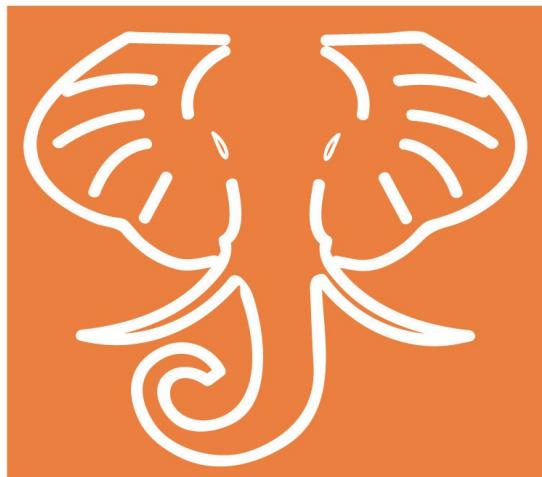


Parliamentary debates.

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should be eliminated from the question asked by the honourable member for Lyttelton I quietly said to the honourable member for Lyttelton "just like the Reichstag."

The Right Hon. Mr. HOLLAND.—We accept your apology.

Mr. CONNOLLY.—Thanks very much.

Mr. SPEAKER.—I do not think that statement should have been made.

Mr. CONNOLLY.—I only whispered it.

ADDRESS IN REPLY: WANT OF CONFIDENCE

Adjourned debate on the question, *That a respectful Address be presented to His Excellency the Governor-General in reply to His Excellency's Speech;* and the amendment proposed thereto.

Mr. S. I. JONES (Hastings).—Sir, the member for Hastings probably made the best speech he ever will make in this House when he moved the adjournment last night. At least it had the virtue of brevity.

I should like first of all to join in the congratulations that have been extended to the mover and the seconder of the Address in Reply. Perhaps they have been somewhat embarrassed by the wealth of congratulations they have already received, but I think it must be apparent to them that those congratulations have been absolutely sincere, as mine are. Why it is that speaking in this House is somewhat different from any other form of public address, I in my short experience have not yet realized; but it seems to be a fact, and one which I should say is now well known to the mover and the seconder. I would also like to join in the hope that the health of His Majesty will have improved sufficiently to enable him, together with the Queen and Princess Margaret, to undertake the tour of New Zealand next year. From last night's press statement concerning the preparations that are being made in the ship that is to bring the party to Australia and New Zealand I think we can infer that the prospects for the Royal visit are at least improving.

The people in my electorate are keenly looking forward to the tour. I know there has been some very natural disappointment that Hawke's Bay has not been included in the itinerary, but along with that disappointment is a ready acknowledgment of the strenuous nature of any such tour, and a ready acknowledgment of the necessity to curtail the tour as much as possible in view of His Majesty's health. However, from what I know, it seems that ample opportunity will be given to the residents of Hawke's Bay to make a journey to the nearest point of the itinerary, and it is very pleasing to know that arrangements have already been made to see that the children can participate in a conducted tour to Wellington. I should also like to join in the expressions of pleasure at the fact that His Majesty has seen fit to raise to the peerage His Excellency the Governor-General. I know that all members of the House will join in my pleasure that that honour has been conferred upon one who

has given such outstanding service to our country, both in times of peace and in times of war.

Now I would spend a little time in adverting to the remarks made by the member for Avon last evening. I do not think anybody on this side of the House ever expected or ever hoped to hear such an extraordinary tribute to Mr. Barnes as proceeded from the member for Avon last night. He said that Mr. Barnes had worked like a Trojan for the National party during the last election. The reply to the member for Avon is that Mr. Barnes and men such as Mr. Barnes have, perhaps unconsciously, during the last twenty weeks worked like Trojans for the National party in the 1952 election. The member for Avon also said that the Government had an ulterior motive in stepping into this present industrial trouble, the ulterior motive being—I did not quite catch his words, but he will correct me if I am wrong—to lower the standard of living of the worker. The Government had only one motive in whatever steps it has taken in this present industrial dispute, and that was to put an end to an intolerable situation in which a very small minority had come under the leadership of men who were drunk with power because of their continued series of victories over Governments which met them with appeasement—men who do not know what it means to keep an honourable agreement. That was the motive of the Government in stepping into this present trouble. The member for Avon also made a comparison between the proposed Supply Regulations of 1947, which met a most untimely fate, and the present Emergency Regulations. He omitted to say, however, that in 1947 there was no state of emergency, and that the regulations of 1947, had they been passed, would have been perpetuated, whereas the present Emergency Regulations were introduced during a state of emergency and will be withdrawn as soon as that emergency has passed. I think the whole House can pray fervently that that state of emergency soon will pass.

The House now has before it a motion that a respectful Address be presented to His Excellency the Governor-General in reply to His Excellency's Speech, and also an amendment of no confidence moved by the leader of the Opposition. Before I deal in any detail with the resolution or the motion of no confidence, I should like to refer to a Press Association message of the 26th June, relating to a meeting of the Labour party in Petone. That meeting in Petone was addressed by three members of this House—the leader of the Opposition, the member for Petone, and the member for Onslow. I was particularly interested in the remarks made by the member for Onslow. He said this :—

"I am glad Parliament is opening to-morrow and we can ring the bell of truth throughout the land. We had a tough time sitting round 'sawing wood,' as they say in America. We Labour people hold the Government responsible, and they will have to stand up to it. It will be only a few hours before we will be into them—and we will be into them."

We have already heard the leader of the Opposition, the member for Petone, and the member for Onslow speak in this debate. However, we have not heard anything which would suggest that they have got very far into this side of the House. In fact, what we have heard, I would say, is only another reminder to the House of how frequently desire outstrips performance. I could say to the honourable member for Onslow in a perfectly kindly manner—because after all, it is Friday morning—that perhaps it would be just as well if he continued to "saw wood," particularly as fuel is so short. This amendment of no confidence has been moved on the ground that the Government has failed to carry out the policy placed before the electors in 1949. In reply to that submission I would refer to a pamphlet, the last householder pamphlet put out by the National party in the 1949 campaign. It was called, "A National Party Victory and You." On the back page there are listed twenty-seven of the most important policy points of the party. To-day, eighteen months after the National party assumed office, twenty-two of those policy points are accomplished fact. Nevertheless, the Opposition has the audacity to say, in moving this no-confidence amendment, either that we have not carried out a single promise, or that we have carried out hardly a single promise. I repeat that we have carried out twenty-two of the most important points of the twenty-seven in our policy. I have not time to read out those policy points, but I am prepared to show the pamphlet to any member of the Opposition who comes over to my desk, or I will lend it to any one of them.

The Rev. Mr. CARR.—Would the honourable gentleman like an extension of time?

Mr. S. I. JONES.—Would the honourable gentleman like to move it for me? In addition to the twenty-two points already carried out, there are other promises of the party which have been fulfilled. One important one is what I am going to deal with next—namely, taxation. The leader of the Opposition asserted that the National party promised to reduce taxation. The National party never made any such promise. What it did say was this, and I am quoting from its policy:—

"While the reduction of the burden of taxation is in the very forefront of National party policy, it is not possible to say which taxes and to what extent taxes can be reduced. The extent of the present Government's financial commitments cannot be ascertained, and it is therefore not possible to declare the extent to which taxation be reduced. As the Government the National party will undertake an exhaustive and thorough investigation into the state of the country's finances. It undertakes to stop all wasteful expenditure and to reduce taxation to the greatest possible extent consistent with its pledges to maintain social security, wage and salary rates and consistent with its pledge to Civil servants, which pledge comes even before tax reductions."

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In this debate there have been many references to the present industrial trouble—indeed, it has been the main theme of the debate. His Majesty's Opposition has made an attempt to list the purely imaginary sins of the Government, sins of commission and of omission, since the beginning of the trouble. The House has listened to a lot of criticism from the Opposition, but we have not heard one concrete indication of what the Opposition would have done had it been the Government.

Mr. CONNOLLY.—Are you deaf?

Mr. S. I. JONES.—The member for Dunedin Central asks me a personal question. I will give him a personal answer, "No." We have not heard one word of constructive criticism from the Opposition; its criticism has been entirely destructive. Perhaps members of the Opposition would declare that it is no part of their duty to say what they would have done. But let me give a homely analogy. When a fire breaks out in a house or building, it is generally understood that every one within reach gives a hand to put out the fire. That is the position we were in when this trouble commenced. I said that Opposition members had given no indication of what they would have done. I will retract that and say that they have given us one indication. They have shown very clearly that they would have pursued the same policy of appeasement towards industrial troublemakers that became notorious during the fourteen years of their administration.

The present Government's policy towards industrial troubles is clearly set out in a few words on the back of the same pamphlet from which I have already quoted. The Government's policy was, is, and will be one of firmness with industrial troublemakers. The Government knew the struggle had to come: the Government knew that from its experience last August and September. I will go so far as to say that the people were relieved when the struggle did come, and they were more than relieved when the Government decided to grasp the nettle, when they knew that the Government was not going to give way to what could be termed a form of blackmail. At first there was some doubt—I will say why later. How many members on this side of the House had this hope expressed to them by hundreds of people: "I hope you are not going to give way"—and they added—"this time." Why did they add "this time"? Because they remembered so many other occasions when a Labour Government had not stood firm, and they could hardly realize the time had come when a Government was going to stay firm, was going to do what it said it would do—show firmness towards industrial troublemakers. The people had become used to a policy of appeasement. There had been much criticism of the Emergency Regulations. The plain fact is that we were faced, and are still faced, with a state of emergency, and powers had to be given to meet it.

Mr. ANDERTON.—You had all the powers you needed.

Mr. S. I. JONES.—We did not have them before the Emergency Regulations were issued. The safety of the people was endangered, and surely the situation was that abnormal circumstances demanded abnormal methods. That is a precept which has been taught to the rulers of any British country for centuries. We are told that the Emergency Regulations are a negation of democracy. To my recollection we have not yet heard in this debate a definition of democracy. Here is a rough and ready definition: democracy is rule by the majority. We admit that the rights of the minority have to be preserved, but, generally speaking, democracy is control by a majority. I said that the rights of the minority have to be preserved. Now, what is this minority? It is a very small section in this country, led by men who, I think, are not really concerned with wage rates or bettering the conditions of the men they represent. They have only one object, and that is power. Inside that very small minority there is another smaller one and it is no good trying to hide the fact and shut our eyes to the position—they are Communists. Any objection voiced to the regulations by any one acquainted with the conditions is so much political verbiage. Communists I say are a very small minority within a small minority. I do not say that all the people in the minority are Communists, but I say very bluntly that within that small minority there is a smaller minority of Communists. Let honourable members look at these pamphlets I have in my hand. I would have been tempted to burn them but I knew I had to bring them here. They were dropped in the post-boxes in my district in the dead of night. From what every member of this House knows of the methods of the Communists—

Mr. KENT.—You know that is not true.

Mr. S. I. JONES.—I know it is true, but I have not finished my sentence. I say that what every member knows of the methods of Communists shows quite plainly that this kind of stuff—the vile, scurrilous, disgusting language used in these pamphlets—is the very essence of what is taught in any school of Communism. That is the stuff this country has been subjected to during the past twenty weeks. Is any one reading this stuff going to deny that Communists wrote it? The language is the language of Communism. I would say that with the sort of stuff that is contained in these pamphlets we have reached a greater depth of calumny than this country has ever known before, and will, I hope, ever know again. My time is flying but I have to give a little attention to the attitude taken by the leader of the Opposition in the early stages of the strike. We have heard talk about the Minister of Labour wanting to be a hero. Here is an instance of a hero, in the literary sense. During the Trojan war the Greeks joined forces against Troy, and my example of the hero, in the literary sense, is Achilles. He quarrelled with the leader of the expedition.

An Hon. MEMBER.—You ought to know. You were there.

Mr. S. I. JONES.—Do I look as venerable as that? As I said, Achilles quarrelled with the leader of the expedition, and so we get that famous sentence, "Achilles sulked in his tent." That is what the leader of the Opposition did in the early stages of this strike. Then he finally rushed into battle, because he thought his rivals were getting too much credit, waving aloft the banner with that strange device "Neither for nor against." And his impetus was so great that he went right over the walls of Troy and landed in the enemy camp, and he is still there. The Opposition's real concern in this strike is that the mana of the Government has been so much increased because of the way it has handled the dispute. That is its real concern. It can place other opinions before the House, but it knows and we know that the great majority of the people wholeheartedly approve of the manner in which the Government has handled the strike. The Government has had no wish to oppress; it has been patient, tolerant, and it has been just.

In the short time remaining to me I should like to say something about a visit I made to the Napier waterfront a fortnight ago to-day. I went in response to an invitation from the representatives of the new union on the waterfront there. The arrangements were made through the controlling authority, the Harbour Board. I spent an interesting and instructive morning there.

Mr. ANDERTON.—Did you do any work?

Mr. S. I. JONES.—I did a lot of good work. When I got there I found that I was not the only visitor. Of course the chairman and the secretary of the Harbour Board were present, also representatives of the shipping interests, a manager of a freezing-works, a man prominent in the frozen meat industry, a member of the Waterfront Commission, and the whole party was conducted by the president, the vice-president, the secretary, and members of the executive of the new union.

Mr. KENT (Westland).—Sir, I move that the honourable gentleman's time be extended.

Mr. SPEAKER.—Does the honourable gentleman desire an extension of time?

Mr. S. I. JONES.—I will say, "No."

The Right Hon. Mr. HOLLAND.—There has been an understanding between the Whips on both sides on this matter, and we should like to follow the arrangement made. There is no courtesy intended when the honourable gentleman does not take advantage of the offer.

Mr. S. I. JONES.—I thank the honourable member for Westland for his courtesy. Continuing my description of the visit to the waterfront, I had a very good look at the work done there.

Mr. ANDERTON.—Were you on the slings or in the hold?

Mr. S. I. JONES.—I went down the holds and everywhere. I was given figures by members of the new union, and I checked them in every way I could. I confirmed them from

the stevedores and from the representatives of the shipping interests, also from the secretary of the Harbour Board, and this is what I found: that many of the ships going into Napier to unload and load since the inception of the new union had gone out of Napier many days ahead of schedule. For instance the "Papanui" was seven days ahead, the "Port Wellington," three days and a half ahead; the "Port Alma," three days ahead; the "Doris Clunies," three days and a half ahead, the "Gloucester," one day ahead, and the "Kopura," a coastal vessel, twelve hours ahead. I checked these figures in every possible way. The increase in the rate of loading was, meat 33½ per cent., general cargo 25 per cent., butter 20 per cent., fruit five hundred cases a day more, wool two hundred dumps a day more. These figures show the good work that is being done by the new union, and I am sure that that improvement obtains throughout the country. In the lunch-hour I talked with the president and the executive of the new union and this is what they told me: that they want to make Napier a model port, and they claim that they can do it. They also said that they did not want any lifting of the regulations just yet. That is important. There have been some cases of intimidation. They say that they can look after themselves, but that they cannot always foresee what might happen, and they want the regulations to remain meantime.

Seeing that the House is debating a motion of no confidence, it is pertinent to have a look at the party which by implication, in moving that motion, thinks it should become the Government. What are the necessary qualifications for any party seeking office? I would say it must have a definite object, must know where it is going, must possess unity of purpose. At the present time it would be very difficult to persuade the country that there is perfect harmony in the ranks of the parliamentary Labour party or among the Labour party as a whole. Look at the varying statements concerning the strike among the parliamentary Labour party. What about the honourable member for Miramar? He made a bold, common-sense, straightforward statement on the whole position of the strike. The Federation of Labour gave a sane and simple statement condemning the strike. Why? The Federation of Labour knows that the tactics of the militant section, led by the T.U.C., will sooner or later, destroy the whole industrial movement in this country. That is why the Federation of Labour has taken such a sane attitude in this trouble. What about the conference of the Labour party in Christchurch? They worked desperately in that prepared statement given to the press to show that they were all in a wonderful state of unity. The chinks are filled only with clay and not with cement. I claim that after eighteen months of office this Government has the respect and support of the people of New Zealand and that it will continue to have it.

Mr. CHAPMAN (Wellington Central).—Sir, together with other members I desire to congratulate the mover and the seconder of

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the Address in Reply. Those two gentlemen from their own point of view delivered very good speeches. Of course, I disagree with the sentiments expressed and feel that their remarks were founded on false premises. However, they did well from their own party point of view. I would like, also, to express my pleasure at the probable visit to this country of the King and Queen. The members of the Labour party are second to none in their loyalty to the British Commonwealth of Nations. When the heads of the British Commonwealth visit this country they will receive a warm welcome from the men on these benches and from those who support them. I would like also to congratulate the Governor-General on being elevated to the peerage. That is recognition of his services, his military services particularly, to the Commonwealth.

I want to deal for a few moments with the speech made by the honourable member for Hastings. He made the astounding statement that no less than twenty-two policy points out of twenty-seven proffered to the electors prior to the general election had been carried out by this Government—an unfounded assertion and one which took no recognition of the policy acts of the Government which had the negative effect on the proposed planks which the Government would implement. I propose to deal with that later. He complained that there had been no constructive suggestions from the Opposition in its criticism of the Government. I remind the honourable gentleman that it is not the duty of the Opposition to proffer constructive suggestions to the Government.

Mr. S. I. JONES.—Not even when the House is on fire?

Mr. CHAPMAN.—It is far from being on fire—this morning the House is pretty cold. It is not the duty of the Opposition to proffer constructive proposals to the Government, because it knows perfectly well that its suggestions, if not acceptable to the Government, would never be implemented. But it is the duty of the Opposition to point out the shortcomings of the Government, to point out where it could be charged with lack of integrity in not carrying out the promises so glibly made prior to the election; and that duty has been very well discharged by Opposition speakers in this debate. The member for Hastings defended the Emergency Regulations. Does he realize that in the "Universal Declaration of Human Rights" there appears a paragraph to the effect that every citizen in every country is entitled to privacy in his own home? Article 12 of the Declaration reads:—

"No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honour and reputation. Every one has the right to the protection of the law against such interference or attacks."

But this Government, quite unnecessarily, breached the rights there laid down, and we have the spectacle of private homes being subjected to police entry and inspection. Not that

one could complain when union offices are searched, but one can complain when, on only a vague suspicion, the homes of men who happen to be members of a deregistered union are subjected to search, and at times most unsuitable so far as the women and children are concerned. The honourable gentleman defends that. And when the representatives of the Churches comment on the Emergency Regulations they are told by the Prime Minister, "Keep your noses out of it." That is entirely indefensible. The Churches have a duty to the people, and they were discharging one of their important duties when they drew to the attention of the Prime Minister the fact that the Emergency Regulations went too far. The honourable member said in the last part of his speech that he had visited the Napier waterfront and that he had drawn certain conclusions from what he observed.

Mr. S. I. JONES.—Certain facts.

Mr. CHAPMAN.—Well, I am not disputing the facts as outlined by the honourable member, but I do suggest that his conclusion that there will be peace on the waterfront as soon as this dispute is settled is probably without foundation. I do not want to be misrepresented or charged with encouraging those who are not working to-day. I stand for arbitration and conciliation; I always have stood for arbitration and conciliation. I am of the opinion that the strike should be the last resort; that only when reasonable justice is not likely to be received from those who arbitrate is the strike justified. But I would call the honourable member's attention to this. In my opinion—and I have had some experience—when this dispute is settled and conditions are normal again, those who will be doing the work on the waterfront will not be entirely those who are now taking the place of the deregistered watersiders. They may to some extent be employed, but I suggest, from my own observation and experience over many years, that 85 per cent. of the deregistered watersiders will again be employed on the waterfront. You may ask why. I shall tell you why. In every dispute, when other than those accustomed to the work are employed, there are bound to be some who are inefficient, and those inefficient employees will rapidly be dismissed by the employers. That will account for a large number at present employed on the waterfront. Then there are others who, from a sense of adventure, take on a job during a dispute. They will fade away, and we will find that the number of deregistered waterside workers working on the wharf in, say, six months' time, will comprise 85 per cent. of the total membership.

Mr. SHAND.—Has the honourable member any objection to that?

Mr. CHAPMAN.—No objection whatever. I am only stating what is almost certain to happen. I hope when things have settled down that the new conditions on the waterfront will be more satisfactory than they have been for many years. We cannot have peace on the waterfront or in any other industry unless there

are changed conditions. What was the cause of the railway strike that occurred early in the year? The cause of that strike was that the men were dissatisfied with the wages they received and their conditions of employment. They feared that if they submitted their case to the tribunal they would not get a reasonable decision, and they were entirely justified. The cause of the strike on the waterfront was that the men, rightly or wrongly, considered that they would not get the increase from the Court of Arbitration that they considered was justifiable.

