THE LAST WEEK OF THE TWENTYTHIRD PARLIAMENT

October 29th, 1961

A fair amount of the business of the last few days or even weeks of the Parliament has involved routine legislation which is important but to the lay person not particularly interesting. However, there has been important legislation involving the Commonwealth Government's contribution to the beef roads and to rail standardization agreements with the various States. Legislation has been passed to make money available for the beef roads in Queensland and Western Australia, to enable rail standardization to begin in Western Australia and to assist the reconstruction of the Mt. Isa-Townsville rail link. In addition to this, arrangements for the Melbourne-Albury rail link, which was the original standardization proposal, have been stepped up. Also, very large sums have been made available to the N.S.W. Government for the improvement of facilities at coal ports. This will enable these ports to deal with the increased quantities of coal which will make it possible to greatly increase exports.

In addition to these measures, the Prime Minister announced contracts for the second major stage of the Snowy Mountains project which involves Victoria more than did the first stage. I think these contracts have totalled about £20M. and will result over a period in very large quantities of hydro-electric power being made available to Victoria.

The other important legislation was that concerning the Australian airlines. This legislation was in two parts. It first of all dealt with re-equipment of the two major airlines indicating the Government's intention that jet aircraft should not operate on our domestic routes before 1964. It informs the airlines of the Government's intention so that they can plan ahead. If modern aircraft are to become available to Australia's airlines orders need to be placed, very often, years before deliveries can be made.

This legislation was, in addition, designed to give the private enterprise airline - Ansett-ANA - some kind of continuity of tenure by ensuring that fair competition will prevail between the two airlines.

It is now past history that an effort was previously made to nationalise the old ANA in the late 1940's. This legislation was declared invalid by the High Court but a Government would not have to nationalise Ansett-ANA to drive it out of business. All it would have
to do would be to greatly increase the landing charges at the different airports and to take all the mail freight away from the private enterprise airline. At the moment, this freight is shared 50-50 between the two airlines. These two measures alone would be sufficient to make private enterprise competition with the Government airline quite impossible. These measures were operating in this direction in 1949 before the present Government took office.

The legislation that has been passed is involved and fairly technical but it is designed to prevent the private airline being put in an impossible position by these means.

The 50,000 or 60,000 shareholders in Ansett and the 8,000 or 9,000 employees in this organization should welcome this. In addition, I believe Australians as a whole will welcome it and particularly the people from Western Victoria because a great saga is involved in the growth of this airline and in Ansett Transport Industries generally. It is well-known that Mr. Ansett started operations driving one taxi between Hamilton and Melbourne. If the taxi broke down in the daytime he is reported to have worked on it all night himself to maintain his schedule the following day. Mr. Ansett is a selfmade man and his business is a selfmade business in the true sense and I believe Australians should be proud that it is still possible for people to build constructively in this fashion because it is of benefit to the country. If it was not for Mr. Ansett there would be now only one airline in Australia because he was the only person who was prepared to take up the challenge when the old Australian National Airlines organization was unwilling to carry on the private enterprise airline. If this had happened, no matter how good the Government airline service might have been, I am convinced that the airline service in the air and on the ground would not be as satisfactory as the present service. You have only got to compare what happens in other countries where there is only one airline.

In the debate it was said that this measure is designed to prevent the growth of TAA and ultimately to lead to its dissolution. This is an absurd charge. Throughout the 15 years of its existence this Government has been in control for 12 years. When this Government took office, Trans-Australia Airlines were making a large loss. This
loss has been converted into an annual profit of about £300,000. Its fleet has been greatly extended and modernised and the number of passengers it carries each year has increased twofold. If this is trying to kill TAA, the Government airline, then it is a strange way of doing it because it has grown from strength to strength and will continue to do so. What the Government says is, that there is room on the main Australian routes for two airlines and this is what the legislation tries to achieve for the future.

It was unfortunate that this legislation was overshadowed by one of the shabbiest political tricks that has ever been brought about. Charges have been made against Senator Paltridge, the Minister for Civil Aviation, accusing him of trying to pressure East-West Airlines to accept Ansett's take-over bid. There are many who may think that these accusations were designed to create a political atmosphere in which the N.S.W. Government could take away from the Ansett-ANA group some of the most profitable internal air routes in N.S.W. which this group had developed and give them to East-West Airlines. This is, in fact, what the N.S.W. Government has done. These charges made against Senator Paltridge were completely baseless. I have personally seen correspondence between senior representatives of East-West Airlines and Senator Paltridge which indicates how baseless they were. In May, 1960, Ansett did make a take-over bid for East-West Airlines. Conditions were attached to this take-over bid. If the conditions were not met the bid automatically lapsed. I think about the end of May last year. During all the time in which the take-over bid was open to acceptance there was no correspondence or contact between Senator Paltridge and any person of East-West Airlines. Subsequent correspondence covering a period of the last 12 or 15 months indicates the friendliest of relations between East-West Airlines and the Government and Senator Paltridge in particular. Letters had been written by representatives of East-West Airlines using Senator Paltridge's christian name, thanking the Senator for his assistance and ending with this kind of phrase: "My kindest personal regards." Representatives of East-West Airlines would certainly not have used these terms if Senator Paltridge had been trying to pressure them.
into accepting an Ansett take-over bid. The fact is that during the period of discussion and correspondence between the Minister and East-West Airlines there was no take-over bid available. The only take-over bid which had ever been made had long since lapsed and was considered dead by all parties.

It seems that the only conclusion one can draw from all this is that these accusations made against Senator Paltridge were designed to create a political atmosphere under which the N.S.W. Government could re-allocate air routes in N.S.W. to the benefit of East-West Airlines - the routes that were developed by the Ansett group. Some of the most profitable ones in N.S.W. have been taken from the Ansett group and handed over to East-West Airlines in this last week. This, as I said, is a shabby political trick and no one should be deceived by it.

It is a pity that the last week of the twenty-third Parliament was marred by this business.
Author/s:
Fraser, Malcolm

Title:
The last week of the Twenty third parliament

Date:
29 October 1961

Persistent Link:
http://hdl.handle.net/11343/40030

File Description:
The last week of the Twenty third parliament

Terms and Conditions:
Copyright courtesy of Malcolm Fraser. Contact the University of Melbourne Archives for permission requests.