctee to consider legal Treasurer & McBride & McEwen to add for this purpose.

8.30 tonight

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<sup>58</sup> '6 wks session ending on Friday 27<sup>th</sup> March.' is written above the line.

Television 384

There are only two channels available in each of Sydney & Melbourne. Later on in about 5 yrs time we will have 5 channels because by that time we will have shifted civil aviation & other people off the appropriate bands. The P.M. asks why two channels only are available here when 8 are available in N. York.

NBC set aside \$9m to lose when they started television and they did in fact lose \$7m.

Apparently overseas experience suggests that one television station services one million of the population.

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Page. Should we not defer this. We have to win 2 small states. Under this scheme both of these states ~~are~~ have a very low priority. Add to this we are to talk to the states about works priorities. How can we start television in this atmosphere. Further this will require a week's debate in the house.

PM. Why should we not adopt Fairhalls suggestion for an investigating committee. Our circumstances are very different, we have a dual broad-casting system, no concentration of population like N.Y. or London.

Let us have Fairhall, Churches, ABC, commercial broadcasters, a few M.P.s – and we will gain time. What about Colin Bednall from Queensland.

Holt. We can say we are taking this to the party & between now and the party meeting let us have our committee ready.

Anthony: Do not forget that the Broadcasting Act must be amended to allow commercial television. This needs to be done immediately if we fear we are going to lose control of the Senate.

P.M. It might be worthwhile to bring in that amendment.

Agreed to bring in the proposed amendment and to appoint the committee after discussions with the parties.

Think over

1. the nature of the committee to be set up.
2. an amending bill which repeals the existing provisions as to television.

10.30am tomorrow

10.20pm

*[Note: The remaining pages of this notebook deal with Cabinet meetings that took place in 1953. They will be released in 2004]*

## Persons mentioned

Name	Full Name and Position
Anthony	Hubert L ANTHONY, Postmaster-General and Minister for Civil Aviation
Beale	Oliver H BEALE, Minister for Supply
Bednall	Colin Bednall, Managing Editor and Director, Courier MAil
Bland	Henry A BLAND, Secretary, Department of Labour and National Service
Brown	Harry Percy BROWN, Chairman, British General Electric Co Pty Ltd
Bunting	Edward John BUNTING, Assistant Secretary to Cabinet
Cahill	John Joseph CAHILL, NSW Premier
Caldwell	Arthur A CALDWELL, Opposition Leader
Casey	Richard G CASEY, Minister for External Affairs
Chandler	Herbert Bovyll CHANDLER, Treasurer, Communist Party of Australia
Churchill	Winston CHURCHILL, British Prime Minister
Coombs	Dr Herbert C COOMBS, Governor Commonwealth Bank
Copeland	Douglas Berry COPLAND, Vice Chancellor, ANU
Cousens	Charles COUSENS, Australian major who made Japanese propaganda radio broadcasts from Tokyo during WW2
Crawley	CRAWLEY, Secretary Department of Trade and Customs
Davidson	Charles William DAVIDSON, Member for Dawson
Donaldson	R F DONALDSON, Director Commonwealth-New Guinea Timbers Ltd
Dunk	William Ernest DUNK, Chairman, Public Service Board
Eisenhower	Dwight D EISENHOWER, President of the USA 1953 to 1961
Fadden	Sir Arthur W FADDEN, Treasurer
Fairhall	Allen FAIRHALL, Member for Paterson
Francis	Josiah FRANCIS, Minister for the Army
Gair	Vine GAIR, Queensland Premier
Gentry	Major General W G GENTRY, ANZUS representative
Harding	Field Marshal Sir John HARDING, Chief of the Imperial General Staff
Harrison	Eric J HARRISON, Vice-President of the Executive Council, Minister for Defence Production
Hasluck	Paul M HASLUCK, Minister for Territories
Healy	James HEALY, Communist and General Secretary of the Waterside Workers' Federation
Holland	George William Frederick HOLLAND, President, Returned Servicemen's League
Holt	Harold E HOLT, Minister for Labour and National Service, and Minister for Immigration
Howse	John Brooke HOWSE, Under Secretary fo External Affairs