Mr. JOHNSTONE.—They would not go to arbitration.

Mr. CHAPMAN.—That was because, rightly or wrongly, they thought that they would not be given by the Court the conditions and wages that they thought were justified. The same is true of every industrial dispute that occurs in this country. When such disputes are referred to the Court reasonable decisions are expected, but the last decision of the Court—the 15-per-cent. increase less the 7s. interim award—was entirely unsatisfactory.

Mr. SHAND.—To whom?

Mr. CHAPMAN.—To those who received the increase.

Mr. SHAND.—Does the honourable gentleman consider that the watersiders should have been singled out for an extra increase?

The Rev. Mr. CARR.—They were singled out for less.

Mr. CHAPMAN.—As the honourable member for Timaru says, they were singled out for less than was awarded to others. While conditions continue as they are to-day and as they have been since this Government took office you are bound to have evidence of industrial unrest. By its arbitrary increase in the cost of living this Government has had a major influence in creating conditions of industrial unrest. It is interesting to look back on what has happened. A few days after this Government took office I addressed a meeting of old-age pensioners in Wellington. Those people were anxious about what was going to happen to them. I endeavoured to relieve their anxiety by telling them that I did not think the Government would have the courage to reduce age benefits. I believe that to some extent I relieved the anxiety of those people. There were quite a number of them. Six months afterwards I addressed practically the same gathering again. I reminded those people that I had said that the Government would not reduce their pensions. The Government had not done so. I told those people, however, and I think with some justice, that the Government had proceeded in a more scientific way than merely by making a direct reduction in pensions, for it had taken steps which had reduced the purchasing-power of the pensions. There were "hear hears" from all over the hall. The Government had not reduced pensions, but by reducing purchasing-power it had achieved the same effect. Similarly, there has been a reduction for working-people, including those on

salaries. The Government has not gone out of its way to reduce salaries, but by its policy of reducing purchasing-power it has achieved the same thing.

Let me remind honourable members opposite that working-men do not strike unless they feel there is justification for it. They do not strike out of pure cussedness. It is when the working-people find that their living-costs have risen and that their wages are insufficient to maintain their usual standard of living that drastic action is taken. The leader of the Opposition, and every member of the Opposition, takes every step possible to maintain the living-standards of the people, and why should not those whose living-standards have been so disastrously affected be encouraged to take adequate action to maintain their living-standards? Personally, I believe that the ballot is more effective than the strike. I believe that the ballot is more effective than the bullet, and I stand firmly for the exercise by the citizens of their democratic rights, which are still maintained even in the face of an anti-democratic Government, a Tory Government.

The Prime Minister seemed thoroughly to enjoy himself when describing the action taken by the Government in this dispute. My own opinion is that that action can be better described as stiff-necked stupidity than as the action of a statesman. The refusal to meet the watersiders when the watersiders had agreed to practically every condition laid down by the Government made it clear that the Government had no intention or desire to terminate the dispute, notwithstanding the fact that millions of pounds were being lost by the community and that the farmers, friends of the Government, stood to lose millions of pounds owing to the early sales being missed. The Government felt it was a practical political tactic of advantage to itself to postpone the settlement of the strike regardless of the loss involved. The Prime Minister thoroughly enjoyed himself. I rather think he desires to give greater allegiance to America than to Great Britain. That is not altogether surprising from one who deserted his post in the War Cabinet. A man who could desert the War Cabinet on a flimsy excuse could not be described as a super-patriot.

Mr. SMITH.—What war did the honourable gentleman go to?

Mr. CHAPMAN.—Does the honourable gentleman want the record of my service?

Mr. SMITH.—Yes.

Mr. CHAPMAN.—Well, I shall give it to the honourable gentleman privately if he still wants it. It was not my fault that I did not participate actively in the 1914-18 war.

Mr. SMITH.—But the Prime Minister did.

Mr. CHAPMAN.—Recently the Prime Minister has taken action which would lead one to conclude that his loyalty is more to America than to Britain. When he said he was with America right or wrong, that must

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surely have been either an exaggeration or a correct statement. His actions with regard to Britain over recent months give one a tendency to believe that his loyalty to Britain is tempered. That loyalty exists when a Tory Government is in power in Britain but was not nearly so keen during the last eight or nine years when a Labour Government has occupied the Treasury benches in Great Britain. The present Government in New Zealand can be condemned for its non-fulfilment of its election promises. It obtained office by the exercise of what could be termed political trickery, by making glittering promises which it must have known in its heart were incapable of fulfilment. But so long as those promises had the effect of securing votes, that was the main thing. Whether the promises could be carried out or not was altogether secondary. In its election platform the Government promised to cause a cessation in the increase in the cost of living, but after only a few months it found that its policy of removing subsidies and throwing stabilization overboard and its act of removing the beneficial effect of land-sales legislation all had a contrary effect so far as the cost of living was concerned.

The member for Tamaki has admitted, as other members have admitted, that the Government failed to carry out its election promise to reduce the cost of living. When addressing a National party luncheon in Wellington he said, "We are very conscious of the rise in the cost of living and are going into ways and means of dealing with the spiralling costs." I say we are still waiting for the ways and means that the Government proposed to use to arrest this spiralling inflationary tendency. The Government claims that it is not responsible for inflation. Of course it is not directly responsible, but its actions have had a very marked influence on creating a very bad inflationary effect. The profits from the inflation are going into the pockets of the private shareholders of the banks. As much as £47,000,000 has been issued by the banks and it has had a purely inflationary effect. The Government sits back and does nothing whatever to arrest this tendency which, during the next twelve months, I venture to prophesy, will be greatly enhanced and accelerated. This Government has created hardship and an inflationary tendency and has depressed the living-standards of all the people on low salaries and those who are living on social-security benefits. Those are the people who are suffering as a result of the policy of the Government—not those who live on profits, interest, rents, and dividends. They are receiving the benefits which they paid for when they supported the National candidates. The Government is not legislating for the benefit of the whole of the people, as it should do, but it is legislating for the benefit of the comparative few who live on rent, interest, and profits. Those people have had their position made much more sound than previously. In conclusion, human rights and human happiness should have the consideration of the Government to a much greater extent than at the present time.

Mr. SHAND (Marlborough).—Sir, I was interested to see whether honourable gentlemen opposite really wanted to carry on with this farce of a want-of-confidence motion any longer. I apologize to the honourable gentleman who has just preceded me and assure him that my failure to notice him was not intentional; it was an accident for which I am sorry. I join with my colleagues who have congratulated the mover and the seconder of the original motion for two very excellent speeches. I would add my small congratulations to His Excellency the Governor-General for his elevation to the peerage. It is an honour that I consider has never been more worthily bestowed, and an honour which is thrice earned because of His Excellency's own great leadership in this country in peace and war, because of the gracious manner in which Her Ladyship has carried out her very onerous duties, and because of the brilliant record of the New Zealand soldiers which His Excellency led so ably. I am fortunately in a position to be able to say that as a member of one of the other Services.

I should like to refer briefly to one matter raised by the honourable member for Avon last night. He speaks vociferously, and, to do him justice, he carries an air of conviction. He made a statement about two displaced persons taking jobs on the waterfront in Wellington, and I think he meant to imply that the new unionists were displaced persons upon whom no great reliance could be placed. It was apparent just to whom he referred when he said that two displaced persons were working on the waterfront, because there were only two aliens there. I did not hear the names but I know that he mentioned them. The two gentlemen concerned are Swiss nationals who came here to study at the Massey Agricultural College and who have given their services on the wharf during the crisis. They displaced no New Zealanders for a job and they deserve the thanks of the country and not the stigma which the honourable gentleman appeared to place on them by his implication. His remarks are an insult to a country to which we are allied, an insult to the people and to the Consul of that country. I think that if he has a spark of decency he will apologize when he has the opportunity.

There was one matter raised by the honourable member for Wellington Central which I consider should not pass without comment. I heard him say clearly that the railway strike was justified—that the men were justified in refusing to accept arbitration because they could not be sure they would get from arbitration what they wanted. I do not hear him deny it. We all know that is what he said. Either he supports the system of conciliation and arbitration or he does not. If he does he cannot fail to understand that when people enter into an industrial agreement under the Industrial Conciliation and Arbitration Act, they undertake first to submit their complaints to arbitration. They are entitled to strike if they fail to get what they consider to be reasonable arbitration. They are entitled then

to go through the motion of removing themselves from the control of that Act, and take their case out of the Court of Arbitration altogether, but they cannot have it both ways. If they want to come under the Industrial Conciliation and Arbitration Act and have all the benefits which that Act confers upon workers in this country and upon industry in this country—it is not a one-sided Act—if they want all the advantages conferred by that Act, then they must abide by the agreement under that Act. That strike was not justified. The men were misled, and very wisely, when they had time to reconsider it, they decided to refer their case again to arbitration, and, incidentally, they were satisfied—they have expressed themselves as satisfied with what they received as the award of the Court. The honourable member cannot have it both ways.

Mr. MATHISON.—They are not under the Industrial Conciliation and Arbitration Act.

Mr. SPEAKER.—Order.

Mr. SHAND.—The honourable member went on to say that the waterside workers were justified in exactly the same way in refusing to arbitrate in their case. Certainly they are not under the Industrial Conciliation and Arbitration Act, and they refused to arbitrate because they did not believe, either, they would get what they wanted. There again, while it is true they are not under any Act which compels them to arbitrate, they had agreed previously when the last strike occurred on the waterfront that until the findings of the Waterfront Commission were promulgated they would refer their troubles to arbitration and there would be no hold-ups on the wharves until such time as that Royal Commission had brought down its findings. Having agreed to submit all these disputes to arbitration, the honourable member says they were justified in refusing to submit this one to arbitration because they did not think they would get what they wanted. He was backed up by the honourable member for Timaru. The leader of the Opposition is walking a tight rope balanced between the strikers on the one hand and the law of this country on the other. These honourable members appear to have got down firmly on the ground on the side of the strikers. I am glad; it shows us where they stand. I have more respect for those members of the Opposition who are not afraid to say where they stand than I have for those who are lined with the leader of the Opposition balanced between the two sides of the case.

The honourable member for Wellington Central said that the waterside workers were not offered the same increase in rates of pay as were unions which came under the Court of Arbitration. The honourable member for Avon now backs him up. That statement is not true. The honourable member for Wellington Central, the honourable member for Timaru, the honourable member for Avon, and one or two members of the Opposition who made that statement—I cannot say here that they know it is not true, but they should know it is not true, because the case is clear enough, and they have a responsibility when they come into

this House of informing themselves about matters of great public importance as this one is. They should know it is not true.

Mr. SHEAT.—They do, too.

Mr. SHAND.—I am not allowed to say that.

Mr. OSBORNE (Onehunga).—A point of order, Sir. Was the member for Patea in order in interjecting that members on this side of the House made a statement that they knew to be untrue?

Mr. SPEAKER.—That is quite out of order, and the member for Patea must withdraw.

Mr. SHEAT.—I withdraw, Sir.

Mr. SHAND.—During this strike many references have been made to the part the Communists have played in it, and a great many apparently conflicting statements have been made by almost all those who have spoken on the strike—by our side as well as the other side. I suppose I have been guilty myself. I think we have all been guilty, because of the difficulty of explaining a complicated situation. But the public are asking just what part do we say the Communists are playing. Thoughtful people are asking for a lead from this House in understanding the part the Communists are playing in industrial and other troubles in this country, and I think they are entitled to a lead. I am going to try to answer a few simple questions. At least they are simple as questions, if the answers are not. The questions are as follows: What is Communism? What is a Communist? Who is a Communist? Exactly what form does Communism in this country take? We are facing a very real threat of war, and it becomes more and more imperative that each and every one of us should inform ourselves on the answers to those questions and much more important than to continue with the wrangle about who said what, and when.

The first and most important question to be answered is this: What is Communism? It is true that, through the ages, great reformers have been called Communists, or an equivalent word. It was certainly used of St. Francis of Assissi, and I think, probably, of Jesus Christ. A Communist to-day, as all members know and as most would quickly admit, means something far more than merely a social reformer whose ideas of reform are rather more radical than those of the rest of us. Communism to-day is a clearly defined political philosophy whose adherents rule over almost half the people of the world. And when I say "clearly defined," I mean just that; it is no vague philosophy. The Communist philosophy is just as clearly expressed in their literature as the Christian philosophy is expressed in our Bible and our literature. I do not think that point can be stressed too strongly. I remember that just after the war a great many of us—perhaps all of us, and certainly the leaders of the democracies—were bewildered by the apparent contradictions in Communist policy. For example, almost immediately after a very considerable degree of co-operation and

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collaboration had been achieved in the prosecution of the war, the Communists campaigned against what we know as Marshall Aid. It seemed inexplicable, and it took the leaders of the democratic countries almost three years to realize just what this meant, for during the war there had been ground for hoping that the collaboration would be extended into collaboration and co-operation for peace. The actions of the Communist leaders are incomprehensible unless we understand that they are guided by a rigid adherence to the Communist faith and the dictates of the Communist faith. When we understand that and when we understand what is involved in the Communist faith, we are able to predict with some certainty what their course of action will be. I should like to read one very brief quotation from Stalin, and try to explain what it means. Stalin said this:—

"A party of the working class cannot play the role of leader unless it has mastered Marxist-Leninist theory. The power of Marxist-Leninist theory lies in the fact that it enables the party to find the right orientation in any situation, to understand the inner action of current events, to foresee their course and foresee not only how and in what direction they are developing in the present, but in what direction they are bound to develop in the future."

And one more small quotation from the same source is this: "Marxist-Leninist theory is not a dogma but a guide to action." That quotation is not mumbo-jumbo; it is true. Anybody who really observes the teachings of the Marxist-Leninist philosophy, the teachings of Communism as we know it, does understand the course of action he should follow in the same way as anybody brought up in the Christian faith and who has accepted Christian morality understands in any situation what is right and what is wrong. What is meant by that statement is that Communists, like Christians, have a system of right and wrong, but it is not the same system as ours. Their actions are incomprehensible to us unless we can first understand that their ideas and theories of right and wrong are not our ideas. The second quotation—that it is not a dogma but a course of action—explains the difference between Communism and a religion. The literature of a religion is a guide to its followers; the literature of Communism is a direction to its followers. Our Bible does not tell us what to do in any particular circumstance; it tells us how to judge what is right and what is wrong, and we base our course of action on that. The literature of Communism gives the exact course which should be followed. The first tenet of the Communist faith is that all men are equal. That, of course, is very close to one of the prime tenets of the Christian faith, and a great many people in attempting to study Communism never get past that tenet. They are not intended to get past it. It lends respectability to Communism.

Mr. ANDERTON.—They cannot do very much harm if they never get past it.

Mr. SHAND.—As the honourable gentleman says, if they never get past that they cannot do very much harm. The second tenet of the Communist faith is that all Communists must devote themselves to bringing about the ideal state in which all men will be equal. There is nothing wrong with that, either.

Mr. ANDERTON.—That is Christian.

Mr. SHAND.—It is very close to the Christian faith, except that there is set out the course of action which every Communist must follow in order to bring that about; and that is another story. Thirdly, the Communists say that that state of affairs can only arise when all other forms of social organization and the people who believe in those other forms of social organization have been destroyed.

Mr. HAKER.—Which is vicious.

Mr. SHAND.—That, as my honourable friend says, is a vicious course of action. Fourthly, they say that the destruction of all opposing forms of society must be followed by an interim period which they call the dictatorship of the proletariat. Lenin foresaw—and I think that is important and that not many honourable members realize it—that the period of "dictatorship of the proletariat" before the Communist state emerged might take a thousand years. The system in Russia is not Communism, nor do they pretend that it is. It is the interim period of "dictatorship of the proletariat." That is a source of strength to the Communist party, because any one who compares conditions in Russia with conditions in a democracy to the disadvantage of Russia is told, "We are only in the interim period; we have something to fight for; our people make sacrifices willingly in preparation for the millennium." One cannot in half an hour deal more fully with the philosophy of Communism.

Briefly, the fundamental idea of the equal rights of man gives this faith its appeal to the idealist—the idealist in every one of us. People say that there cannot be much wrong with Communism. That is why the Communists are able to appeal to the crusading spirit in man. I think we should clearly understand that Communism is not, as some like to regard it, a secular religion; it is a crusade with all the horrors of a crusade, and the sooner we realize that the better it will be for all of us. Their fundamental ideal is the only link with Christianity. The code of ethics or morality which we owe to Christianity has no place in the Communist faith. I am not suggesting that they have not a code of ethics; they have—there is honour even among thieves. Their code of honour is a limited one. Our code of ethics implies absolute right, absolute wrong, and absolute truth. They have neither absolute right nor absolute wrong. They have neither absolute truth nor absolute justice.

Mr. ANDERTON.—Who has?

Mr. SHAND.—The Christian faith does teach absolute right and absolute wrong. The Christian faith is a guide for us in any particular set of circumstances. There is a clear

line of demarcation between truth and untruth—the honourable gentleman will realize that. But that is not the case in Communist ethics, and therein lies the danger in Communism. The measuring-stick in Communism is whether a certain action or attitude is directed towards or against the progress of the Communist ideal. Our whole social structure is built on a conception of absolute right and absolute wrong. The Communist will have none of it. He believes in, and is working for, the destruction of our civilization, and, the sooner we all realize it and realize that we cannot ignore his efforts, the better for all of us.

Now for the question, Who is a Communist? I would say that a Communist is any person who embraces the Communist faith, or who consciously works for the furtherance of Communism. We are too prone to take the term "Communist" as meaning some one who is no more a Communist than you or I. We are too prone to use the term indiscriminately. A Communist is a person who embraces the Communist faith or who consciously furthers the ideal of Communism. I would not say that there is more than 1 per cent. of people in New Zealand who come under that category, but that does not make them any less dangerous. I would describe them in four classes. The first is the class of idealist to whom the Communist faith appeals as a blue-print for a better world. They are the people of which martyrs are made; they are the leaders of the Communist crusade. They spring from the most part, not from the trade-union movement, although many of them gravitate to it; they spring from the intellectuals, and largely from the educated, "white-collar" workers. The next group I would describe as the immature, the young, who also are caught by this blueprint for a better world and who embrace it not from any real grudge against society or desire to adopt this particular faith, but rather because they are groping in this world for some faith. These are young people who have failed to be held by Christianity, but whose need for some religious faith is nevertheless so great that they must fasten on something, and they grasp at Communism as a means of satisfying their religious urges. The danger of any system of suppressing Communism is a very real one in that many of these young people, who in the ordinary course of events would grow out of Communism, may be martyred and forced into that group of bitter Communists from whom the movement derives its strength.

The third group is almost as dangerous as the first. These are the seekers after power for power's sake; the people who see in the Communist movement a chance to dominate other people. They, too, are a very real force, but they are not the leaders of the Communist movement. Then there is the fourth group, which probably includes the majority of active Communists in this country—the riff-raff; the men who have been failures in a democratic society and see in Communism a chance to justify their own failures. The fourth question which I posed was this: What part have these people played, and what part are they playing,

in this strike, and what form does their attack on our country take? I would stress, first, that the Communist faith teaches unequivocally that a social democracy or a capitalist democracy cannot live indefinitely side by side with Communism. Lenin himself stressed that point on a number of occasions. Stalin reiterated it as recently as last year. They cannot continue to co-exist. In other words, in the Communist view, it is Communism or democracy. Lenin said, "It is unthinkable that the Soviet Union and Imperialist States will continue to exist together over a prolonged period." Here in this country the Communists are a very small minority. They cannot hope to provoke revolution, but what they can do, and are trying to do, is to undermine the faith of the people in our society and the will to survive. To that end they sponsor and aid every peace campaign they can find.

Their second endeavour is to disrupt our economy in order to make comparisons between Soviet conditions and ours a little less invidious. More particularly they concentrate upon those forms of disruption which will be most harmful to our military preparedness. To that end they have fixed their attention very largely upon certain sections of the trade-union movement, especially in the transport industry. They did not lead this strike, but they did do everything they could to assist it, to bring it about. I would say that even in the waterfront industry probably not more than 2, 3, or 5 per cent. are Communists, but they are a disciplined minority, and therefore it is not necessary for their purposes that they should take the lead themselves. It often suits their purpose—as it did in this case—to lead from behind, where they do not get shot at so often. They support for union office any person they believe capable of causing disruption in the industry, and as an organized minority they have used every trick they could to drive out of active participation in union affairs men who would not play their game. Do members of the Opposition challenge that statement? That is what they did on the waterfront. They gradually drove out of union office the decent men, the men who might have held the leadership of the Water-side Workers' Union and who would have carried on the system of conciliation and arbitration in which most of us believe.

