



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



Senate Official Hansard

No. 23, 1956
Tuesday, 5 June 1956

TWENTY-SECOND PARLIAMENT
FIRST SESSION—FIRST PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

PARLIAMENT OF THE COMMONWEALTH.

TWENTY-SECOND PARLIAMENT—FIRST SESSION: FIRST PERIOD.

GOVERNOR-GENERAL.

His Excellency Field Marshal Sir William Joseph Slim, Knight Grand Cross of the Most Honorable Order of the Bath, Knight Grand Cross of the Most Distinguished Order of St. Michael and St. George, Knight Grand Cross of the Royal Victorian Order, Knight Grand Cross of the Most Excellent Order of the British Empire, Companion of the Distinguished Service Order, upon whom has been conferred the Decoration of the Military Cross, Knight of the Venerable Order of St. John of Jerusalem, Governor-General and Commander-in-Chief in and over the Commonwealth of Australia, from the 8th May, 1953.

SIXTH MENZIES GOVERNMENT.

(FROM THE 12TH JANUARY, 1956.)

Prime Minister	The Right Honorable Robert Gordon Menzies, C.H., Q.C.
Treasurer	The Right Honorable Sir Arthur William Fadden, K.C.M.G.
Vice-President of the Executive Council; and Minister for Defence Production				The Right Honorable Sir Eric John Harrison, K.C.V.O.
Minister for Labour and National Service; and Minister for Immigration				The Right Honorable Harold Edward Holt.
Minister for Trade	The Right Honorable John McEwen.
Minister for External Affairs	The Right Honorable Richard Gardiner Casey, C.H., D.S.O., M.C.
Minister for Defence	The Honorable Sir Philip Albert Martin McBride, K.C.M.G.
Minister for the Navy	Senator the Honorable Neil O'Sullivan.
Attorney-General	Senator the Honorable John Armstrong Spicer, Q.C.
Minister for National Development	Senator the Honorable William Henry Spooner, M.M.
Minister for Air; and Minister for Civil Aviation				The Honorable Athol Gordon Townley.
Minister for Territories	The Honorable Paul Meernaa Caedwalla Hasluck.

[The above Ministers constitute the Cabinet.]

Minister for Repatriation	Senator the Honorable Walter Jackson Cooper, M.B.E.
Minister for Supply	The Honorable Howard Beale, Q.C.
(¹)Minister for Primary Industry	The Honorable William McMahon.
Minister for Shipping and Transport				Senator the Honorable Shane Dunne Paltridge.
Minister for Health	The Honorable Donald Alastair Cameron, O.B.E.
(²)Minister for the Army	The Honorable John Oscar Cramer.
Postmaster-General	The Honorable Charles William Davidson, O.B.E.
Minister for Customs and Excise	The Honorable Frederick Mearns Osborne, D.S.C.
Minister for the Interior; and Minister for Works				The Honorable Allen Fairhall.
(³)Minister for Social Services	The Honorable Hugh Stevenson Robertson.

(¹) Designation altered, 28th February, 1956. (²) Appointed, 28th February, 1956.

THE MEMBERS OF THE SENATE.

FROM THE 1ST JULY, 1953.

TWENTY-SECOND PARLIAMENT—FIRST SESSION: FIRST PERIOD.

President—Senator the Honorable Alister Maxwell McMullin.

Leader of the Government in the Senate—Senator the Honorable Neil O'Sullivan.

Deputy Leader of the Government in the Senate—Senator the Honorable George McLeay (to 14th September, 1955); John Armstrong Spicer (from 14th September, 1955).

Chairman of Committees—Senator the Honorable Albert David Reid, M.C.

Temporary Chairmen of Committees—Senators Kenneth McColl Anderson, Albion Hendrickson, Theophilus Martin Nicholls, Justin O'Byrne, Rex Whiting Pearson and Ian Alexander Christie Wood.

Leader of the Opposition—Senator the Honorable Nicholas Edward McKenna.

Deputy Leader of the Opposition—Senator the Honorable Patrick John Kennelly.

Leader of the Anti-Communist Labour Party—Senator George Ronald Cole.

Amour, Stanley Kerin†	New South Wales
Anderson, Kenneth McColl†	New South Wales
Armstrong, Hon. John Ignatius‡	New South Wales
Arnold, James Jarvist†	New South Wales
Ashley, Hon. William Patrick‡	New South Wales
Aylett, William Edward†	Tasmania
Benn, Archibald Malcolm‡	Queensland
Brown, Hon. Gordon†	Queensland
(*)Buttfield, Nancy Eileen	South Australia
Byrne, Condon Bryan†	Queensland
Cameron, Hon. Donald‡	Victoria
Cole, George Ronald†	Tasmania
Cooke, Joseph Alfred†	Western Australia
Cooper, Hon. Walter Jackson, M.B.E.‡	Queensland
Courtice, Hon. Benjamin‡	Queensland
Critchley, John Owen†	South Australia
Devlin, John Joseph†	Victoria
Fraser, Hon. James Mackintosh†	Western Australia
Gorton, John Grey†	Victoria
Grant, Donald McLennan†	New South Wales
Guy, Hon. James Allan‡	Tasmania
Hannaford, Douglas Clive‡	South Australia
Harris, John†	Western Australia
Hendrickson, Albion†	Victoria
Henty, Norman Henry Denham‡	Tasmania
Kendall, Roy, R. D.†	Queensland
Kennelly, Hon. Patrick John†	Victoria
Laught, Keith Alexander†	South Australia
McCallum, John Archibald‡	New South Wales
McKenna, Hon. Nicholas Edward‡	Tasmania
(*)McLeay, Hon. George†	South Australia
McMullin, Hon. Alister Maxwell†	New South Wales
Maher, Edmund Bodet†	Queensland
Marriott, John Edward†	Tasmania
Mattner, Edward William, M.C., D.C.M., M.M.‡	South Australia
Nicholls, Theophilus Martin‡	South Australia
O'Byrne, Justin†	Tasmania
O'Flaherty, Sidney Wainman‡	South Australia
O'Sullivan, Hon. Neil‡	Queensland
Paltridge, Hon. Shane Dunne‡	Western Australia
Pearson, Rex Whiting†	South Australia
Rankin, Annabelle Jane Mary‡	Queensland
Rankin, George James, D.S.O., V.D.‡	Victoria
Reid, Hon. Albert David, M.C.‡	New South Wales
Robertson, Agnes Robertson‡	Western Australia
Ryan, John Victor†	South Australia
Sandford, Charles Walter‡	Victoria
Scott, Malcolm Fox‡	Western Australia
Seward, Hon. Harry Stephon†	Western Australia
Sheehan, James Michael‡	Victoria
Spicer, Hon. John Armstrong, Q.C.‡	Victoria