Hughes	William M HUGHES, Member of Parliament for NSW, Liberal since 1944
Kekwick	Bruce H KEKWICK, Liberal member for Bass, Tasmania
Kent Hughes	Wilfred S KENT-HUGHES, Minister for the Interior and Minister for Works and Housing
Lane Poole	Charles E LANE-POOLE, Consulting forester and former Inspector-General for the Commonwealth Forestry Bureau
Kessell	S L KESSELL, Proposed Director, Commonwealth-New Guinea Timbers Ltd
Mackay	Reginald William MACKAY, Chief Electrical Engineer, NSW Dept. of Railways
McBride	Philip A McBRIDE, Minister for Defence
McCarthy	Mortimer E McCARTHY, Chairman Tariff Board
McEwen	John McEWEN, Minister for Commerce and Agriculture
McFadyen	Charles Hector McFADYEN, Secretary, Dept. of Shipping and Transport
McGovern	Patrick Sylvesta MCGOVERN, Federal Commissioner of Taxation
McKnight	Allan Douglas MACKNIGHT, Assistant Secretary, Prime Minister's Department
McLeay	George McLEAY, Minister for Shipping and Transport
McMahon	William McMAHON, Minister for the Navy and Minister for Air
Meere	Francis A MEERE, First Assistant Comptroller-General, Department of Trade and Customs
Melville	Leslie Galfreid MELVILLE, Assistant Governor, Commonwealth Bank
Menzies	Robert G MENZIES, Prime Minister
O'Sullivan	Neil O'SULLIVAN, Minister for Trade and Customs, Leader of the Government in the Senate
Page	Earle C PAGE, Minister for Health
Radford	Admiral A W RADFORD, ANZUS representative
Richardson	Ernest Biggs RICHARDSON, Deputy Governor, Commonwealth Bank
Scullin	James H SCULLIN, former ALP member of Parliament
Slim	Sir William SLIM, Australian Governor-General
Spicer	John A SPICER, Attorney General
Spry	Colonel Charles SPRY, Director-General of ASIO
Spooner	William H SPOONER, Minister for National Development
Strong	Thomas Hugh STRONG, Director, Commonwealth Bureau of Agricultural Economics
Townley	Athol G TOWNLEY, Minister for Social Services
Truman	Harry TRUMAN, President of the USA 1945 to 1953
Webb	Sir William WEBB, Chief Justice of Queensland
Wheeler	Sir Frederick WHEELER, Acting Secretary to the Treasury
Williams	Dudley Cadell Leslie WILLIAMS, First Assistant Secretary, Dept. of Shipping and Transport

## Abbreviations and symbols

Abbreviation/symbol	Interpretation
%	per cent
&	and
►	yes, ok
∴	therefore
?	unable to transcribe
[...]	crossed out text unintelligible
£	pound
a/c <i>or</i> a/cs	account/s
A'ns	Australians
ABC	Australian Broadcasting
abt.	about
ACTU	Australian Council of Trade Unions
AG/s	Attorney General/s
altho'	although
ANA	Australian National Airways
ANZAM	Australia, New Zealand and Malaysia
ANZUS	Australia - New Zealand - United States
ASB	Allen S Brown
Aust	Australia
b	bushel
BCPA	British Commonwealth Pacific Airlines
BHP	Broken Hill Proprietary
Br	British
Br. C/w or British C/wealth	British Commonwealth
c/er	commissioner
c/ion	commission
C/w or C/wealth	Commonwealth
CAN	Canada
Cba	Canberra
CEC	Commonwealth Economic Conference
cfce	conference
CMF	Citizen Military Forces
Co/s or coy/s	company/s
COR	Commonwealth Oil Refineries
ctee or c/ee	committee
D/G	Director-General

def. prod. ctee	Defence Production Committee
dept	department
dev	development
divn/s or divis	division/s
E	Eisenhower
ES&A	ES&A Bank
espec.	especially
Ex C	Federal Executive Council
exec	executive
EZ	Electrolytic Zinc
Feb	February
fm	from
GG/s	Governor General
Gov	Governor
govt.	government
HC	human consumption
IMF	International Monetary Fund
JCB	Joint Coal Board
Ltd	limited
m. or mil	million
M.E. or M. East	Middle East
Melb.	Melbourne
memo	memorandum
min	minister
mth/s.	month/s
N	north
N. Africa	North Africa
N.A.T.O.	North Atlantic Treaty Organisation
N.S.W	New South Wales
NBC	NBC television station
no or nos	numbers
NY or N York	New York
NZ	New Zealand
Oct.	October
opposn.	opposition
ors	others
p	per <i>or</i> page
P.M.	Prime Minister
para/s	paragraph/s

Pdcn, prod, producn or pdn.	production
POW/S	prisoner/s of war
pres	president
PSB	public service board
Q'land	Queensland
Rec.	reconnaissance
recs	recommendations
regd	registered
rly/s	railway/s
RSL	Returned Services League
s or S	section
S.E. Asia	South East Asia
SA	South Australia
SCAP	Supreme Commander for the Allied Powers
sd	said
shd	should
SMH	The Sydney Morning Herald
solr	solicitor
sq	squadron/s
sub-ctee	sub-committee
subs	submarines
T&C	Trade and Customs
TAA	Trans Australia Airlines
Thur.	Thursday
UK.	United Kingdom
US. or USA	United States of America
Vic or Vict	Victoria
VP	vice president
W or W's	Wolfensberger/s
W. Europe	Western Europe
W.A.	Western Australia
Wed.	Wednesday
witho	without
wk	week
wld.	would