I would quote Mr. Donaldson as a classic example of hard-headed men whose service in the Labour movement could not be doubted and who were driven out of that branch of the trade-union movement which the Communists tried to dominate. That went on until a stage was reached on the waterfront when there was no chance of a responsible, sensible man holding union office. I have only a couple of minutes left in which to speak, so I will just make one further point. The great difference between Communism and our system is that the Communists have not our ideas of right and wrong or truth and justice, and that was the fundamental difficulty on the waterfront. The leaders of that industry have shown times without number that their idea of the sanctity of their word was the Communist idea. Barnes and Hill particularly, as leaders of that union,

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broke their word over and over again, not only to this Government and the previous Government, but also to their own men. We cannot continue to deal with men who do not subscribe to the Christian code of morality and ethics. I do not believe that Barnes is a Communist, but I believe he is a tool of the Communists. He has followed the Communist dictates of giving his word when it suited him and breaking it when it suited him. Members of the Opposition who are trying to justify the actions of the waterfront leaders are allaying themselves with people whose word is not to be trusted. Why do they not say in this House what they know in their hearts to be true, which is that one cannot deal with people like that? No Government should be asked to or would be respected if it continued to deal with men like that.

Mr. FREER (Mount Albert).—Sir, at the outset of my remarks I would like to associate myself with the tributes genuinely paid from both sides of the House to the member for North Shore and the member for Wairarapa who were selected respectively to move and second the Address in Reply. I would also like to associate myself with the references made to His Excellency the Governor-General's elevation to the peerage. Before going on with the remarks I would like to make concerning the Opposition's justifiable motion of no confidence in the Government, I would like to deal with some points referred to by the honourable member who just resumed his seat. Quite frankly, I agree with much of the speech that he made, and I, quite frankly also, disagree with other parts of it. I agree that the free use of the word "Communism" is becoming dangerous to the democratic way of life, and in an equally insane way the use of the term "fellow-traveller" is becoming too frequent. The term is too loosely used. I cannot help feeling, however, that it was a little unfair on the part of the member for Marlborough to ask the House so many academic questions about Communism when he knew all the answers. I understand that he would know them from his experience, and I was very interested to hear his individual approach to the problem, because of his knowledge, but I was disappointed, unfortunately, when he failed to itemize or set out in detail just what is meant by that vague term "fellow-traveller." I thought he might have been able to enlighten us as to what that term covers, and I hope that when he next speaks he will dip down into the archives of his experience and tell us just what the term "fellow-travellers" really means.

I have no hesitation in supporting the motion of want of confidence now before the House. I want to refer to the remarks of the honourable member for Hastings in his address this morning. It was said that the few remarks he made last night in moving the adjournment represented the best speech he had ever made, and perhaps from the point of view of the Government it might have been wise had he left it at that. He said that the Government had not promised to reduce taxation. The honourable member nods agreement that that is exactly

what he said in the debate this morning, and yet he produced a copy of the leaflet I hold in my hand, and held it up to the House telling us of the many promises that have been fulfilled by the Government. I would draw attention to the statement in this leaflet that his party would reduce taxation if it became the Government. It states "There will be less taxation." I would point out to the honourable gentleman that the taxation per head last year was £81, compared with £70 the previous year. I have just had passed to me this advertisement which appeared in all the papers before the election: "We can reduce taxation—Vote National." The honourable member and his colleagues claim that that is now impossible. They claim that they cannot reduce taxation any further. They even say that they never promised to reduce taxation.

I will show during the course of my remarks that taxation, instead of being reduced, has been considerably increased in the last eighteen months. I want to show this newspaper to the honourable member opposite. It says, "New Zealand to end taxation." The Minister of External Affairs will be interested, because this happens to be one of Lord Beaverbrook's publications, the *Sunday Express* of the 4th December, 1949. Soon the Minister will be there on the spot. The opening remarks of the article says, "New Zealanders to-day greeted with joy the announcement by their new National Premier, Mr. Sidney George Holland, that he will abolish taxation on overtime earnings." When? That was promised to the people by the Prime Minister just after his election to office. The people want to know just when that will be done. We are now told that it cannot be done. It is because of these things that I have no hesitation in supporting the motion of want of confidence in the Government, and it is my opinion that very many people in the community have lost confidence in the Government. The Government's own actions are solely the cause of the present position.

The Government promised to do many things which influenced many voters, for the first time, to vote for a Conservative Government. Many promises have been made, and they have been broken time and time again. One important promise was that the National party as a Government would give to the New Zealand pound its real value. It said that because of the inflationary policy of the previous Government there had been a penalty on thrift and that people living on fixed incomes were having their incomes gradually whittled away. What was worth a pound when the Labour Government went into office, it said, was worth only 15s. If it was worth only 15s. then it is barely worth 10s. to-day. The National party promised to check inflation. It promised to reduce taxation, despite the statement of the honourable member for Hastings. It promised to reduce government by regulation. It promised to protect the interests of ex-service-men. It promised to reintroduce deliveries, and it promised, above all things, that it would safeguard the interests of all sections of the community—all sections of the community; not

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one section. I consider, therefore, that it was in office to safeguard, among other things, the interests of the manufacturers, but I doubt very much if that has been the case.

So far as the pound and its real value is concerned every one knows that from the moment the Government came into office it was obvious it was lacking in any sane, sensible, economic policy. In his speech the Prime Minister promised that the removal of subsidies would result in an increase in the cost of living of only 4 per cent. In a national hook-up, to which every one had to listen, he said that the subsidies removal would result in an increase in the cost of living to the people of 4 per cent. Then he said that, because of that, butter would rise by 33½ per cent.—from 1s. 6d. to 2s. Meat would go up by 17½ per cent., and clothing by at least 15 per cent. Look what price it has gone up to to-day. Milk would go up 33½ per cent., and in the same speech the honourable member said it is only going to cost the people 4 per cent. If the Prime Minister came to Auckland, he would find fares on the trams had risen by as much as 100 per cent.

Mr. OSBORNE.—He uses a Chrysler; he does not use the trams.

Mr. FREER.—Yes, many of them over there on that side have the same privilege. It is a privilege they will not have for very long. When speaking in a Budget debate two years ago the Prime Minister, who was then leader of the Opposition, said he was tired of this spiral of costs chasing wages. He was tired of it and so was every one else. But when he got the opportunity to alter the position what did he do? He and his Government decided that, in future, wages would chase costs. Instead of costs chasing wages, wages would chase costs. They have been losing the race pretty substantially. The Government promised to check inflation, but the volume of money has increased by an average of £4,000,000 a month over the last eighteen months. When the honourable member for Brooklyn mentioned that the other night, some one interjected, "Oh, but this money has gone into circulation because of the strike." That average was in existence before the strike started. It is no use trying to use the strike, as the Government intends, as an excuse for its mismanagement of the finances of this country. The Government recently gave a bonus to superannuitants. It said, "We realize the difficulties under which you are existing and we are giving you this bonus." Neither the superannuitants nor any other section want a bonus; they want the pound to buy more, not just at a given time when Father Christmas comes along with a bonus of £5 or £10, but for the full period of twelve months to be able to get real purchasing-power for their pound. They have a right to that. It was promised them.

The Hon. Mr. CORBETT.—Do they want more pounds also?

Mr. FREER.—The Minister knows his Government put more pounds into circulation but not into the pockets of the workers. The

member for Hastings or one of the other honourable members on the cross-benches mentioned that taxation had not increased. In 1948 taxation per head was £67. In 1949, when the Labour Government was removed from office, it was £70 per head. After twelve months of this National Government it is £81, an increase in twelve months of £11 a head from a Government that promised to reduce taxation. It promised to reduce, if not eliminate, the number of regulations. "We will not govern by regulation," we were told; but last year we had more regulations passed by Order in Council than in any other peace-time period in the history of the Dominion. Members opposite promised to protect the interests of ex-servicemen, but many ex-servicemen who went into business on their own account find to-day that they have to go out of business—not on their own account, but because of the stupid actions of the present Government. They promised they would solve the housing problem for ex-servicemen in a matter of months, but at the moment ex-servicemen have pretty bleak chances of getting into homes. State rental homes are just not being built on the basis that operated formerly. No one can deny that.

Mr. HAYMAN.—Every builder is at work.

Mr. FREER.—Every builder is at work building garages and factories and Lord only knows what—but not State houses.

Mr. S. I. JONES.—Wrong.

Mr. FREER.—The honourable gentleman has only one eye to look at things. I want to quote a statement made recently by a man prominent in the Returned Services' Association. He claimed that it was essential that rehabilitation finance assistance should be increased so that ex-servicemen could obtain homes.

Mr. S. I. JONES.—Who said that?

Mr. FREER.—That statement was made by Mr. W. J. Kennedy, and it appeared in *Truth* of the 6th June, 1951. In this statement and in others that I have here the leaders of the Returned Services' Association are demanding that the Government should consider granting to ex-servicemen the opportunity of having larger loans. Why is that? They are demanding this to offset building costs. That is the heading of an article in the association's own publication, the *R.S.A. Review*. They advocate higher loans and longer periods to pay them off. Why do they want longer periods? If an ex-serviceman could meet a commitment two years ago of £1 15s. a week to repay the loan he had obtained, why is it to-day that the association is demanding a longer period to pay off that £1 15s. Because they know that the economic position of so many returned men and of workers generally is such that the loan repayments must be lower. Members opposite told us they were going to do everything to put more men on farms. They were going to see that the ex-servicemen got on their own farms all right! Listen to this—a statement made by Mr. Kennedy: "The committee had been warned officially that in twelve months' time even the slim chance of drawing farms in a ballot would vanish, as former

ex-servicemen would then have to take their chance with civilians in the competition for land. There was also a hint that low interest concessions on the State Advances Corporation's loans would also cease to apply." That is not what the Government promised the people at the 1949 elections.

Members opposite also promised to reintroduce deliveries. What has been the result? The member for Remuera may never have to go out to buy his bread, but I would remind him that in the *Auckland Star* of the 31st October last there appeared this statement: "Bread deliveries cut in city suburbs." It goes on: "Because it has found deliveries not economical, Kent's Bakeries, Limited, will not deliver bread in the Glendowie, Parnell, and Great South Road areas from Thursday. This move may be a prelude to further cuts in deliveries, and some trade circles forecast that the whole delivery system is in jeopardy." That is from a Government which promised to eliminate "packhorses" from the community. At the same time as that happened, at the same time as the Government decided to introduce the subsidy on flour, what did we find? In Auckland alone three bakers who had been in business for many years had to close their doors because, they said, the subsidy proposed by the Government made it uneconomic for them to carry on.

I want to speak for a moment about the stupid position into which this Government has got the country. We remember the Prime Minister's broadcast in February, 1950, when he advised the people that the Government was returning to a system of sound finance, and that subsidies were to be lifted. He ended his speech by saying, "I am proud to say that New Zealand is back on the road of sound finance."

The Hon. Mr. ALGIE.—Did the honourable gentleman take a look at—

Mr. FREER.—Let the Minister of Education learn a little; let him stop to think for a moment. Perhaps he will look at the files in the Library and read the *New Zealand Herald* of the 16th May, 1951. Then he might learn that it is time to take up education seriously. In the *New Zealand Herald* on that occasion appeared a statement under the heading, "Flour Subsidy to Hold the Price of Bread." Could I read, for the benefit of the Minister of Education, the first sentence? I am sure he will find it interesting. It reads, "A Government subsidy of £1 15s. a ton will be paid on baker's flour purchases to absorb the cost of the recent 15 per cent. wage increase." Let us stop and think of that for a moment. The Government decided to abolish subsidies. It has said all the way along that the worker paid the subsidies, anyway; the worker paid them in taxation. In other words, the worker was entitled to expect a remission of taxation when subsidies were abolished. Now we have got back to the system of sound finance about which the Prime Minister spoke. The Government abolished subsidies; then, having abolished them, gave the workers an increase in wages to compensate them. Then the Government

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reintroduced the subsidy to cover the cost of the increase in wages. Is there anything more stupid than that? That is what it amounts to. What happened in the meantime? The worker, who saw his bread increase in price, his fares and everything else go up by 100 per cent., got a miserable pittance of 15 per cent. increase in his wage envelope, and then pays more for bread, and has no less taxation to pay. In other words, he has got it at both ends at once. What is the position? Does the Government believe in subsidies or not? I have no hesitation in saying that the Government, if it could reintroduce subsidies to-day and take us back to the position the country was in in February, 1950, would do so without a moment's delay, because it realizes the stupidity of its action on that occasion.

I find my time has gone far too quickly, but I do want to refer for a moment to the Government's promise to look after all sections of the community. It was going to look after the manufacturers as well. I recently had the privilege of inspecting a factory in my electorate in Auckland where there is made a particularly fine type of netting. Discussing it with the general manager, I was told that the netting retails in New Zealand at 2s. 11d. a yard, and that they have now been advised that the Board of Trade is going to throw open the market for the importation of goods of that type.

The Rev. Mr. CARR.—Is that wire-netting?

Mr. FREER.—No. I am referring to soft goods. The cheapest netting of a similar quality which can be imported from England at the moment is 3s. 10d. retail as against the retail price of 2s. 11d. for our local article, but it can be brought in from Japan at 1s. 7d. and from India at 1s. 9d. The Government has said that it is not going to bring it from Japan. That is unnecessary, for it can be brought from India, a commonwealth country, at 1s. 9d. a yard retail.

The Rev. Mr. CARR.—And without the country of origin being indicated.

Mr. FREER.—Yes, and sixty or seventy persons employed in that factory will be thrown out of work.

An Hon. MEMBER.—They can go on farms.

Mr. FREER.—It is a pity that the honourable gentleman did not go on a farm. The House would have been better off had he remained on his farm. I suggest to the honourable gentleman and to his Government that they should consider seriously what they are doing to our manufacturers. The Government makes frequent reference to the world's being on the fringe of another war—something I do not agree with personally—and yet it is flooding the Dominion with imports, with the result that our manufacturers will have to close down, which appears to be the aim of the Government. Yet, if war broke out tomorrow the Government would be running round with appeals to the manufacturers, whom they are now attacking, to get back on the job and produce the goods no longer available from overseas. It is time we realized

that we should safeguard the interests of our manufacturers and of the thousands employed by them.

It was my intention to deal with the industrial dispute, but unfortunately I have not time to do more than make a few brief references. To me it seems strange that the Government did not introduce the Emergency Regulations when the railway men went on strike at Christmas, but adhered to its policy of arbitration, and yet adopted the opposite course with the watersiders. Obviously, the Government knew that it could not get public support in a fight against the railway men, but thought that it just might with the watersiders. In that way, by the Emergency Regulations the Government turned what was a waterfront affair to something almost assuming the proportions of a general strike, with miners, seamen, and others involved. I feel, with the honourable member for Palmerston North, as expressed by him in his speech yesterday, that we should encourage the development of good relations between employers and employees. Similarly, the Government is charged with the responsibility of establishing good relations between all sections of the community. It has failed to do so, because, as I have already said, it has destroyed the confidence of the people. They feel that promises made by the Government may not be kept. That is why all those workers took the action they did. In short, they were disgruntled.

It is no good the member for Raglan condemning the attitude of these people in prolonging their dispute. No one on this or the other side of the House should support them in prolonging it, but, quite frankly, I am of the opinion that for political reasons the Government did not endeavour to shorten the strike. The people have seen their standard of living whittled away while sections have gained advantages. We were told that the sales-tax was to be removed, and the moment it was removed a circular was sent out to all chemists telling them that the prices of toothpaste, soap, and so on could be increased as from the date of the removal of sales-tax to the same prices that obtained before sales-tax was removed. In other words the people were no better off for the removal of sales-tax. The people have also seen where the coal merchants were told to charge so-much a ton for coal but they replied that the price was not sufficient and they went ahead, charged what they liked, and nothing was done. Then we had the spectacle of the shipping companies, without any arbitration, without placing their facts before any one at all, saying, "We want more, and we are going to take it." What would be the attitude of this or any other Government if any section of the workers said, "We want more and we are going to take it?" Let me read what the *New Zealand Herald* and the *Auckland Star* had to say in editorials. In the *Auckland Star* of Friday, the 1st June, the following statement appeared:—

"Where are the facts and figures to justify higher charges? None has been made public. In handling their side of the case for higher charges the New Zealand Conference Lines are proceeding in a ham-fisted manner."

The Government, Sir, is punch drunk. The *New Zealand Herald*, in an editorial on the 1st June headed "Shipowners' Pound of Flesh" said this:—

"By whom are the increases justified? By the shipowners themselves, who have been finding justification for increased freights at intervals over the past eleven years?"

At the same time we read in the newspapers statements by these shipping lines that there is a 60 per cent. better turn-round of ships at the moment. This should result not in an increase in freights, but in a very substantial decrease.

Mr. HALSTEAD (Tamaki).—Sir, I should like to congratulate the mover and the seconder of the Address in Reply on their well-conceived speeches and on the dignity of their speeches. We are proud of the standard which they have set for all of us in this debate. Along with other members, I am pleased to note the continued improvement in the health of His Majesty, and we look forward with pleasurable anticipation to the visit to this country of Their Majesties and the Princess Margaret. The elevation of our Governor-General to the peerage is an occasion for great pride, particularly for those of us who served under him during the war. I sincerely congratulate Lord and Lady Freyberg.

On behalf of the majority of electors in my electorate of Tamaki I should also like to convey our congratulations to the Prime Minister, the Minister of Labour, and the Prime Minister's team generally on their handling of the recent strike. The Prime Minister's team has led us out of what might have been social, economic, and industrial chaos. People all over the country are saying, "Here is a Government that governs, not a Government that 'duck-shoves' and 'slithers'." We have had to deal with the technique of the "rolling strike." Most of us have heard of this technique of the "rolling strike" which was evolved by Messrs. Thornton, Elliott, and Cecil Sharpley before the latter's great renunciation. Now we have replied with the technique of the folding strike—the strike that just folds up. It is a new technique. Throughout this country and in Australia, in fact, all over the world, people are watching us, and all people of our democratic way of thought have noted with pride and pleasure the progress we have made. Last night, the member for Palmerston North laid down a challenge to the Opposition when he said that if we went to the country to-morrow we would be voted back with increased strength.

Hon. MEMBERS.—Why do you not go to the country.

Mr. HALSTEAD.—I did not hear a word come from the Opposition last night, and I throw that back in their faces again. Would they be prepared to go to the country on this issue?

Hon. MEMBERS.—Yes.

Mr. HALSTEAD.—If members of the Opposition are prepared to do so, all I can say is that they are punch drunk, not we, as

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the member for Mount Albert said. Members of the Opposition are more punch drunk than I thought they were after three days' hammering. The member for Brooklyn referred to the Church vote and involved the Prime Minister, trying to twist a statement he had made. I have in my hand a copy of a statement by the Right Reverend J. T. Holland, the Bishop of Waikato. If the member for Brooklyn would quarrel with him, I would advise the honourable member to go back to the ministry. The statement by the bishop which I have is from a report in the *New Zealand Herald* of the 18th June. He says:—

"Perfectly decent, honest, genuine folk are being used in a very astute way by Communists. Their plausible arguments are carrying away some serious idealists and sincere reformers. This is the approved technique of the Communists."

The bishop added that idealists who allowed themselves to be used in this way had their feet as well as their heads in the clouds. The Opposition accused the Government of having used the Emergency Regulations; but those regulations were framed by the Labour Government, although it was not game to use them. They are almost identical with the regulations which were drawn up by the Queensland Labour Government in 1948 to meet the threat which developed in Australia in that year before the Communists transferred their attentions to New Zealand. There is no doubt that the Opposition, when it was the Government, had the regulations ready and was contemplating using them. On the 13th August, 1949, the member for St. Kilda, then the Minister in Charge of Broadcasting, made a statement that an application to advertise a meeting at which the speaker was to be Mr. H. Barnes had been received by station 1ZB, but had been refused as the meeting was in support of an illegal action by members of the union. On the 16th September, 1949, the then Prime Minister, Mr. Fraser, according to a report which appeared in a newspaper, said in the House, when his attention was directed to threats by the Communist controlled World Federation of Trade Unions that it would tie up the shipping of the whole Pacific:—

"Let anybody inside the country try to do it. Let them try and let anybody inside this country try—that is all. They will be dealt with with the utmost rigour of the law, and if the law and the regulations are not strong enough they will be strengthened."

In 1945, when the Waikato dairy workers were on strike, the Labour Government used Army and Air Force personnel to work the dairy factories. It also used free labour, a thing we have not done, and yet the Opposition is criticizing us. We have written into these Emergency Regulations the use of Army and other Service personnel. The Labour Government wrote into its regulations in 1939 the use of Service personnel for industrial crises. Let me quote from another cutting. It concerns Dr. A. M. Finlay, M.P., former member for

North Shore, who gave a strong reason, on the 5th May, 1949, why the Carpenters' Union should be deregistered. He said:—

"The Government took the action of deregistering the carpenters because they had failed to take a direction from the Federation of Labour and they had attempted to bring the law into contempt."

Now we have the spectacle of the leader of the Opposition leaning over backwards trying to retain the support of five thousand militants—"left wingers" and "Reds"—and abandoning the two hundred thousand members of the Federation of Labour. What does the Federation of Labour say? It says this:—

"The watersiders (or that section of them who apparently blindly follow their abusive officials and believe the lies and slander that they direct against any person in the trade-union movement who supports constitutional action unless circumstances warrant other measures) seem to have found a few allies amongst those whose discontent and frustrated place-seeking have led into strange alliances and even stranger philosophies."

I wonder if there are any Opposition members whose "discontent and frustrated place-seeking" may have caused them to be "led into strange alliances and even stranger philosophies." The answer is obvious. We have heard a lot about the strike. Let us go on. The strike is over, and the people are pleased. We are now entering the second session of this Parliament, and the members of the Government party can look back with pleasure and pride at the achievements of the last session. It is not often that a Government can boast of having fulfilled in one session two-thirds of its election programme. Yet that has been the case. When one looks back to 1935 to see what was achieved, one finds that in 1935 the only promise that was fulfilled was the giving of a Christmas bonus to the unemployed. I repeat that we have fulfilled two-thirds of our election promises. The honourable member for Buller, down in the secret seclusion of his electorate, told the people that the only promise the National Government had fulfilled was the promise to reintroduce capital punishment.

The honourable member for Hastings referred to-day to the pamphlet issued by the National party at the general election. On the back of this pamphlet twenty-seven promises were said to be set out, but I make the number twenty-four. The honourable member was challenged to read out some of those promises. Well, I shall read them out and I shall say "yes" after pretty well all of them. The first one is, "Socialization to be halted." Has that been fulfilled? Yes. The next one is, "State insurance monopoly to end." Yes. "National Airways to become a public corporation, with a percentage of private shareholders." That is on the way. "Legislative Council, as now constituted, to be abolished." Yes. "Land Sales Act to be modified, and ultimately repealed." Yes. "Specialized education for farm and industrial life." Yes.

Hon. MEMBERS.—Yes.

Mr. HALSTEAD.—"Removal of Reserve Bank from political domination." Yes.

Hon. MEMBERS.—Yes.

Mr. HALSTEAD.—Mortgage insurance and family home scheme." Yes.

Hon. MEMBERS.—Yes.

Mr. HALSTEAD.—"Shopkeepers to receive current goodwill value when selling their businesses." Yes.

Hon. MEMBERS.—Yes.

Mr. HALSTEAD.—I am so pleased to hear the Opposition admitting that we have kept our promises I am reading out here, for Opposition members are saying "Yes." So there is a unanimity in the House of Representatives—a rare thing indeed. "New Zealand Legation in Moscow to be closed." Yes. "Firmness with industrial troublemakers." Yes. "Temporary housing to relieve immediate hardship." Yes. "Privately owned shops to be allowed to operate in State housing areas." Yes. There are a lot more. Here is another—"Equality of citizenship between Maori and pakeha." The pakeha is getting equality now! "Full defence measures in concert with other Commonwealth countries, and the United States." There you are—I have answered the challenge from the Opposition. I have read out the promises which we have kept and Opposition members are entirely in agreement that we have fulfilled two-thirds of our election programme. Now they are proceeding with a motion of want of confidence. That is all the thanks we get.

I wish now to speak of my own electorate of Tamaki. The people of Tamaki are pleased with the vigorous manner in which the Government has tackled the local problems which are a Government responsibility. Last year, for example, we had a large school built, which was long overdue, and two more schools are to be built this year. The programme of expansion of telephone services, always a problem in a new and developing area, has been stepped up, and the Government is pushing on immediately with the electrification of the Auckland to Papakura railway-line. This will go a long way towards solving the transport problem which we all realize is very acute in Auckland, and which the previous Government did little to accelerate or assist. In Tamaki we have very fine and well established secondary industries. Many of them represent considerable capital investment, and employ large staffs. To-day, I must admit, there is a certain amount of restlessness and apprehension among the management and workers, largely provoked and stirred up by speeches such as those we have heard from the Opposition benches, and notably from the honourable member for Mount Albert, concerning the activity of the Board of Trade. It would appear that the Opposition would like to go back to the old system under which there were great pilgrimages to Wellington, and when the Labour Government made the hand-outs.

The Board of Trade is a Court to administer justice in place of a Government and a Minister giving favours as under the old scheme. We have set up a Court to administer justice in trade matters, and it is endeavouring, with considerable success, to remove injustices. It has no intention of hampering industry. Of necessity, it must consider all points, first of all permission to import goods, especially raw materials, and secondly the cost of living factor. For example, one item which was removed from the controlled list and on which the people relied entirely cost 6d. for the New Zealand made article but to-day that article is imported and the people pay only 2d. for it. Surely the Board of Trade must consider the service to the consumer. The consumer was often forgotten by the previous Government. We have stressed the necessity for considering the consumer in our financial, fiscal, and economic policy. There is the employment factor and the Board of Trade must look at that to see that the over employment situation does not increase. It has no intention of closing up economic, strategic, and necessary secondary industries or of forcing workers away from jobs they like. The solution of over employment in New Zealand is not to be found by reducing jobs, and the Court knows it. The only solution is by bringing more people here to do the work. I prefer the positive approach which is immigration, and reject the negative approach. I feel, however, that the Board of Trade has reached a stage where it must give consideration to the problem of tariff revision before making a decision which may in the long-run be harmful to established industries. This may be done piecemeal. It would take a long time to undertake tariff revision.

I do not intend to spend the whole of the time available to me in discussing economic matters as there will no doubt be ample opportunities later this session to discuss the economic and cost of living factors. I am looking forward to discussing these matters. The member for Brooklyn, the leader of the Opposition, and the member for Mount Albert insinuated or implied that if they were the Government they would reintroduce subsidies, and the subsidies bill would go up as it did in the days when they were the Government. They also implied that, by increasing the subsidies bill, taxation would go up. So it is quite clear what their policy is—masked wage-increases by subsidies and let the Consolidation Fund cover those. The higher your subsidies go, increase taxation to cover them. You would still get that rise, you would get subsidies dragging wages and taxation dragging subsidies. In May, 1950, our Government was seized with this problem of subsidies. On the trend of things at the time we had either to increase taxation, use Reserve Bank credit, or else drastically reduce subsidies. We chose the third method. We drastically reduced subsidies. Subsidy expenditure was reduced from nearly £20,000,000 to less than £6,000,000. It was reduced; it was never abolished. This move was completely justified on general economic grounds.

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For example, throughout the first quarter of 1950 there had been little movement in the consumer price index and there was considerable relief from other inflationary pressures. The Government had ceased the creation of Reserve Bank credit and there was actually in the three months between April and June a decrease in the volume of money by £15,000,000. So all the economic conditions were present to justify our making this move of reducing subsidies, a move which was sound economics. In peace-time I would say subsidies are a dangerous economic device. They are, however, useful as a counter to inflation when they form part of a policy directed towards holding wages, costs, and prices generally. As part of the general scheme of stabilization they are useful. For example, in the early years of stabilization during the war subsidies were justified because they helped to make possible a general freeze of wage rates, but after 1945 the stabilization structure began to crumble and it continued to crumble. It was this factor more than anything which the previous Government failed to realize: you cannot maintain stabilization in a democratic country during peace-time, otherwise you have economic dictatorship. That is exactly what the previous Government tried to do—to maintain economic dictatorship. It tried to put the economy of this country into a strait-jacket, and during peace-time that is impossible in a democratic country.

The leader of the Opposition must have realized how embarrassing his subsidy bill became when he was forced to effect reductions just as drastic as the reductions we made. He did that in 1947. Where an inflationary situation exists—and it does exist—and is accompanied by excess of money-supply, the extensive use of subsidies merely serves to intensify the inflationary pressure. Even in Socialist Britain they have had to put a ceiling on subsidy expenditure, because the trade-union movement there has become convinced that subsidies can be used to mask the effects on the cost of living of wage increases, and there is no longer the incentive to accept wage restraints. That is the case in this country. If subsidies mask the cost of living, if you keep on taking from the taxpayer and give to those who do not pay taxes, there is no longer that restraint on wages. Subsidies are definitely a dangerous device, and particularly in these inflationary times, because the higher prices go the higher wages go and the higher subsidies go. You can get the ridiculous situation which occurred some eighteen months ago in Great Britain, where they had plenty of meat lying in ships in the stream which they dared not release to consumers because to do so would have forced up the subsidy bill. In this country the greatest jump in the consumer price index occurred in the first quarter of 1951, when we began to feel the effects of world-wide war preparations; and to-day it does appear that there can be little relief from overseas pressure on our cost of living until the threat to world peace

either retreats or is removed. For that reason I would like to conclude by speaking about foreign policy.

The other night the leader of the Opposition said how pleased he was at the liquidation of colonialism since the war. New Zealand's foreign policy has always been bi-partisan, but I am afraid I am at variance with the leader of the Opposition, because I really do believe that the too rapid liquidation of colonialism is the cause of a lot of the world's troubles to-day—much of the disturbance in the world to-day is due to that. It was indeed unfortunate that the United States of America emerged from the recent war with a foreign policy dominated by revolutionary tradition. That country has learnt since that it made a mistake in assisting in the liquidation of colonialism. At the war-time conferences the Russians and the Americans were bent on the liquidation of Imperialism. The tragedy of Yalta is the tragedy of Burma. The decisions made at that conference produced the tragedy of Burma, where there is now complete anarchy in a country which once was one of the rice-bowls of Asia but which now cannot even feed itself. There is the same trouble in Indonesia, a country which once had high trade figures in some basic commodities, but which has now slipped substantially and is no longer playing the part in world economy that it should play.

Between the two world wars Great Britain set a splendid pattern for the transfer from Imperialism to independence, from colonialism to independence, in the treaties of mutual assistance she established with Egypt, Iraq, and Transjordan for several years. During that period Great Britain trained a very efficient Civil Service in those countries. Whatever you might say about the Egyptian Government, it has an efficient Civil Service, and one which is composed of Egyptians. Iraq, too, has an efficient Civil Service, composed of Iraqis, and the same position obtains in Transjordan. That was the pattern which Great Britain set. The tragedy is not the liquidation of colonialism, but the speed with which it was done. There must be something to take its place, and to-day, between Cairo and Singapore, there is a dangerous political and military vacuum. There are three countries there which have elected to stay within the Commonwealth. That is the one light we can see. India, Pakistan, and Ceylon still belong to the Commonwealth organization. We must stand by them and they by us, because the British Commonwealth—what is left of the British Empire, the United Kingdom and the dominions—has still an important part to play in the international sphere. Those countries can, if we all stick together, fill that vacuum. At the same time we must watch carefully and lend all possible assistance to those nations that have been abandoned too rapidly. In that way we can become a third force in the world and still play an important part in the maintenance of world peace.

Mr. CONNOLLY (Dunedin Central).—Sir, I join with other members in paying a tribute to the initiators of this debate, the member for

North Shore and the member for Wairarapa. Theirs was a very difficult task, and I wondered what had happened to the glow of enthusiasm of twelve months ago. Was it because the pendulum of public opinion is swinging towards the Opposition?

The Hon. Mr. ALGIE.—Don't you believe it.

Mr. CONNOLLY.—Most decidedly it is, because of the failure of the Government to keep its promises. One could feel that in the speeches of the two honourable gentlemen. There is no enthusiasm in 1951, although there was a tremendous amount in 1950.

Mr. SMITH.—Rubbish!

Mr. CONNOLLY.—Oh, no. I also would say how pleased I am to learn of the improved state of health of His Majesty the King. We all hope that next year the abandoned tour of 1949 will be a reality. I agree with the member for Hastings this morning when he said that adequate arrangements should be made to cater for those who live outside the main centres. So if it is not possible to adhere to the original programme, there will now be many who will not have an opportunity of seeing Their Majesties unless there are comprehensive travel arrangements. I rejoice with other members in the elevation of Lord Freyberg to the peerage. His Excellency's exploits on the battlefield are to-day being matched by his services to the people. His appointment was, I believe, a very wise one, and when the time comes for His Excellency and his good lady to leave these shores it will be an occasion for sincere regret by all sections of the community.

Now I wish to say a word or two about the member for Tamaki. On every occasion he speaks I think of the outstanding speech he made last year to the members of the Khandallah branch of the National party. He told them, quite frankly, that the Government could not honour its promises to make the pound go further and that the Government was very worried about it. That was ten months ago. I wonder what the Government's state of mind is to-day, when it sees prices sky-rocketing and the implementation of its promise further away than ever. It was very good to hear the member for Tamaki—and I congratulate him on this—speaking about the way the Labour Government handled industrial disputes, and about the strength and tact it displayed.

Mr. HALSTEAD.—Ha, ha!

Mr. CONNOLLY.—Now he laughs, but those were the very sentiments he expressed just a few moments ago. He went on to say that his Government has not employed free labour on the waterfront. What about the university students at Dunedin?

Mr. HANAN.—“Seagulls.”

Mr. CONNOLLY.—Listen to that. A university-trained man refers to them as “seagulls.” They were employed on the King's Birthday holiday as free labourers. Any talk about how we had abandoned two hundred thousand members of the Federation of Labour is sheer humbug—baby talk. If the honourable

gentleman could not think of anything better to say, he should have left the subject alone. It was on the 26th of April that the leader of the Opposition addressed the annual conference of the Federation of Labour. He spoke to the federation for over an hour on the part that he and the parliamentary Labour party had played in the dispute. After the right honourable gentleman had spoken this was the resolution that was adopted unanimously:—

"After hearing his illuminating address this conference congratulates the Right Hon. Walter Nash on being elected leader of the parliamentary Labour party and expresses confidence in him and in his party. We pledge whole-hearted support for the return of the Labour party."

Those who spoke to that resolution were Mr. Prendiville, Mr. Newman, Mr. Walsh, Mr. Croskery, and Mr. Young.

Mr. MCALPINE.—Does the honourable gentleman say that the conference congratulated the leader of the Opposition?

Mr. CONNOLLY.—Yes. I shall send the report over to the honourable gentleman. I desire now to deal with one or two statements made by the mover and the seconder of the Address in Reply. First let me refer to a statement made by the honourable member for Wairarapa, as reported in the press. The statement was that to counter these inflationary tendencies the Government had ceased to create Reserve Bank notes. That was a subtle statement. I interjected "Sheer humbug." In reply the honourable gentleman said, "I shall ask the interjector to come outside." Later, privately, I asked the honourable member what he had meant by that retort. He told me that that was a challenge to me to make that statement publicly. I now accept his challenge. I name Tauranga as the place, and I suggest that the proceeds go to some worthy object in that district. I challenge the honourable gentleman to a debate on this question of Reserve Bank notes, and I do so because he told me that he wanted me to make my statement publicly. The other evening we had the Prime Minister exclaiming about the thoughtful study of practical economics that we had heard from the honourable gentleman. What did the right honourable gentleman mean? Everybody knows that the Reserve Bank does not print notes. Why, they are always printed by that well-known British firm in London, Thomas de la Rue and Company, Limited, and the firm receives its authority through the Reserve Bank. Who has authorized them in recent months?

Mr. COOKSLEY.—You are very clever!

Mr. CONNOLLY.—All this information is published by the Government, so there is nothing clever in stating the facts. We find that the average weekly bank-notes in circulation in 1949 amounted to slightly over £51,000,000. For the week ended the 28th March, 1951, the bank-notes had jumped up to £58,000,000. Who authorized the issue of the extra £7,000,000 of bank-notes? Was it the Government? Who could it be? The honourable gentleman told us that no more bank-notes

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have been printed since the National Government came into office. Let us look at the volume of money. In 1949 it amounted to £207.3 million; at the last balance in February last the amount had jumped to £273.7 million.

Mr. SHEAT.—What was the increase in the volume of goods.

Mr. CONNOLLY.—About one-half per cent. Is it surprising to find that Mr. H. J. Kelliher, who has considerable knowledge of financial matters, declared the other day that manufacturing money is our busiest industry? It is because of the creeping paralysis of inflation that we are suffering the way we are to-day. Of the increase of £69,000,000 since November, 1949, 75 per cent. has been by the trading banks, and of that more than two-thirds took place before the industrial crisis occurred. I suggest in all seriousness that if inflation is allowed to run riot in the next eighteen months as it has in the last eighteen months then it will be cheaper to paper one's house with 10s. notes than to use wallpaper. That is the position and I cannot understand why the Government does not take cognizance of it.

The Prime Minister referred to "thoughtful study." I should say this is just about in line with the "thoughtful study" the Prime Minister has given to the election promises of the National party. Where is the promised stable internal price-level of last year? What a hoax! Perhaps the Minister of Works has it in a stable out at Trentham. I do not know if any of the members opposite go shopping, but I find it quite interesting. Three weeks ago I was standing in a butcher's shop. There was plenty of meat—at a price. Standing alongside me was a lady who had told the butcher what she wanted. He brought it along. It looked like a nice small sirloin of beef. She said, "How much?" He said, "Twelve shillings and sixpence." She said, "This time last year it would not have been any more than seven shillings"—and she should know; but then she went on to say, "To put some value into the quid, I am sure it's time we got rid of Sid." I think that very adequately summed up what the housewives think about the Prime Minister of New Zealand and the way he has managed the finances during the past eighteen months.

The two main themes in the speech of the member for North Shore were defence and Communism. With all due deference to the honourable gentleman, I think those subjects would have been more appropriate for a debate on international affairs, when we could have gone much more fully into them without having to deal with all the other questions that are affecting us in this country. As to defence, there seems to be a thought that if we should unfortunately be forced into a world war III, New Zealand troops will be sent to the Middle East and then New Zealand will be garrisoned by Americans. I wonder if the honourable member for North Shore, who has so much inside knowledge about the defence proposals of the Government, will answer that question when he replies to the debate.

Then we heard his doctrine on Communism—that we must ostracize Communists, socially and economically; we must not talk to them; we must not even say good-day to them. Well, that suits me, because I do not know a Communist. It is going to be very awkward for people in high places, however. I saw a member of a Communist nation at the opening of Parliament, and that gentleman was later entertained. It is a well known fact, of course, that members of the Government, particularly Cabinet Ministers, are usually entertained on a social level with the representatives of these other countries. Are they now to go to these receptions but not speak to them? That is quite in line with what the honourable gentleman told us. One fact I was pleased about on the night the honourable gentleman delivered his speech was that the Minister of External Affairs was wearing a blood-red tie. He did not wear it for the next two days, but it is on again to-day. I wonder whether the member for North Shore greeted him when he came into the House this morning. What about that photo of the Prime Minister shaking hands with Vyshinsky last year? I'm sure that has been destroyed in the last seventy-two hours. Fancy shaking hands with Vyshinsky at the United Nations! Nobody is to be allowed to speak to a Communist in New Zealand—if he knows one.

Mr. JOHNSTONE.—I do not know if he is a Communist.

Mr. CONNOLLY.—Vyshinsky not a Communist! It would appear that there is only one objective on the part of this Government and that is to stampede the people about Communists. In Australia recently there was a Federal by-election and the Menzies Liberal party had one slogan, "A vote for Labour is a vote for Communism." That was the only slogan the party had. That is putting into effect the policy of Hitler, "Tell a lie, tell it big, tell it often, and you will find a percentage of the people believing it."

Mr. SMITH.—The person who—

Mr. CONNOLLY.—Oh, the milkman for Hobson is always on the same old subject. I hope we will never descend to those depths in this country, that we will have just one slogan, that a vote for Labour is a vote for Communism, because that is a lie, and the honourable gentlemen opposite know it.

Mr. SMITH.—Why did you on that side of the House sing the "Red Flag" in this Chamber?

Mr. CONNOLLY.—What has that to do with Communism? It is not their international hymn. I wish the honourable gentleman would learn something now and again. He is so mixed up in such a lot of milk troubles that he is beginning to look like a milk-shake.

Mr. SPEAKER.—The honourable member must withdraw that remark.

Mr. CONNOLLY.—I will withdraw it, Sir, but I was provoked. I agree with the member for Mount Albert when he says members of this Government are using the terms Communist and Communism very loosely. That is

true. I have heard a Cabinet Minister referring to people in this country as Communists, like-thinking people, troublemakers, and the others. That brings in a terrific number of people.

The Hon. Mr. HOLYOAKE.—That brings me in—in "the others."

Mr. CONNOLLY.—It almost brings the honourable gentleman in. Bernard Shaw once said that society was divided into two classes, the reasonable and the unreasonable, and if we did not have the unreasonable element we would have no progress. Would the honourable gentleman agree with that or are we just to mark time and always say yes to everything the Government of the day says? I know that members of the Government would like that, because they say, "If you do not agree fully with what we are doing, you are a Communist." I have heard that said in this House by the member for Hurunui, and I will put my record up against his at any time.

Mr. GILLESPIE.—The honourable gentleman never heard me say that.

Mr. CONNOLLY.—Of course I have heard you say that, and from your present seat. I was looking up some details the other day about the strike in 1890, and I found that it was referred to as a Marxian conspiracy. Now, in 1951 the strike is a Communist conspiracy. I do not know what it will be if there is one in a hundred years' time. It is also interesting to know that in 1890 the Union Steam Ship Company of New Zealand, Limited, imposed a surcharge of 50 per cent. The shipping companies to-day are doing exactly the same thing.

The Hon. Mr. HOLYOAKE.—There is nothing new in the world.

Mr. CONNOLLY.—No, there is not. I have read that the only thing we learn from history is that one does not learn from history, and I think that covers the situation. Communism is the very antithesis of democracy, and I believe that we in this House are all Democrats. We believe in the ideals of democracy—free elections, freedom of speech, and all the other freedoms that go with it. I oppose Communism with all my heart and soul, because it is the very negation of democracy. But I oppose Fascism and Nazism with the same fervour and for the same reasons; and we have seen a lot of Fascism in this country in the last twenty weeks. Where has been the fundamental condition under which we are able to express ourselves freely? What about the homes being raided without warrant? What about the broadcast sermons that have had the blue pencil through them? And what about a deputation of ministers of religion that went to the Prime Minister and was dismissed in a few minutes and told to keep its nose out of the industrial trouble? That should not take place in a democratic country. We have been living in a Fascist State for the last twenty weeks. If every member opposite analyses the position and speaks the truth he must admit that New Zealand has been under a state of Fascism for the past twenty weeks. The Government will never destroy Communism by its present

methods. By its actions it has begun the destruction of democracy, and we as Democrats must see that that is altered as soon as we can. I was pleased to read of the action taken by journalists not only in this city but also in Christchurch, whereby they said the regulations were wrong and harmful.

Mr. FREER.—And Auckland.

Mr. CONNOLLY.—I had not read that, but am pleased to learn that the Auckland journalists have also taken action. I would say that the difference between the Government and us over the settlement of this industrial trouble is simply a difference in method; it is a battle of methods. The Government believes in the Fascist way, and we believe in the democratic way. The trouble could have been settled within one month had it not been for the arrogant stubbornness of the majority of the members of Cabinet. Why was the leader of the Opposition denied the right to speak over the air? Only a couple of years ago the present Attorney-General said that there must be the right to state both sides when we go on the air. He accused the then Labour Government of Russianizing New Zealand. Who has Russianized New Zealand in the past twenty weeks? Why was the leader of the Opposition not given the opportunity? Because the Government members knew he had a case. They were prepared to deny him the right to state his case because they did not want the strike to finish. Here is a statement by the Minister of Labour, made more than two months ago, "Early settlement not likely." Of course the Government did not want the strike to finish. The more chaos there was the better the Government thought it would react to its advantage amongst housewives and others. Where does the Government stand with secret ballots? I have here a ballot-paper, printed by the Department of Labour and Employment, concerning the Wellington Road Transport and Motor and Horse Drivers and their Assistants Industrial Union of Workers. This was printed under the authority of Mr. E. B. Taylor, and one of the brilliant twins, Mr. H. L. Bockett, and Mr. C. P. Smith. When the ballot was taken amongst the unionists that night five officers of the Department of Labour and Employment were there to carry out the scrutiny.

Mr. HANAN.—To see that there was fair play.

Mr. CONNOLLY.—There was fair play all right! What happened? This was on the 5th March. The ballot-paper was worded, "Are you in favour of the union carrying out normal work even if it involves members of the union handling goods by the Armed Services?" To which the men had to answer yes or no. The men were instructed to strike out the word which was not applicable. The members of the union voted against carrying where goods were discharged by the Armed Services, the voting being 283 to 185. That was in the Wellington District. According to their rules—and here is a copy of the rule-book—if a vote had been taken on a particular subject like that in one part of the area, ten members could demand a

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vote to be taken over the whole of the area which, in this case, included the Wellington, Masterton, Martinborough, Palmerston North, and Petone areas. Ten members signed a requisition, and another ballot was held. Between the 2nd and the 9th of April this ballot was taken, and those who voted for the issue numbered 257 and against 274, so that on the vote taken over the wider field the result was still the same.

An Hon. MEMBER.—They were not concerned.

Mr. CONNOLLY.—It does not matter whether they were involved; here is the rule-book. They had the right to do that. What happened? The very next day the union was deregistered. Its members were not on strike. True, one phase of the work was refused, but they were not on strike. Now, we have power in the hands of one man who can, when a secret ballot is taken and the result is not to his liking, deregister that organization. That was what was done when the vote did not go the way the Government anticipated.

The Hon. Mr. SULLIVAN.—That is only half the story.

Mr. CONNOLLY.—The Minister has the opportunity of putting his case later. I am not making a case; I am stating a case. Let the Minister state his case, and explain why he deregistered the union when its members voted against the opinion of, perhaps, one of the brilliant twins. On the 24th April the new union was registered under the Trades Union Act of 1908. A certificate was supplied, and a few days later the regulations were amended. On the 1st May, 1951, that registration was cancelled. I say that that was dictatorship. The registration was cancelled by the Minister of Labour, and by that regulation he violated an Act of Parliament—the Trades Union Act of 1908. What a sham democracy, when that can go on. I want to know what is to be the Government's attitude in the future on secret ballots. Is it going to say to the workers that they must take secret ballots, but if the results do not suit the Government the unions will be deregistered? Where is trade-unionism going under such a policy. When we fought, as we did, for the British way of life we fought for British trade-unionism, for that is one of the essential phases of the British way of life, and yet these Fascist-minded people can destroy it almost overnight. We know that our amendment will be defeated.

An Hon. MEMBER.—What did you move it for?

Mr. CONNOLLY.—To show up what has been happening in this country over the past few months, and how the Government failed to keep its promises. We know that the result of the vote that will be taken on the motion of want of confidence will be forty-six to thirty-four.

Mr. HANAN.—The honourable member for Miramar is not here.

Mr. CONNOLLY.—I wish the Tauranga by-election was over for that will add to our number. Let us not lose sight of the fact that while we have only thirty-four members in this House, we represent more than half a million

voters in this country, and to-day we are adding to them at the rate of thousands a week, for they know that Labour is on the march. They have had enough of the present Government and its broken promises. They know that our fight is—as we say in our prayers every day here—"for the public wealth, peace, and tranquillity of New Zealand." That is the policy of the Labour Opposition. We have seen that upset over the past twenty weeks, and we have seen large numbers of people rallying to our support. There is no doubt that when the election comes round in 1952 we shall see the petty dictators, and their like, swept out of office, and New Zealand once again will return to its former greatness as a true democracy.

Mr. HANAN (Invercargill).—Sir, I congratulate the mover and the seconder of the motion on their splendid speeches which were exceptionally well delivered. I join with other honourable members in expressing pleasure that His Majesty's health continues to improve. We all look forward to the Royal tour next year, which will be a great event of our time. During the remarks of the honourable member who just resumed his seat some argument took place between the honourable member for Selwyn and the honourable member for Dunedin Central as to what was said or not said at the recent conference of the New Zealand Federation of Labour. Have I the honourable member's permission to read some extracts from the report of the fourteenth conference of the New Zealand Federation of Labour? Have I your permission, Sir, seeing that you passed over the document?

Mr. CONNOLLY.—Read it if you like.

Mr. HANAN.—The honourable member is the only one who has made any pretence in claiming that there was unity in the ranks of Labour. I am going to read from page 28 of the minutes and report of the fourteenth annual conference of the New Zealand Federation of Labour held in the Trades Hall, Wellington, on the 24th, 26th, and 27th April of this year. The report records the following telegram:

"Mr. K. Baxter, Federation of Labour Conference, Trades Hall, Wellington.—Reference your unwarranted personal attack at your conference on Tuesday and to which I give my unequivocal denial stop Your statements reflect on my integrity and are damaging to my reputation as a Labour member of Parliament to such a degree that I propose seeking advice as to future action.—Connolly, M.P., Dunedin Central."

The report goes on to say, "The above telegrams speak for themselves." Actually there had been a recent meeting of the Dunedin branch of the New Zealand Engineering and Related Trades Union. This meeting had been addressed by the honourable member for Dunedin Central following which this altercation or "donnybrook" within the Federation of Labour took place. That telegram appears on page 28. The secretary, Mr. K. Baxter, goes on to report as follows—

Mr. CONNOLLY.—Would you read that telegram from the Engineers' Union?

Mr. HANAN.—It will cover you up to a point. The report continues:—

"The Secretary said that the branch had been addressed by Messrs. Connolly and Stead on issues related to the dispute and apparently the policy of the Federation of Labour was under review. The report of the meeting shows that Mr. P. Connolly, M.P., has said that 'anti-communist propaganda had split the workers'."

The report continues:—

"The secretary read an official extract from the minutes of the meeting in question which showed that, following addresses by Messrs. Connolly and Stead, the answering of questions, and the retirement of the speakers, a resolution of no confidence in the Federation of Labour had been carried."

That is, the Dunedin branch of the New Zealand Engineering and Related Trades Union, after it had been addressed by the honourable member for Dunedin Central, carried a resolution of no confidence in the Federation of Labour.

Mr. CONNOLLY.—Read the telegram from the Engineers' Union.

Mr. HANAN.—As Mr. Baxter—

Mr. CONNOLLY.—You are just a "ratbag." That is all. Just a "ratbag."

Mr. HANAN.—Sir—

Mr. SPEAKER.—Order. Would the honourable member please resume his seat.

Mr. CONNOLLY.—I am not going to give in to him.

Mr. SPEAKER.—The honourable member cannot make that statement about another honourable member. He knows that perfectly well. There are some expressions that may not be used concerning members of the House. The honourable member must withdraw the statement.

Mr. CONNOLLY.—Could I have the opportunity to make a personal explanation, Sir?

Mr. SPEAKER.—An honourable member may have an opportunity to make a personal explanation only if he feels that his honour or integrity has been impugned. If it only amounts to a question of debate—that is to say, if he feels that the whole story has not been told in the extracts that have been read—then there are any number of opportunities for members following the present speaker to read the extracts that the honourable gentleman now wants read. But the opportunity to make a personal explanation is only accorded—and it is accorded then with the utmost readiness by the House—if a member feels that his personal integrity or personal honour has been impugned, and I do not think for a moment that that arises in this instance. I sincerely hope that the Senior Opposition Whip will accept my direction and will withdraw the words that he used, leaving it to subsequent speakers to clear up the debating point.

Mr. CONNOLLY.—I am prepared to withdraw on condition—

Hon. MEMBERS.—No.

Mr. CONNOLLY.—My honour has been impugned. Mr. Baxter has seen me personally about this—

Mr. SPEAKER.—Have I the assurance of the honourable gentleman that he feels his honour has been impugned?

Mr. CONNOLLY.—Yes, Sir.

Mr. SPEAKER.—Is it the pleasure of the House that the honourable gentleman have leave to make a short personal explanation? There appears to be no objection.

Mr. CONNOLLY (Dunedin Central).—Sir, it is true that on the 27th March I addressed the members of the Engineers' Union at Dunedin—there were seventeen present—on the economic position of the country. I have here a copy of the minutes which were made by the secretary after the meeting, and which, in accordance with the rules of their organization, were sent to the head office in Wellington.

Mr. HOLYOAKE.—Where was your honour impugned? Let us stick to that point.

Mr. CONNOLLY.—I shall, if I am not continually interrupted. Perhaps I could say in a few words that at the Labour party conference Mr. Baxter himself came to me and offered to insert a correction in the journal of the Federation of Labour to the effect that what was reported in the minutes was totally incorrect. The member for Invercargill—and, after all, it was only from goodness of heart that I gave him that report of the Federation of Labour—read out a telegram that I had sent to Mr. Baxter. Although I asked him twice to do so, he refused to read out a second telegram, appearing on the same page, sent by the Engineers' Union and contradicting every word so far as this report is concerned. What I ask is that the honourable gentleman should—

The Hon. Mr. HOLYOAKE (Minister of Agriculture).—A point of order, Sir. I submit that the House will never deny a member the right to make a personal explanation where he feels his honour has been impugned, but his explanation must, I submit, be confined to that point and should not be extended to debating. Apparently the honourable gentleman feels that his honour has been impugned in this way; that the member for Invercargill has quoted a statement which Mr. Baxter has promised to deny, but which Mr. Baxter has not denied. Is that the position?

Mr. CONNOLLY.—So far.

Mr. HOLYOAKE.—I submit that that can be the sole basis of the complaint against the member for Invercargill.

The Right Hon. Mr. NASH (Leader of the Opposition).—Sir, speaking to the point of order—

Mr. SHEAT.—For or against?

The Right Hon. Mr. NASH.—Yes, for or against. We are always anxious to find out the facts. We do not state one side only of the case, as was done in this instance. The point I want to make is that some statement

was made by the member for Invercargill that affected the member for Dunedin Central. The member for Invercargill quoted half a statement that was published in a report. Since he quoted that I have been to my office and obtained the full report, and in the full report, as the member knows perfectly well, there is a denial by an independent party of what was said. The secretary of the Engineers' Union said that the minutes had been misinterpreted, and that the member for Dunedin Central had not said anything of what he was charged with saying at that conference. Why did not the acting leader of the House let the member for Dunedin Central make his statement, instead of stopping him at the vital point?

Mr. SPEAKER.—Will the honourable member please resume his seat? It is very difficult for anybody to tell just where the question of a member's honour or integrity ends and where a debating point begins. Does the honourable member wish to make any further explanation? I think the point is really covered.

Mr. CONNOLLY.—Could I have permission to read the telegram sent by the union officials about the meeting at which I was alleged to have made this statement? There is a telegram on the same page as the member for Invercargill quoted from, but, very shrewdly and subtly, of course—

Mr. SPEAKER.—No.

Mr. CONNOLLY.—Well, Sir, have I permission to read this telegram? I think that will end it.

Mr. SPEAKER.—Will the honourable member tell me if that telegram simply states that the previous statement alleged to have been made by the honourable member was, in fact, not made?

Mr. CONNOLLY.—Yes.

Mr. SPEAKER.—Then the honourable member may read the statement.

Mr. CONNOLLY.—The telegram is sent to Mr. Croskery, Federation of Labour, Wellington, who was chairman of the conference, and it reads:—

"On behalf of the Dunedin branch of the Engineers' Union we emphatically deny Messrs. P. G. Connolly, M.P., and J. A. Stead made any reference to Federation of Labour or any of its officers or concerning waterfront dispute at our meeting on 27th March, 1951. Connolly addressed meeting on cost of living and Stead on forthcoming by-election. Connolly and Stead were not present when any motion was put at meeting. We request immediate withdrawal of any such allegations and request that this telegram be read to delegates attending the Federation conference."

That telegram is signed by L. Hill, president and chairman of the meeting; A. Knowles, executive member in attendance, and now president; J. Kenny, vice-president, and member in attendance at the meeting; and G. R. Clayton, secretary in attendance at the meeting.

Mr. SPEAKER.—Will the honourable member please resume his seat? Will the member for Dunedin Central now please withdraw the statement he made?

Mr. CONNOLLY.—I did earlier, but I withdraw it again.

Mr. HANAN.—However, that telegram does not get the honourable member out of the difficulty, although I made it perfectly clear that he was not present at the meeting when the resolution was passed. All I am prepared to go by is the official report.

The Hon. Mr. MASON (Waitakere).—Sir, a point of order. We have just listened to the words, "All I go by is the official report." I suggest that that is a negation of the denial we have heard from the honourable member for Dunedin Central, and that his denial must be accepted. It is the common rule of debate that a member's explanation must be accepted. To say "All I go by is the official report" is to fly in the face of the denial, and contravene the rule that a denial must be accepted.

The Hon. Mr. BODKIN (Minister of Internal Affairs).—Mr. Speaker, I rise to a point of order. I suggest that the statement made by the honourable member for Waitakere is irrelevant and beside the point. The charge that was read by the honourable member for Invercargill was to the effect that the honourable member for Dunedin Central has stated that anti-Labour propaganda has divided the Labour movement. That was not denied in the telegraphed reply that he has just read. I repeat there was no denial of that statement, and that is the point at issue.

Mr. SPEAKER—I did not take it that the honourable member for Invercargill refused in any way to accept the explanation made by the honourable member for Dunedin Central, and I cannot see that there is any merit in the point of order raised by the honourable member for Waitakere. Once a document has been quoted from, particularly in these circumstances, where, I think quite wrongly, a member crossed the floor of the House and handed a document to a member on the other side, he must be prepared to have any portion of that document quoted.

Mr. McCOMBS (Lyttelton).—Sir, I rise to a point of order. I would like to know in what way I have erred. I took the document across the floor. Your comment was that I did it quite wrongly. I should like to know in what way it was wrong to take the document across the floor of the House. I followed the rules of the House. I bowed to the Chair from the centre of the floor, and I bowed as I returned. I would be grateful if it could be shown to me that I was wrong.

Mr. SPEAKER.—My experience is that when a document is sent by one member to another it should be sent by a messenger. I do not think that it adds to the dignity of the House that documents used in debate should be taken round by other members and shown here and there. However, that has nothing whatever to do with any matter of any importance before the House at the present time.

When a document has been quoted from, as in this case, then honourable members must be prepared to have other portions quoted from it, especially when it is handed over to them, inferentially for their use or information.

Mr. HANAN.—Out of the warm personal regard that I have for the honourable member for Dunedin Central—even though I do not agree with him politically—I particularly asked his permission to quote from the document handed across the floor of the House. He gave that permission, and now he cannot take it. I shall say this to the honourable member for Waitakere, out of respect for him, that I agree that in future it will be impossible to guarantee the minutes of any conference of the Federation of Labour. Mention has been made of Mr. K. Baxter. From this side of the House I pay a tribute to him for what he has done for his country in this trying time. He is a worthy successor to those who previously occupied his office and stood for conciliation and arbitration. One recalls the signal record of the honourable member for Petone, a gentleman who played such an important part in building up the Federation of Labour. At one time he was the strong right hand of moderate trade-unionism in this country, but to-day he sits in this House reduced to a pitiful and tragic figure selling out to the Trade Union Congress with the rest of the political Labour party.

The country has been astounded at the pitiful exhibition of ducking and diving by the Labour party on this motion. Never in the history of New Zealand has a no-confidence motion been more ill-conceived or badly timed. The Government's stocks have never been higher by reason of its unique and extremely successful handling of the waterfront hold-up. Consequently, the Labour party's stocks have never been lower, and it must have required colossal courage—if not colossal cheek—for them to move such a motion at this inopportune time. Many people are wondering why the parliamentary Labour party has adopted such an astonishing line of conduct in the strike. The obvious thing for it to have done was to get behind the Federation of Labour and get the men back to work, instead of prolonging the strike. Then, having got the men back to work with the assistance of the Federation of Labour, it could have turned round to the people and said, "The National party struck industrial trouble, did not know how to handle it, and we, the Labour party and the Federation of Labour, had to get in behind them to save them." They could have said, "We fixed it."

Now, why did they not do that? After all, members of the Labour party, politically, are not children. Why have they openly sat on the fence? It is not because the leader of the Opposition lacks political astuteness. He is surely one of the most astute political jugglers this country has ever known. Why then did he sit on the fence? Was he waiting for the National party to make a mistake and ready to put party advantage above country; ready to exploit any situation, should the Government do the wrong thing? Why has the Labour party adopted this attitude? It

knows full well that its attitude is very unpopular. I think we have to go back into the history of the development of trade-unionism in this country to find some reason for the policy adopted by the Opposition. Never before in the history of this country has any section of the people declared industrial warfare so strongly and so openly against the authority of the State as has the Trade Union Congress.

It is indeed fortunate that this country had a Minister of Labour who measured up to the great task he had to face; a Minister with the best understanding of the complex problems of industrial relations since the first and most celebrated Minister of Labour, the Hon. W. Pember Reeves, who gave to this country our first Industrial Conciliation and Arbitration Act of the "eighteen-nineties." The fame of that Act spread to all the civilized countries of the world, and New Zealand was known as the country free from strikes. After the passing of that Act trade-unions sprang up like mushrooms, and all accepted the principle of conciliation and arbitration. For fifteen years there was industrial peace. It is extremely interesting to note that the preamble to this Act stated, "An Act to foster and encourage the growth of trade-unionism." In the course of time the various trade-unions banded together and formed the organization called the Trades and Labour Federation.

By 1908 certain militants had succeeded in inducing some of the organizations to break away and form an opposition Federation, so that from 1908 to 1912 there were two opposing Federations of Labour, just as there are to-day, one believing in conciliation and arbitration and the other believing in direct action. To distinguish between the two one was described as the "Red" federation—hence the term "Red Feds." These "Red Feds" caused the strikes at Waihi and on the waterfront in 1913. They caused, as do all strikes, misery and suffering to the workers and they both ended in ignominious failure. Why? The reason why those strikes failed—the two biggest strikes we have had in the country until the recent one—was because the moderate unions and the then Federation of Labour, who believed in conciliation and arbitration, would not support the militants, and therefore the "Red Feds" could not win. The important feature from the historical point of view is that after the 1913 waterfront fiasco the industrial labour movement was politically smashed for twenty years and real unity was achieved only during the depression. Therefore, the attitude of the present Opposition becomes at least understandable, however erroneous it may be.

Now, in 1951, the country has again two national organizations representing trade-unions—the Federation of Labour, standing for conciliation and arbitration, and the Trade Union Congress, standing for direct action. Direct action failed, as it did thirty-eight years ago, because it was not supported by the powerful organizations of the workers within the framework of the Federation of Labour

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who rejected the proposition that any section of the people should be able to overthrow the Government by direct action. Let this point be clearly understood. The Trade Union Congress, with their hold-up on the waterfront and elsewhere, were not defeated by the Government, or the police, or the servicemen. The main factor was that the rank and file of the working-people of this country—the ordinary men and women—carried on in their jobs and stood by a Government to which many of them in the past had been politically opposed. The Labour party knows this full well, but refuses to bow to what is obviously an overwhelming public opinion.

Why have they stood by the Trade Union Congress and sold out the Federation of Labour? They fear that the industrial labour movement will be smashed, as it was after the 1913 waterfront strike. They therefore want the support of the Trade Union Congress as their only hope of retaining any political influence in this country. They fear that the Federation of Labour will disintegrate, as did the moderate, sane labour organization called the Trades and Labour Federation after the 1913 waterfront trouble. They believe that the only organized political force left to support them will be the Trade Union Congress and they are persisting in their present attitude even against current public opinion, believing that in the long-run they will profit against the lessons of history. The leader of the Opposition and his colleagues have made a fatal miscalculation. The Federation of Labour, in my view, will not go out. It will go from strength to strength as the voice of sane labour in this country, supported by compulsory unionism and recognized by this Government as speaking for all trade-unions subscribing to the principles of conciliation and arbitration. I believe that the Federation will have a permanent place in the industrial future of New Zealand, and I hope it will. We are not concerned as a Government with the private political views of members of the Federation of Labour, but we are concerned with supporting the basic principles for which they stand and we stand.

Let me illustrate the supreme importance of even a relatively small number of workers carrying on, standing by the Federation of Labour in a key industry. I refer to the coal-mines of South Otago and Southland. The full normal production from underground and open-cast mines in New Zealand is about 52 000 tons a week. For a time, the Otago and Southland miners were the only ones working in the country, and they have kept up full production right since the beginning of the waterfront hold-up. The South Otago mine at Kaitangata produced, and has been producing all along, 3,000 tons a week; and the Ohai Mine something over 8,000 tons a week, so that these two mining areas have, as in the past, maintained very nearly 25 per cent. of all the New Zealand production at normal times. The importance of that contribution is far greater than it would appear at first sight. The South Island railway system has not the oil-burning

locomotives that the North Island system has and is dependent entirely on coal. During the period of the strike, detachments of the Navy on the West Coast produced about 6,000 tons a week, and the whole of this was available for essential purposes in both Islands and for gasworks. But had the Southland miners gone out with the other miners that West Coast coal would have been required for essential purposes in the South Island, and the North Island would not have got a ton.

During the whole period of the strike there has been in excess of 10,000 tons of West Coast coal a month coming over to the North Island for essential purposes. This would not have been possible if the Southland and the South Otago miners had come out with the rest. I believe that if they had come out the Government would have been in very much greater difficulty in handling this crisis than was the case. To Mr. Prendiville, the president of the United Mine Workers, and Mr. Crook, the secretary, and to the southern miners who followed their leadership, the people of this country owe a very great debt. I hope that this Government will be able to make at least one gesture of appreciation, and that is that, in view of the fact that the Kaitangata Mine is reaching the end of its useful work, unless there is to be a big capital expenditure which I think can only be done by the Government under to-day's conditions, the Government will be able to take over that mine so as to ensure permanent employment for the splendid workers at Kaitangata who stood by their country at this time.

I have always been interested in the future policy of the Government in regard to social security. I have consistently advocated that in view of the rising price structure the family allowance be increased to assist the married man with a large family. I have also been of the opinion that the family allowance should be subject to income-tax. We, of course, do not want to take away from anybody any benefits now being received under the Social Security Act, so that in regard to taxation, if we increased the income-tax deduction for each child from £50 to £75, and at the same time declared the family allowance of £26 per annum taxable, at that point no one would be noticeably affected by the change; but any future increase in the family allowance, whether by weekly payment or by way of bonus, would be caught in the taxation net. If this was brought about, those on the lower incomes would benefit the most, and those with big incomes would pay back a large part of any increase they received. I have also consistently advocated in this House that we should endeavour to abolish the means test on benefits payable to elderly people. This, I think, can best be done by making the universal superannuation substantially larger than it is now, and at the same time making it subject to income-tax.

It has to be emphasized that the original proposal of the Labour Government for universal superannuation contemplated the full age benefit for every one without a means test at the age of sixty-five years. The benefit to

which no means test applies—universal superannuation—now amounts to £37 10s. a year, and is increasing by £2 10s. a year. At that rate it will be next century before the full benefit is payable. Let us increase this universal pension now, and make it subject to income-tax, because if we do not make it subject to income-tax it is going to grow and grow as the years go by, costing us another £10,000,000 or £12,000,000 in the distant future, and almost creating from an economic point of view a Frankenstein monster that might destroy our economy. Let us tax it now, so that as years go by we will take more and more of that universal superannuation from those who do not need it. If we do this I believe that thrift can still provide privileges within the framework of social justice. The difficulties created for many people on fixed incomes would be overcome if the proposal to increase the universal superannuation were carried out.

The Hon. Mr. F. JONES.—What would the honourable member increase them to?

Mr. HANAN.—The present age benefit is £149 10s., and I should like to see the universal superannuation go right up to the full amount and be subject to income-tax. For the benefit of the honourable member who has just interjected it may well be that wealthy men on very large incomes now receiving £37 10s., tax free, may be in a slightly worse position pursuant to the universal superannuation being lifted to the full amount and made subject to tax, but it would be of tremendous help to a great number of superannuitants and others on fixed or small incomes who would not pay any significant proportion by way of tax. I think I can say that the Government has been giving serious consideration to increasing the family allowance and the universal superannuation. As to the family allowance, it was recognized that there was some need to do something for people with large families; hence the £5 bonus. There is no doubt that that was welcomed by a great number of people and that it will assist them in a marked degree. It is true that many people will receive that bonus who will not need it, but it was not possible at that time to provide for the legislation to make it taxable, and it was better to allow a few people to get it, who perhaps did not need it, so that the great majority of people who could benefit immediately would derive that benefit. I know the Government has been giving consideration to these proposals which I have constantly advocated in the House, and I am not without the hope that these proposals will be implemented in whole or in part in some shape or form before the end of this Parliament.

Mr. MOOHAN (Petone).—Mr. Speaker, the honourable member for Invercargill, who has just resumed his seat, has followed the practice indulged in by Government members since the debate started, and that is complete misrepresentation, misquoting of documents, misquoting of letters, and anything and everything that is reprehensible on the part of any Government or individual in discussing a matter of such grave importance to the people. I do not intend to follow the trend adopted

by the honourable member for Invercargill, but I would say that I was astonished that he would stoop to such deliberate misrepresentation on these matters.

Mr. H A R K E R (Hawke's Bay).—Mr. Speaker, on a point of order, I ask whether it is in order for a member of this House to accuse another of deliberate misrepresentation. The statement made was that an honourable member had stooped to deliberate misrepresentation.

Mr. SPEAKER.—No, that is not in order and must be withdrawn.

Mr. MOOHAN.—I withdraw the words, Sir. Along with other honourable members I wish to congratulate the mover and the seconder of the Address in Reply. I also wish to add my sincere wishes and those of my constituents in hoping that the health of His Majesty the King will be such that he will be able to visit New Zealand early next year. I also join with other honourable members in congratulating His Excellency the Governor-General upon the honour recently conferred on him by His Majesty.

The question before the House is a vote of no confidence in the Government, moved by the leader of the Opposition. That is to say that the Government has no longer the confidence of members of the House or of the people. I whole-heartedly and enthusiastically support that amendment. I have never had any confidence in a Tory Government and I am not likely to change my mind at any time. What are the reasons for this vote of no confidence? First there is the attitude of the Government in the operation of Emergency Regulations in peace-time. That has gone on for five months. The Government refused to call Parliament together to discuss the wisdom or otherwise of this country continuing under a totalitarian regime. Secondly, there is the handling of the present industrial dispute, which, because of the Government's incompetence and stubbornness, has become the biggest strike and the biggest dispute in the history of this country. I do not think any Government at any time could be proud of a record that showed the greatest number of people involved in an industrial dispute over such a long period. Thirdly, there is the Government's housing policy, which condemns itself. To-day it is hardly possible for anybody, particularly young people getting married, to rent or buy a home. Fourthly, there is the cost of living. This Government said it would reduce the cost of living. Those four points, together with a flagrant breach of and cynical disregard for all election promises, place this Government in a position where it no longer holds the confidence of any liberal minded, radical minded, or intelligent minded person.

The Government is not governing this country at the present time. The Government does not know what is going on. It was only last night that the honourable member for Avon read a letter from one of his constituents telling how the police walked in without a warrant and searched his home. The same thing happened in the constituency

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of the honourable member for Onslow. It happened again last night in Wellington when two police officers went into a house where the man was away. They searched the place from top to bottom. They found nothing and made no charge, and the Government does not know what is going on. If it does know, it is high time it resigned and got out, because no decent-minded Government would allow that sort of thing to go on in this country in peace-time. Members opposite said before the election that they could govern this country better than any previous Government. To-day, from one end of the country to the other, in our manufacturing industries, in the importing business, and in our social and economic life, there is a feeling of frustration, a feeling of insecurity and a feeling of hopelessness because nobody seems to know what is going to happen next, much less the Government. After getting the country into this chaotic state, after a short period of eighteen months, what excuse is put forward by the Government?

In 1949 members opposite said there was a surplus in the Consolidated Fund of £47,000,000. That is what they told the electors. They told the electors that they would use that £47,000,000 to reduce taxation, maintain subsidies, and reduce prices. Four months after that they said that the £47,000,000 did not exist, although they had quoted the Government Statistician to support their previous contention that it did exist. They now claimed that there was a deficit of millions, and because of that they removed and reduced subsidies to the extent of £12,000,000. That was the first impact on the people of this Government's absurd policy. That amount went on to the cost of food, clothing, and shelter. Then members opposite blamed the Korean war; then they blamed the high price of wool; then they blamed the Opposition; then they blamed the waterfront dispute; and now they blame the Communists. It would appear from the remarks of Government speakers that anybody who disagrees with the Government automatically becomes labelled as a Communist. I disagree with the present Government, but I am not a Communist or a fellow-traveller, and never have been.

In this dispute there has been a lot of vituperation against and vilification of some seventeen thousand workers by Government members, but not one word have they said in condemnation of the shipowners' action in increasing freights by a total of 64 per cent. When I said the other day that that would amount to almost £20,000,000 a year, the Minister of Labour said I was talking nonsense. I shall prove shortly that that amount was an under-estimate. For five months we have had secret police, Emergency Regulations, trial without jury, and trial on hearsay because the watersiders refused to accept the 3d. an hour. What a contrast with the action, or lack of it, taken against the shipping companies. The Prime Minister was asked the other day what he intended to do about the shipping companies. He said, "I sent them a letter, and if you want to see the letter, buy the evening paper." That is the extent of his protest against an action

that is of vital concern to every man, woman, and child in the country. The net result of this dispute has been suffering for thousands of innocent people because of the incompetence of the Government. In my own electorate, and throughout the country, there are families to-day without coal, gas, firewood, or fuel of any kind, and all the Government can say is, "We don't care if it goes on for another nine months."

Mr. HARKER.—The honourable gentleman is in great measure responsible.

Mr. MOOHAN.—The member for Hawke's Bay is piping up. Well, he can pipe down. The present Prime Minister said that he intended to govern by legislation and not by regulation. The flood of Orders in Council to suit the convenience of Ministers would be ended, and the authority of Parliament restored. The authority of Parliament has never been so much undermined before. The Prime Minister said the other night, "There are fourteen members in Cabinet. We govern this country. We take the responsibility." Let the member for Invercargill, who said when he came into this House that he was a Liberal, give his opinion on this. Let him think of all the giants of Liberalism of the days that are gone. Under the Waterfront Emergency Regulations there is no right of trial by jury. The Minister of Labour decides whether or not a strike exists. You are liable to a fine of £100 or three months' gaol, or both, if you make any payment or contribution for the benefit of any workers who are parties to the strike. The rules of evidence are over-ridden; you may be convicted on the opinion of a police constable. Power for a police sergeant to prohibit any meeting or procession is provided in Regulation No. 16. A police sergeant is empowered by Regulation No. 18 to enter your home at any time, using force if necessary. That is exactly what the law provided in Hitler Germany, and what it provides now behind the iron curtain. When it was pointed out to the Minister of Works the other night that the regulations are the same as the law was in Hitler Germany, he said, "Hitler was right."

The Hon. Mr. GOOSMAN.—That is totally incorrect.

Mr. MOOHAN.—We lost ten thousand men proving that Hitler was wrong. Is that what we lost those men for? Is that what we fought the war for? We fought the war to prove that Hitler was wrong, and it ill-behoves a Minister of the Crown to get up in Parliament and say that Hitler was right. I have read a few of the regulations. I now want to read a statement made by Mr. Justice Stable of the King's Bench Division in England. I should say that a Judge of the King's Bench in England is a very high authority indeed. He said:—

"The expression of views, no matter how unpopular, how fantastic, or how wrong-headed they may appear to the majority, is a right and a right which I, among others, am paid to see observed. It is those views which are held by only a few, those views which are unpopular, those views which do run counter to the views of the great majority of mankind, particularly

in times of national emotional crisis—it is those views which this Court should be particularly zealous to protect."

The Government has gone a long way from that definition of democracy. If we are to have democracy, it is not a privilege but a right for any person to give his point of view, and it is for the public to decide. It is not for Cabinet to say that anybody who holds different views shall not be allowed to speak at all. That has been the position over the last five months. I have another quotation on this question, and it reads, "We see a Government so intoxicated with its own power that it has forgotten the legitimate rules of the British community it was elected to serve." Who said that? The Right Hon. S. G. Holland, our present Prime Minister, said that.

Mr. MATHISON.—He has a short memory.

Mr. MOOHAN.—I will say he has a short memory. Now I come to the subject of this terrific increase in freights. One of the arguments I have with the Government about this dispute is that it did not carry out the functions of government impartially, or try to hold the balance of power. According to the deputy leader of the Government party, the Government immediately went on the side of the shipowners. He told us that the shipowners had declared that they would not go into conference because they had no intention of varying their terms. Thereafter the Government took up the matter. Let us see what it is costing the country. We send away approximately one million bales of wool. Prior to the surcharge, the freight would have been £3,000,000. To-day, it is £5,000,000, an increase of £2,000,000 on that item alone. We send away butter. Prior to the surcharge the freight was £2,400,000. To-day, the cost is £3,600,000, an increase of £1,200,000. There we have increases on those two items alone amounting to £3,200,000. In addition, we have the surcharge on all the other exports, tallow, cheese, hides, sheep-skins, timber, and all other items.

The Rev. Mr. CARR.—Who are going to pay for that?

Mr. MOOHAN.—The public of New Zealand. If we calculate the surcharge on all our exports as well as on our imports, we shall see that the figure of £20,000,000 is not far out. One of the arguments submitted by the Government in dealing with the watersiders was that they did not work hard enough. I have never known a member of a Tory Government to say that the workers worked hard. Along with chambers of commerce and other vested parties, the Tories always say that the workers do not work hard enough. I wonder how the Government will apply the same rule to the shipowners, the sheep-farmers, who are receiving three times as much as formerly for the same work, the land-agents, importers, big business and the like. Will the same rule apply to those people as applies to the watersiders, the miners, the seamen, the freezing-workers and others? Will the law be applied impartially? I think that the Government realizes that it has made a first-class mistake in its handling of this dispute. It could have been settled. The

Labour party tried its best to assist the Government in reaching a settlement, but the Labour party could do nothing against the stubbornness of the Government.

I have something to say on the subject of housing. Let me mention some of the things that the National party, in opposition, promised the people. The National party said, "We shall reduce housing costs; we shall provide more building-material; we shall tackle the housing problem as never before; we shall solve the housing problem in a matter of months." What do we find? Houses have never been so dear; houses have never been so hard to obtain. But let me read this statement made by our Prime Minister when in London, and reported in the *Daily Mirror* of the 27th January last. "Housing position—Chances of renting: Not very great, but Government assisted immigrants are guaranteed accommodation. Chances of buying: The position has eased a lot since the removal of controls. Prices tended to rise but they have quickly settled down." That is what the Prime Minister told the people of Britain in January of this year—that prices are easy, that one can buy houses, but that it is not very easy to get one to rent. Let me say that you can neither buy nor rent.

As a result of the policy of the present Government over the past eighteen months there are fewer houses and at greater cost. The cost of furnishing a house has increased from 100 to 200 per cent., the cost of building-sections has doubled, and rents are going up every day in the week. I received a message only this morning about an old-age pensioner in my constituency who has lived in a house for twelve years—a reverted-security house—paying £1 5s. a week rent. She has now been told that the rent will be £1 18s. a week. Let us just see whether this story put forward by the deputy Prime Minister has any merit or truth in it. He said that the Government had built a phenomenal number of houses. Well, if that is the case, I suggest he mention the matter to the Minister in Charge of the State Advances Corporation, because the Minister in Charge of the State Advances Corporation cannot find houses for people who are being evicted from their homes. If there are houses available, the first person that should be told is the Minister in Charge of the State Advances Corporation.

Let us see what New Zealand newspapers say about the housing situation. Here is the Christchurch *Star-Sun* with a heading "Building of houses now at a standstill." Here is a report to the Auckland City Council by Mr. Paul, the Chief Inspector, who said that the housing position was getting worse, not better. Here is a Hamilton newspaper with the heading "Recent building-costs reflected in City Council figures," and the statement that the average increase in the cost of a house in Hamilton over the last eighteen months is £632 per house. In Matamata the increase is £654 per house, in New Plymouth, according to the *Taranaki Daily News*, the increase is £610 per house; and according to the *Southland Times*, the increase in the Southland County is £440 per house. That is taken from papers at random,

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all over New Zealand, showing that what is happening in Wellington is happening all over New Zealand. A statement by the Wellington Master Builders reported in the *Evening Post* says that the next houses to be built will cost no less than £3 5s. a square foot. It is impossible, I say, for young people to even think of building a house; it is impossible to buy a house; and they cannot rent a house. The responsibility for that situation lies at the door of the Government, because the Government has destroyed the housing organization set up under the Labour Government.

It is very evident that to-day housing construction is practically at a stand-still. Those houses that are under construction are at a stand-still because of the shortage of materials. The Minister of Works, when he was in opposition, consistently stated, "If we were the Government there would be no shortage of cement, timber, or other building-materials, because I would organize it so that those things would not happen." The same story applies in every part of the Dominion. The cost of living has increased out of all proportion. The Government is not prepared to do anything about it. To show that the standard of living is being reduced and that the incomes of the people are insufficient to purchase the requirements of the home, I would point out that the withdrawals from the Post Office Savings-bank are in excess of deposits and are increasing return after return.

It is high time the Government took some action to stop the trend of affairs and to bring this country back to something like an even keel. The Government is responsible for the increased cost of living, for introducing totalitarianism into this country, and for the destruction of the housing organization. It has made it impossible to buy or rent a house; it has destroyed the savings of the pensioners and workers; it has lowered the standard of living; and it has replaced security with insecurity. It has also replaced hope with despair and desperation. I trust that the members on the cross-benches and the back-benches on the Government side of the House will do their duty and vote for the amendment moved by the leader of the Opposition, and by so doing put this Government out, in the interests of the people.

Mr. J. RAE (Roskill).—Sir, the member for Petone has earned my regard by the friendly helpfulness he has shown to me since I have been a member of this House, and I appreciate it, but after his speech to-day I feel that politically we are as far apart as the poles. He says the Government is not governing this country to-day. I think, however, that if that is so it is a wonderfully realistic imitation and that the public are very well satisfied with the way we are governing the country. Along with other speakers, I would like to congratulate the mover and the seconder of the Address in Reply. They had responsible tasks, and I feel they acquitted themselves well and did credit to this House. I wish to congratulate the Governor-General and Lady Freyberg on the honour conferred on His Excellency. I would also like

to refer to the honour conferred on the Prime Minister; the member for Onehunga mentioned that the Prime Minister had been made a Companion of Honour, and that is true. He now belongs to a very select order. I think our Prime Minister deserves it and will do credit to the order. I want also to refer to the visit of His Majesty. We will look forward to that visit next year, but I think the people in my electorate will expect me to say that if the visit were to endanger His Majesty's health we would far rather forgo the privilege of his presence here. Perhaps some other members of the Royal Family could in that case visit New Zealand in his stead.

I have listened to this debate right through, and I think we have heard all the arguments that could be put up by the Opposition on the amendment. I do not care how soon the question is put, because I think we have had a very good statement of the facts on our side, and the theory on the other side. Members of the Opposition have not proved their case and I think they must be rather regretful that they brought the amendment forward. I realize, however, that after clamouring all along for Parliament to meet they could not avoid discussing the strike when it did meet. I get around among the people, and I visited the South Island this year—a visit that I enjoyed very much—and in my conversations with the ordinary people all over the country I feel that the Opposition is completely out of touch with them when it thinks that the Government has lost the confidence of the people over this issue.

I would say that the Government has never enjoyed a higher degree of confidence than it has gained through its handling of this industrial trouble. I can tell the member for Petone that, if he still thinks the Government has lost the confidence of the people, it is a point that could easily be tried out and not just on an individual basis. I would say that the country would reply very effectively, and for the Opposition, I would warn him, it might have very disastrous results. However, a general election would cost money and the people would have to foot the bill. To saddle them with that is something not to be lightly undertaken. The Opposition has been very unhelpful in this matter and can see no good in anything we have done. He says we have mismanaged this industrial dispute, but I say we have got the decent trade-unionists of this country behind us and they would vote for us. I, for one, would be behind the Prime Minister if he completely lost patience with the Opposition and said, "Let us go to the country." I know exactly what would happen, and I am quite sure the Opposition would rue the day it ever issued the challenge.

The Government's conduct of this particular job has won the highest praise. All but the strikers themselves and the parliamentary section of the Labour party see it as a very good job. How very proud we are of our Police Force. The people are proud of the men in blue for the way they have carried out their job. They have been subjected to great provocation, and yet they have administered the law without hurting anybody, and they have

protected the people and looked after those who have been trying to turn round our ships and keep the business of the country going. The Emergency Regulations have been administered with a great deal of tolerance and discretion. I would say that 95 per cent. of the people would not know of their existence if it were not for the radio and the press. Obviously there had to be Emergency Regulations. We could not put troops on the wharves to work the ships, or naval men to man coastal vessels, without the Emergency Regulations; and it was necessary to do that to ensure that supplies of essential goods reached the people and our kinsmen in Britain. If some of the regulations appear to be no longer necessary what of it? I am sure that the vast majority of the people would say that if one or two of the regulations are now redundant they should remain there until this trouble is finished. There is no thought of retaining the regulations in operation indefinitely. They were put on for an emergency, and as soon as the emergency passes surely those regulations will go.

I come from an electorate which voted for a change of Government, and we might say that a vote of no confidence should be a matter of considerable concern to the electorate. I am certain that on this one issue alone the Government retains the confidence of the people; and no one knows it better than the Opposition. On Wednesday last the leader of the Opposition said that some wonderful fairy tales had been told during the election. Well, he should know that only too well. He said at that time the people had no fear, but his Government did its best to put fear into the hearts of the people by telling some of these stories, such as about wholesale unemployment, a slump, a cut in wages and pensions, the sacking of the Civil servants, the selling of State houses over the heads of the tenants, and so on. Those were the tactics the late Government adopted in order to retain the Treasury benches. Well, not one of those dismal forebodings has come to pass. The position of the worker is stronger to-day than it has ever been before, thanks to the Government for the stand it has taken on the issue of law and order in industry.

The leader of the Opposition says that the strike has left a trail of bitterness that will take years to cure. I have no doubt that he speaks the truth; but the bitterness lies not with the people but with the various factions of the Labour movement. I am sure there are sores that will take a long time to heal. The right honourable gentleman also said we had kept food from the women and children through the existence of these regulations. I do not believe that. Depots were set up in various places in Auckland. The police knew where they were, and did nothing about it. The striking watersiders might have been short of money. But that was up to them, for it was a voluntary proposition on their part. However I am certain they are not short of food. Strangely enough, although the general public were short of quite a number of essential goods, the watersiders, according to reports I have received, had large quantities

of those essential commodities. But mentioning commodities does bring up the matter of the cost of food. This has been mentioned quite freely. The fact of the matter is that the price of many commodities has been rising. Who will deny it? There have been rising prices ever since Labour came into power in 1935. But over the years I suppose that no one single thing helped to increase the cost of living more than the slow turn-round of shipping in our ports.

Last night the honourable member for Pahiatua detailed some of the things the Government had done to arrest inflation and to try and reduce living-costs. I am quite sure that by its recent action the Government has in one swoop done more to reduce living-costs than perhaps by any other single thing. It is certainly a very definite and proper stand, and I am sure the effect will be all to the good. The honourable member for Brooklyn stated that the strike had started over 3d. an hour. I think it is well that I should mention that. I think that the trouble goes a long way back, but the trouble did have a start. The honourable member for Avon said that the waterside workers were asked to accept very much worse treatment, when the wages were increased, than were the rest of the community. This is quite incorrect, and must be refuted right away, because if the statement that the rest of the workers received a 15-per-cent. increase and the shipowners only offered 4½d. an hour or only 9 per cent. to the waterside workers, the public will get a wrong impression. I saw a circular in Christchurch when I was there in March, saying that this was the cause of the trouble, but that is not so.

When the subsidies were removed, the Court of Arbitration made an interim order for all workers of 7s. a week. The waterside workers were not working under the Court of Arbitration system, and they went to their own tribunal, but they did not ask for 7s. a week or approximately 2d. an hour—they asked for 2s. an hour more. I have seen the award made by Judge Dalglish, and I have read it thoroughly. The award they got was 3d. an hour instead of the 2s. an hour they asked for. These are some of the points made in the judgment. The waterside workers said that that had nothing to do with the interim award of the Court and that this was something apart. To prove that this did have something to do with the general increase of 7s. a week awarded to all workers, I would point out that in his judgment the Judge commented on the removal of subsidies, also the interim order, and he made the increase retrospective to the date of the interim order.

In addition, he stated that it was a final award and not an interim award like that previously received by other workers. Incidentally, when the waterside workers were offered 4s. 7½d. an hour they were being offered exactly the same increase as was being awarded to the rest of the community. The waterside workers held a privileged position for the previous nine months because they received an

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hourly rate against the 7s. flat rate for the rest of the workers, and they got overtime on that hourly rate over forty hours against the rest of the workers who worked on the 7s. basis. It could happen, as the honourable member for Avon pointed out, that a watersider working the maximum allowable hours could be affected by as much as 19s. 1½d. When the shipowners offered 4s. 7½d. an hour these men were not being asked to accept a reduction in pay of 19s. 1½d. at all. Actually on the same hours as the honourable gentleman quoted, sixty-three hours including overtime, while that 19s. 1½d. would be disregarded, they would receive the sum of £2 11s. 10d., but he quoted an extreme case. On the offer of the shipping company the men received an increase of £1 8s. 8d. over and above what they were already getting. It is clear that there is no merit in that story at all.

I wish now to pass on to the attack on the press made by the leader of the Opposition in which he said that the newspapers did not honestly and fairly state the case given by Labour members. He alleged that the press would not tell the truth about what the Labour party had asked. I do not think that any statement made by the leader of the Opposition or the deputy leader of the Opposition has ever been refused publication. The *Auckland Star* in my city had reason to take extra exception, if that could be such. They had reported every statement by Mr. Nash and Mr. Skinner. They had reported the Opposition, and Mr. Nash in particular, on the use of the Auckland Town Hall. They said he should have had the use of the radio.

The Right Hon. Mr. NASH.—I did not get it, though.

Mr. J. RAE.—I think that if the right honourable gentleman had got it he would only have made a worse mess of things.

An Hon. MEMBER.—What about Roskill?

Mr. J. RAE.—I did fairly well in Roskill. The *Auckland Star* sent a reporter to Mr. Nash before his meeting at the Domain in Auckland to ask him if he had any comments. He said he had nothing to say. I think they gave him quite an adequate report of his Domain meeting. All the meat of his speech was there. Finally they asked him editorially for answers to certain questions and promised a full report of his answers. They are still waiting. So I think the press had every right to take exception to the remarks made by the right honourable gentleman.

The honourable member for Petone mentioned housing. I have a particular interest in housing. I have a large number of houses in my electorate, and there are going to be a lot more. I would like to make some comments on housing which I think would be helpful. The last has not been heard of housing. The honourable member for Petone quoted a statement by the Prime Minister about how quickly the housing problem would be solved. The late Mr. Fraser said in 1946 he was going to fix it in twelve months. We have not solved it yet by a long way. The honourable member for Petone also

said that the building of houses was at a stand-still. That was stated by the leader of the Opposition and also by the honourable member for Brooklyn when they quoted building-permits for March. Of course there are no building-permits when you cannot get cement. How are you going to start the foundations of a house without it?

There were more houses built last year than ever before in the history of this country. If the honourable member for Ponsonby wants to know, there were more State houses built last year than ever before. He knows that we have carried out those constructions. He would have liked us to have cancelled the contracts so that he could make political capital out of it. The building of houses will be done by both the Government and private people. Obviously this is a free-enterprise Government. It prefers to see the people build their own homes. There might be some diminution of State houses but so long as the total number is greater we have every reason to be satisfied. On my first occasion in this House I heard Mr. Fraser—for whom, in a short time, I came to hold in very high regard—say that as far as he was concerned he did not care who built the houses so long as more were built. Those are my sentiments. They were then and I said so. I say it again. This Government, adopting a more realistic approach, did get more houses built last year; not so many more but quite a lot. Also it was able to get quite a bit of commercial building done.

The honourable member for Brooklyn last night spoke about packhorses. I know women are packhorses. They carry an awful lot of goods in my electorate, which is purely residential and which was created practically in the last few years. The reason they are packhorses is that they have no shopping-facilities. There has to be more balance in building. In my electorate people by the thousand had no shops at all. In three years prior to 1949 one shop was built and it was away out in an outpost of the electorate. Within this Government's term there will be twenty to twenty-five shops. Half of them have been built already. That is bringing convenience to the housewives. It may not take the goods exactly to their door but it does make a start and bring shopping-facilities nearer. It is also the start of competitive enterprise and better service by the tradesmen, who, in certain cases, are already giving deliveries. I was saying that the building of houses has to be a joint effort between the people and the State, and that the Government is doing its part is proved by the fact that more houses have been built. We have built State rental houses, and, in addition, the State Advances Corporation, since we have been the Government, has been doing twice the business all over New Zealand that it did before we became the Government.

The member for Mount Albert said this morning that we were not doing very much about housing our returned servicemen. We have done every bit as much as the previous Government did. From November, 1949, to the end of April of this year, 11,242 ex-servicemen have been assisted into homes in various

ways—by putting them in State rental houses or by providing finance for them to build or buy their own homes. That is quite impressive when you compare the 11,242 with the grand total of 57,769. I am satisfied that we are overtaking the housing deficiency in spite of what the member for Petone said. Houses are being built in excess of the increase in population, and to that extent we are overtaking the shortage. But one thing the census will prove is that the density of population has never been less. I am satisfied too—although the leader of the Opposition made some protest about the selling-price of houses—that as a result of the removal of land-sales control on urban properties we are making much better use of the houses that we have, and to that extent we are overtaking the housing arrears. Many people formerly lived in houses that were far too big for them, but until the removal of land-sales control they were not prepared to sell them.

Mr. R. MACDONALD.—What prices have they sold them for?

Mr. J. RAE.—What were the prices before? No one knows. The land-sales price was one thing, and the actual selling-price was another. The people were being turned into a nation of law-breakers. Prices of houses have gone up with the increase in building-costs because, obviously, the replacement cost is the thing which guides any seller. And building-costs have gone up largely through the increases in wages. There can be no doubt that there is some difficulty for young people wanting to build. The margin between what they can do and what they require is not very great, and I would like to see the Government be a bit more liberal in the application of suspensory loans. There is a gap to be bridged between the equity they have in cash and the cost of the building.

Mr. R. MACDONALD.—A bigger "monkey" round their necks.

Mr. J. RAE.—No, not at all.

Mr. KEELING.—Another hand-out.

Mr. J. RAE.—No. We introduced the suspensory loan, and the honourable gentleman is annoyed because his party did not think of it first. The building of houses requires the best brains in the nation, and I say that we must think of how we can build more houses with the materials that we have available in the country. I suppose there has been more loose talk about prefabricated houses than about anything else, unless it be, of course, the talk of Opposition members on the handling of the strike. There is a demand that thousands of prefabricated houses be brought into New Zealand, but I want to say that we can build houses of that type in large numbers, and more cheaply, if we really did something about it. In the minds of some people there seems to be magic in the word "prefabricated." There was a lot of talk last year about temporary houses. Opposition members said they were substandard. Well, according to the by-laws in many parts of the Dominion these prefabricated houses would be substandard. People

would be delighted if a lot of prefabricated houses came in from overseas—and I see nothing wrong with them; but we can do as well ourselves with the materials we have in New Zealand.

The prefabricated houses that will enter New Zealand as a result of the calling of tenders by the Government are made of pine. We have plenty of that ourselves, and there is no reason why we should not build them ourselves on concrete blocks. A lot of our by-laws specify a continuous concrete wall for the foundation of a house, and that continuous wall will cost £100 to £300 depending on the slope of the section. With the use of concrete blocks there would be a considerable saving of cement which could be put to better purpose. There is nothing wrong with concrete blocks. I myself live in a house built on blocks, and it is not likely to fall down in my lifetime. We should do something about building houses. The stumbling-block to more houses, and the use of substitute materials which are just as good, is partly the by-laws of local authorities, which, I suggest, could be amended, and the qualifications put on lending money by the lending institutions. The State Advances Corporation, being the largest lending institution, should give a lead. In fact, I understand it has already done so in that it will accept treated pine, but certain local authorities will not allow such timber to be used. We have plenty of pine in New Zealand, and if it requires treatment let us treat it. If we want prefabricated houses we can make them of as high a standard as any that are made overseas.

The leader of the Opposition mentioned a price of £3 a foot. I am certain that we could build them more cheaply than that. We could import many thousands of houses and not get many more erected because of the sub-trades which are involved in building. We could do a good deal more about those changes, and the Government could assist by giving a lead. It should call a conference of all those interested in the building trade. It is true that there was a conference last year, but that was a conference of departmental officers associated with the supplies of material. Material is short in many ways, but, nevertheless, I think we should get together and decide how we could build more and, if possible, better houses. We can do that only if we get men who have spent a lifetime in the trade to work with departmental officers in an endeavour to increase the supply of materials and at the same time consider a revision of the building regulations. The building industry is a key industry, and it has so many allied trades associated with it that we must see that it is always profitable and prosperous. We want the industry to be able to build houses, and people to be able to buy them.

Cement is a problem, also. The supply of cement could, perhaps, be dealt with in some other way. I believe that in many ways we could do with less cement than we are using to-day. For an ordinary house we insist on foundations that would hold a large industrial building. I do not find fault with that if the supply of cement permits and it is within the

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purchaser's ability to pay for it. It certainly makes a lasting job, but concrete blocks would be just as suitable and would last the lifetime of the purchaser. The Government tried to get more cement, but the strike did not help the position. The existing cement-works are producing more and more cement, and we have also given a licence to a company to start a works on the west coast of the South Island. That, however, will not help the North Island very much. I cannot understand why a cement-works has not been started in the Lower Waikato. The supply of limestone there is, I should think, almost inexhaustible. We also have large quantities of coal available there. If a cement-works were established there it would be of great benefit to the farming community.

The farmers need large quantities of cement for cowyards, and so on, and they could well do with all the cement they can get. They complain, of course, that the distribution of cement is very poor, and that they do not get their fair share. We depend on our farming community to such an extent that we should see that it gets the cement required. I would like to see the farmers come to the Government and ask for a licence to build a cement-works in the Lower Waikato. If they come, I think they should be given a licence, and that it should be outside the present set-up. The farmers themselves should establish the cement-works, so that it would not conflict with the present trade channels. Nor should it be possible for the shares of the company to be acquired by the present trade.

Mr. ANDERTON.—That would mean that the farmers would get cement at, perhaps 10s. a ton cheaper.

Mr. J. RAE.—Well, that would help the farming community. In addition, Wilson's cement-works in the north would not have to supply the Waikato, and there would be more cement available for other purposes.

Mr. ANDERTON.—What about the present cement ring?

Mr. J. RAE.—If there is a ring—

Mr. ANDERTON.—There is a ring, all right.

Mr. J. RAE.—If we placed the management and the capital of a cement-works in the Waikato on a co-operative basis, we would go a long way towards doing something about that. In conclusion, I would say that I heartily support the motion moved and seconded by the member for North Shore and the member for Wairarapa respectively, and that I am strongly opposed to the amendment moved by the leader of the Opposition.

Mr. McCOMBS (Lyttelton).—Sir, in accordance with custom, I congratulate the mover and the seconder of the Address in Reply. The first two speeches of a new session are always hard to make, and that, no doubt, accounted for some of the difficulties that both honourable gentlemen obviously found. I also join with those who have expressed loyal sentiments to the King and Queen.

The Hon. Mr. ALGIE.—According to custom?

Mr. McCOMBS.—I remember that the Minister of Education last session suggested that we should cut out that "flap." I am one of those who think it right and proper for members of Parliament to express loyal sentiments on behalf of their constituents. If the Minister of Education thinks otherwise, he is welcome to his own view. I express also congratulations from this side of the House to Lord Freyberg. I do not think that any of us who were privileged to serve as his advisers under the previous Administration could have anything other than the highest affection for him, and we were pleased indeed to see that he had been singled out for this high honour. The most important topic at the present time is obviously that of the industrial trouble, and, in particular, the Government's bungling of the handling of the dispute. New Zealand is being asked to pay a very high price for the Government's action in this dispute. If in the long-run there is a prolonged period of industrial peace, and a very prolonged period indeed, then it may be worth it. Meantime, thousands of farmers and thousands of others up and down the country are asked to pay in cash for the Government's bungling, as I see it.

We desire to see an end—an honourable end—to this dispute; honourable to the Government and to the men involved. The point is that we want to see an end to it. We are sick and tired of a Government which, every time there looks like a prospect of settlement, puts some further obstacle in the way of that settlement. For example, the Government announced that there were seven points on which it required agreement on the part of the watersiders. It was immediately apparent that the watersiders were likely to agree to those seven points, so the Minister of Labour put in an eighth point. At that stage the watersiders very reasonably asked that if they agreed to the eighth point would they find that a ninth point had been put in. As a matter of fact, I have a list showing ten points. If the Minister of Labour wanted a settlement he should have announced his terms in the early stages, but he waited over two months before doing so. Why did he not announce his terms earlier? Was it because he was prepared to settle on other terms? The Government has put off from day to day the settlement of the dispute. By its actions it has prolonged the dispute. It could have achieved a settlement on several occasions on its own terms. The people have been asked to pay a high price for the Government's managing the dispute like that. The present situation is that a lot of innocent men are being punished. Punished for what? For loyalty—loyalty to the men whom they elected to serve them as officers of their union.

Mr. J. RAE.—A mistaken loyalty.

Mr. McCOMBS.—It may be a mistaken loyalty, but it may not be a mistaken loyalty. At any rate, it is a quality that one cannot ignore. Those men stand staunchly by their union, and they are going to be condemned to move from their homes and seek employment

elsewhere. The Government could easily have settled this dispute long ago on its own terms. We want to know something about the methods that have been used by the Government. We do not support the methods used by the Government any more than we support the methods used by the watersiders in this dispute. The member for Patea who is trying to interject reminds me of some of the youngsters I used to see when I was teaching; sticking their heads round the corner of a building, giving some cheek, and then ducking behind. He does the same when interjecting, from behind his desk. I would remind the House again of what the Prime Minister said before the elections as to his method of adjusting strikes. I want to read just a little more than has been read hitherto. The Prime Minister always likes just a little more to be read. Well, we will do it on this occasion. He said:—

"Our policy is compulsory conciliation; the present law; secondly, compulsory arbitration; the present law. In the war we had compulsory conciliation and voluntary arbitration."

He must have meant during the depression, because that was when we had it. He continued:—

"That simply cannot work. We take it one logical step further—compulsory conference, bringing the contending parties together. Quick hearing of their disputes to begin within twenty-four hours if required. Troubles are allowed to fester until a little trouble becomes a very big one. Quick adjudication—announcement of the decision. And then if people are not satisfied, the union has the right to ask that the matter in dispute be determined by an independently supervised secret ballot of the workers themselves as to whether they will strike. If the workers of New Zealand decide that there shall be a strike, then there is something very very wrong in that industry and that will be adjusted and put right."

The Minister of Labour, however, instead of following the policy of the Prime Minister, who said that the matter would be adjusted and put right, deregistered the Wellington drivers, who took a secret ballot in terms of the Prime Minister's speech. Because the ballot did not come out the right way they were deregistered. That, I think, is bungling. We, too, believe in compulsory conferences, as the Prime Minister did prior to the elections, and in the production of an independent finding by an independent chairman. At that stage the Government is in a very much stronger position. The Government can then say, "We have had an independent investigation of your case; the independent chairman finds so-and-so, and that is the decision that will have to be put into effect."

Mr. SHEAT.—Well—

Mr. McCOMBS.—There is the schoolboy sticking his head out from behind his desk again. The Government lined itself up alongside the employers and set out to enforce the employers' dictum, instead of the finding of an independent arbitrator as the Prime Minister

promised just before the elections. The Prime Minister said the other night that the watersiders would not unload the cargo—would not load meat for Britain. He spoke about how wicked it was to bury fruit. "What a crime! What a sin!" I am not sure who destroyed that fruit. The watersiders said, "We will not work from six o'clock until nine o'clock at night; we will work from eight o'clock in the morning until five o'clock at night." The Government then said, "If you will not work from six o'clock to nine o'clock at night you will not work at all." Now, there were eleven working-hours in the day. The Government declined to allow the watersiders to work eight hours of the eleven. The watersiders themselves declined to work three hours of the eleven. So it appears to me that three-elevenths of the fruit crop may have been destroyed by the watersiders, but the Government must take the blame for destroying eight-elevenths. I suggest again that the ex-constituents of the Minister of Agriculture should send to him a bill for at least eight-elevenths of the value of the fruit destroyed, because it was on his decision—

The Hon. Mr. HOLYOAKE.—I have received the bill for the lot.

Mr. McCOMBS.—And rightly so, too, because it was on the Government's decision that that fruit was not carried. The watersiders were willing to work to carry that fruit and the Government refused to allow them to do so. I do not know what the situation was in other ports. Members opposite talk about this being a strike. Let me tell them what the situation was in Lyttelton. On the final morning 146 men refused to accept work under the conditions that were offered for working cargo on ships, and twenty-eight refused to accept engagement working for the Railways Department, making 174 men who refused to lift their disks under the conditions offering that morning. There were, however, 420 men already working and who had been working from the previous week. Those 420 men were dismissed by the stevedore between eleven and twelve o'clock in the morning. It will be impossible to convince those 420 men that they were not sacked, because the fact is that they were sacked. Ninety of them were sacked by the Government.

Mr. SIM.—Rubbish!

Mr. McCOMBS.—The executive did not decide that those men should cease work; it decided they should work from eight till five. They were loading meat on the "Waiwera" and on the stevedore's instructions the hatches were put on. I suggest that people should think twice, if the member for Waikato can do that, before saying that those 420 men at least are on strike. It leads me to believe there is some justification for the Prime Minister's claim to be "running the strike." He said that after an Australian newspaper had commented on the Emergency Regulations. It appeared in the Christchurch *Press* of the 4th May when Mr. Holland was reported as saying, "The Melbourne *Herald* is running a newspaper in Australia; I am running a strike in

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New Zealand." This Government decided that these men were not going to work. Why? An English newspaper, the *New Statesman and Nation*, has worked it out very well, saying, "Mr. Holland regards the conflict as total war and is therefore the victim of what this postulates, the necessity for total victory." The Government feels it must beat these men to their knees, instead of trying to find a way of getting them back to work, as it could have done.

The Hon. Mr. WATTS.—Each man was sent a card to register for work.

Mr. McCOMBS.—On what terms? On terms that meant a denial of the loyalty he had believed in for the whole of his working life. We believe that the regulations brought in by the Government "to run the strike"—in the terms the Prime Minister used—should not have been brought in. We believe it is wrong that those scurrilous pamphlets should have been circulated, but if the regulations were brought in to suppress them, that was also wrong. They could have been dealt with under the law, without the regulations. Those pamphlets may have been scurrilous, but I can read statements from a leading article which appeared in the *Auckland Star* on the 1st May, 1951, which to me are an incitement to violence as great as any pamphlet I have seen. It says:—

"The Government must act rather than talk. It has been tolerant, and is not to be blamed for that. Now it must be strong. A final warning should be issued, and it should take the form of a ban, in the meantime, on any gathering in the vicinity of the wharves. The Government should announce that crowds on the waterfront will be dispersed without hesitation, and that in view of what has already happened the police will be armed."

The Hon. Mr. DODGE.—Is that the bashings?

Mr. McCOMBS.—Does the Minister of External Affairs stand for this plea that the police should be armed and that the Government should make it known before any further incidents occur that should individuals or groups defy the ban and challenge the authority of the police the police will shoot?

The Hon. Mr. DODGE.—Nobody suggests they would.

Mr. McCOMBS.—Now he is repudiating it. I am glad he has a conscience and I congratulate him on it. Our objections to these regulations are primarily that they are a threat to democracy. When the Minister in Charge of the State Advances Corporation made his initial speech in this House he said he believed in free speech and a free press. I know he said that because I looked it up to make sure. Now I see that he does not believe in it to-day.

The Hon. Mr. MARSHALL.—I do.

Mr. McCOMBS.—And the Minister should resign from the Government if he believes in it to-day.

The Hon. Mr. MARSHALL.—The Government is protecting the people.

Mr. McCOMBS.—He should know that the price of liberty is eternal vigilance, and he should therefore be vigilant against the whittling away of democratic rights by processes such as those in the Emergency Regulations. The Minister of Education belonged to the Freedom League. He believed that the freedom of the people was being whittled away. Why has he not spoken out in protest against these regulations if he believes the things he used to say? The newspapers have been prevented from printing the men's side of the case. There was a procession in Wellington of watersiders, authorized or unauthorized. I do not know. That procession consisted of union leaders of the first rank, ex prisoners of war, and ex-servicemen following along wearing their war-medals.

Mr. S. I. JONES.—How many of them?

Mr. McCOMBS.—Two-thirds were wearing their war-medals.

Mr. S. I. JONES.—The honourable gentleman has checked that figure?

Mr. McCOMBS.—Yes. The newspaper made no mention of the fact that those men in the procession were wearing war-medals. It said that there was a noticeable representation of nationalities other than New Zealand in the party. Yet, two-thirds of them were wearing New Zealand war-medals. Newspapers can say that sort of thing, but, under the regulations, they cannot give one inkling of what the watersiders believe to be the justice of their case. This Government is backing up the police in the raids made on houses without warning—raids in the night. There is a knock on the door at night, and a search of the house without warning. But the Minister of External Affairs only yesterday said, "In New Zealand, and indeed throughout the civilized world, the inviolability of the home and the right to choose one's place of residence in one's own country are almost taken for granted. All decent people will be revolted not only by the violation of these fundamental rights but by the callous manner in which the deportations have been carried out." Yet he backs up the Government in violating these human rights about which he was speaking yesterday. In the war years, when the present Prime Minister was in Opposition, there was a strike in the Waikato District, and he felt it his duty to leave the War Cabinet in protest against the actions then taken. In *Hansard*, Volume 261, at page 635, the present Prime Minister is reported as saying, ". . . the laws must be obeyed. If they are not capable of being observed, let us alter those laws and make laws that can be observed. Let us make penalties and punishment something that can be enforced." And to-day he takes pride in the fact that the present regulations are not being enforced. Previously he left the War Cabinet because the regulations were not being enforced. He went on:—

"I want to raise my voice against this use of the censorship to prevent the public being told what it is entitled to know. There is an absence of any effective news service in

this country . . . It gives to the public a hint, but only a hint, of the suppression of news that is being practised. The people are kept in ignorance of many things they are entitled to know, and, furthermore, should know. They are kept in ignorance of many recent happenings that they are entitled to know about, and the results of those suppressions have been garbled versions and rumour-mongering."

He went on, "It is no use treating people like children; they should be given facts, and we are big enough and strong enough to receive those facts, even if they are unpleasant at times." He has changed completely from that, and to-day he resents anybody criticizing the fact that he is whittling away democracy. When representatives of the Churches come to see him to protest against it he says here in the House that they should keep their noses out of this business. He strikes me as being one of those Sunday Christians, who keep their Sunday Christian life in one compartment and their business life in another. If the Government does things that conflict with Christian principles, he considers it not right for the Churches to come to him. He complains that the miners in Huntly are on strike, but he himself went to Huntly and told them they could go on strike. This is a report of his remarks, made at Huntly:—

"'I want to say something about strikes' said Mr. Holland, who added that the National Party would not tolerate the compulsory direction of man-power or woman-power. 'I believe it is the British right of every citizen to strike if he wants to, just the same as it is the right of an employer to engage or discharge a worker.'"

Now he complains because the miners are taking his advice. That is what the present Prime Minister said in Huntly on the 28th February, 1946.

An Hon. MEMBER.—Tell the whole story.

Mr. McCOMBS.—I have told the whole story. He went away from Huntly and qualified that statement away from Huntly, but that was all he said at Huntly on the question of the right to strike. The Prime Minister has said that he could not see the difference between what the watersiders wanted and what the Government was willing to offer. The Government, the Prime Minister told me, is prepared to accept a federation of individual port unions, and he went further and said that the Government could not put any obstacle in the way of port unions forming a federation. He went still further and said the Government could not control who was employed by the federation, so that if the federation wished to employ Mr. Hill as secretary, he could not see any legal objection, and that the Government could not stop that being done, so that there is very little difference between what the Government is demanding and what the union offered to accept a few months ago. The Government is in urgent need of diverting the dislike of the people to somebody else, so it is taking the course adopted by Hitler. Hitler

condemned the Jews and directed the hate of the people to the Jews so that the hate of the people would not be directed to his administration. He made his targets the Jews and the Communists, and the Government is directing its hate to the Communists.

Mr. SHEAT.—And the honourable member.

Mr. McCOMBS.—I can understand the honourable member not liking me; I do not like him. The Government is starting a "Red" witch-hunt to smear the Labour party with the label of Communism, knowing full well that that party dislikes Communism as much as it dislikes the National party. The Government is setting out to build a bogey of an internal "Red" menace. The danger to democracy from this "Red" menace that the Government sees is considered to be worth a great deal of trouble and legislative energy to defeat. Incidentally, there are fewer Communists in New Zealand than there were two elections ago, because the Communists got a 50-per-cent. larger vote then than they got at the last election. A leading Communist stood as candidate for Mayor of Auckland and all the support he got was six hundred votes. The suggestion from the Government is that six hundred or eight hundred members of the Communist party are worth a great deal of trouble and legislative energy to defeat. I suggest that the best way to defeat Communists is to make sure that democracy gives a better place in which to live—as it should—than a country ruled by Communists.

I want now to refer to the proposals of the Government party at election-time. It was said that the cost of living would be reduced. Here is an advertisement issued at that time, and it is particularly applicable now. It says that, "Vegetables, groceries, blankets, furniture cost more, shoes and boots cost more. This is a result of the Labour Government's waste and extravagance." What has the present Government done? It removed subsidies to start with, and it has admitted since that it did not know what the effect would be. On the 15th March it was stated in *Straight Furrow* that that was the position and that the Government was not likely to remove further subsidies. The Government said, "The release of subsidies in May last had a greater effect than was anticipated." The Minister of External Affairs quoted a list of cuts of meat and of clothing prices in the years 1935 and 1949 and stated that these prices had risen under Labour Administration. On that price-list the average increased price per year for the total list was £2 11s. 1d., but up to the 1st April of this year that same list of prices had risen by a further £2 18s. 4½d. It will be seen that for fourteen years the average increase was £2 11s. 1d. a year, whereas in fourteen months under this Government the total had risen by £2 18s. 4½d.

Unless people say that I have been overgenerous in quoting prices I will give you some of the prices I took. I took for example a woman's tweed coat, £8. A man's coat £9—just short of £9—a sport's coat £5 1s. 9d. I took fillet steak 1s. 11d. a pound—prices such

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as that. I think members will realize that what I did was to take the cheapest prices I could find on the 1st April. The charge was made that prices rose under Labour. I have here a bulletin circulated to all its members by the Canterbury Chamber of Commerce. It shows that from 1937-49 retail prices in England rose by 79 per cent.; in Australia, 62 per cent.; in the United States 65 per cent.; and in New Zealand 45 per cent. This Government is blaming the rise in prices in New Zealand on the rise in export prices. If it examines New Zealand made goods and imported goods it will find that the rise in New Zealand made goods is greater than in imported goods. That is because of the present Government's policy—a policy of inflation.

The honourable member for Hastings was waving a pamphlet. I have one here. Would he like me to throw it away? It is called "A Family Affair," where we are told that prices to the housewife were going to come down and where the housewives were told that it was wrong that under Labour butter should be 1s. 6d. a pound. This Government has put it up to 2s. It was wrong that honey should be 7s. 1d. for 5 lb. It is now 7s. 6½d. It was wrong that baking-powder should be 2s. It is now 2s. 3d. It was wrong under Labour for tea to be 4s. 6d. a pound. Now it is 6s. 8d. It was wrong under Labour for lentils to be 1s. 2d. Now they are 1s. 8d. It was wrong under Labour for breakfast cereals to be 2s. 5d. Now they are 2s. 11d. I could go through this pamphlet and take page after page. It is a pamphlet full of broken promises. Will the honourable member for Hastings have the courage to take this pamphlet on to the public platform and justify those prices. We have the honourable member for Roskill talking about high rents and housing.

Mr. J. RAE.—Just housing.

Mr. McCOMBS.—He did not mention rents. Perhaps it is just as well he did not mention the rents this Government is charging. I have a case where a rent of £4 16s. was asked of a public servant. This public servant and another person are going into State houses alongside each other. The public servant is asked to pay £1 a week more. It is wrong. It is the same sized house in both cases. It depends on salary rates—

The Hon. Mr. MARSHALL.—There is no scale up to £4.

Mr. McCOMBS.—£4 16s. is what I said I have the figure from a prominent official of the Public Service Association who gave me the name of the person paying that rent. The honourable member for Roskill talked about prices of houses going up. These are cases where there were no under-table payments. In December, 1949, just after the National party became the Government, the average price for houses bought by soldiers was £1,467. These are existing houses bought by soldiers. In December, 1950, twelve months later the price had gone up to £2,049, an increase of £600. What for? For the same house. Will the honourable member justify treating returned

soldiers like that? I want to say something about a point raised by the honourable member for Brooklyn. He talked about a change in our foreign policy. He quoted a statement made by the Prime Minister in a speech at a New Zealand dinner held in London that New Zealand should follow the United States right or wrong. I would remind members of another statement made by the Prime Minister on the same topic when he was in the United States of America. He saw President Truman and he said, "Tell us what we can do and we will do it." To return to where I began. We on this side of the House do express our loyal sentiments to England. We repudiate loyalty to the United States. Primarily our loyalty goes to the country we came from. It goes to the country we belong to. We expect our Prime Minister when overseas—when he is in England and when he is in the United States—to say he believes in sticking by New Zealand, sticking by England, and sticking by the British Commonwealth before he owes allegiance to any other organization.

Debate adjourned.

ADDRESS IN REPLY: MISSING DOCUMENT

Mr. SPEAKER.—There is a matter I want to mention. This afternoon an incident occurred which caused a certain amount of heat. It arose over a document, which, I understand, was quoted from by the member for Dunedin Central. That document was taken by the member for Lyttelton across the floor of the House and handed to the member for Selwyn, who, apparently, handed it to the member for Invercargill, who was next speaking. The member for Invercargill used that document to quote from in his speech, but it has now disappeared. The member for Dunedin Central, quite rightly, wants his document returned. As I have said before, I do not think it is altogether wise to have these documents handed around the House like this, but that is what happened. I sincerely hope that that document will be returned. It should be returned. It is evidently mislaid. It is quite possible, as I suggested to the member for Dunedin Central, that the member for Selwyn may have inadvertently picked it up with his papers. I suggest that it is a matter that could properly be cleared up between the Whips of the two parties. I mention it now because the member for Dunedin Central has just been discussing it with me. I think instances like this disturb the good tenor and feeling of the House. I think it is a matter that can and will be settled by the two Whips.

The Right Hon. Mr. HOLLAND (Prime Minister).—Sir, I was absent from the House temporarily when that incident occurred, and I do not know anything about it. It is, of course, a matter of honour, and I shall do everything I can to have the missing document restored.

The Right Hon. Mr. NASH.—It has been taken away.

The Right Hon. Mr. HOLLAND.—I know nothing of the incident. I have just made inquiries, and I have found that the member for Selwyn has gone to Christchurch. I cannot, therefore, see him, but I will undertake to see that the document is restored. It may be amongst the papers of the member for Selwyn, but I am sure his integrity is not in any way in doubt. If anything has happened it has, I am sure, happened inadvertently, and the matter will be put right at the earliest possible moment. I shall take responsibility for that myself—and I hope the leader of the Opposition will accept that. I shall make further inquiries as soon as the House adjourns.

BUSINESS OF THE HOUSE: WATERFRONT EMERGENCY REGULATIONS

The Right Hon. Mr. NASH (Leader of the Opposition) asked when it was proposed to move the resolution confirming the Waterfront Emergency Regulations.

The Right Hon. Mr. HOLLAND (Prime Minister) said it would probably suit the convenience of members to take the debate next Tuesday evening. The House should have an early opportunity to discuss the matter, and such discussion would be welcomed by the Government. There was, in any event, a statutory obligation to pass a resolution confirming the regulations, otherwise they lapsed. The regulations had already been laid on the table of the House.

The Right Hon. Mr. NASH (Leader of the Opposition) said there was a statutory obligation to lay the regulations on the table of the House within fourteen days of the commencement of the session, and to pass a resolution confirming them within fourteen days of their being tabled, otherwise they ceased to have effect—which might be a good thing.

The House adjourned at twenty-four minutes past five o'clock p.m.

TUESDAY, 10 JULY, 1951

Address in Reply: Missing Document—Bank of New South Wales Amendment Bill—Roman Catholic Bishops Empowering Bill—Sale of National Airways: Notice of Question—Business of the House: Emergency Regulations—Address in Reply: Want of Confidence.

Mr. SPEAKER took the chair at half past two o'clock p.m.

PRAYERS.

ADDRESS IN REPLY: MISSING DOCUMENT

The Right Hon. Mr. HOLLAND (Prime Minister).—Sir, may I just raise a point of order on procedure. You will recall that on Friday the matter of some missing document was raised. I undertook to have the matter looked into. I was under a misunderstanding.