THE MEMBERS OF THE SENATE—*continued.*

v

Spooner, Hon. William Henry, M.M.†	New South Wales
Tangney, Dorothy Margaret‡	Western Australia
Toohey, James Philip†	South Australia
Vincent, Victor Seddon‡	Western Australia
Wardlaw, Robert†	Tasmania
Wedgwood, Ivy Evelyn†	Victoria
Wilseec, Donald Robert‡	Western Australia
Wood, Ian Alexander Christie†	Queensland
Wordsworth, Robert Hurley, C.B., C.B.E.†	Tasmania
Wright, Reginald Charles‡	Tasmania

Dates of Retirement of Senators—† The 30th June, 1959. ‡ The 30th June, 1958.

(†) Death reported, 14th September, 1955. (*) Filling casual vacancy caused by Senator McLeay's death.

THE COMMITTEES OF THE SESSION.

JOINT.

CONSTITUTIONAL CHANGE.—Senator Spicer (Chairman), the Prime Minister, the Leader of the Opposition in the House of Representatives, Senator Kennelly, Senator McKenna, Senator Wright, Mr. Calwell, Mr. Downer, Mr. Drummond, Mr. Hamilton, Mr. Joske, Mr. Pollard, Mr. Ward, and Mr. Whitlam.

FOREIGN AFFAIRS.—Mr. Kent Hughes (Chairman), Senator Cole, Senator Gorton, Senator Maher, Senator Pearson, Senator Wordsworth, Mr. Chaney, Mr. Downer, Mr. Drummond, Mr. Failes, Mr. Joske, Mr. Lucock, Mr. Mackinnon, Mr. Timson, Mr. Turner, Mr. Wentworth, Mr. Wheeler, and Mr. Wight.

HOUSE.—The President (Chairman), Senator Amour, Senator Marriott, Senator O'Flaherty, Senator George Rankin, Senator Ryan, Senator Wordsworth, Mr. Speaker, Mr. Failes, Mr. J. R. Fraser, Mr. Hulme, Mr. Morgan, Mr. Opperman, and Mr. Webb.

LIBRARY.—Mr. Speaker (Chairman), the President, Senator Arnold, Senator Kendall, Senator McCallum, Senator Robertson, Senator Sheehan, Senator Tangney, Mr. Bryant, Mr. Downer, Mr. Drummond, Mr. R. W. Holt, Mr. O'Connor, and Mr. Wentworth.

PARLIAMENTARY PROCEEDINGS BROADCASTING.—The President (Chairman), Senator Arnold, Senator Marriott, Mr. Speaker, Mr. Costa, Mr. Falkinder, Mr. Allan Fraser, Mr. Opperman, and Mr. Turnbull.

PRINTING.—Senator Benn, Senator Buttfield, Senator Hannaford, Senator Robertson, Senator Scott, Senator Tangney, Senator Toohey, Mr. Dean, Mr. Drury, Mr. Freeth, Mr. E. James Harrison, Mr. Leslie, Mr. McIvor, and Mr. Stewart.

PUBLIC ACCOUNTS.—Mr. Bland (Chairman), Senator Benn, Senator Seward, Senator Wedgwood, Mr. Barnard, Mr. Cope, Mr. Davis, Mr. Hulme, Mr. Leslie, and Mr. Thompson.

PUBLIC WORKS.—Senator Henty (Chairman), Senator Maher, Senator O'Byrne, Mr. Bird, Mr. Bowden, Mr. Dean, Mr. Lawrence, Mr. O'Connor, and Mr. Watkins.

SENATE.

DISPUTED RETURNS AND QUALIFICATIONS.—Senator Anderson, Senator Hannaford, Senator Hendrickson, Senator Kennelly, Senator Nicholls, Senator Robertson, and Senator Wordsworth.

REGULATIONS AND ORDINANCES.—Senator Arnold, Senator Byrne, Senator Laught, Senator Seward, Senator Willessee, Senator Wood, and Senator Wright.

STANDING ORDERS.—The President (Chairman), the Leader of the Government in the Senate, the Chairman of Committees, Senator Cooke, Senator Kendall, Senator Nicholls, Senator O'Byrne, Senator Vincent, and Senator Wright.

PARLIAMENTARY DEPARTMENTS.

SENATE.

Clerk.—R. H. C. Loft.

Clerk-Assistant.—J. R. Odgers.

Usher of the Black Rod.—R. E. Bullock.

HOUSE OF REPRESENTATIVES.

Clerk.—A. A. Tregear.

Clerk-Assistant.—A. G. Turner.

Second Clerk-Assistant.—N. J. Parkes.

Third Clerk-Assistant.—J. A. Pettifer.

Sergeant-at-Arms.—G. S. Reid.

PARLIAMENTARY REPORTING STAFF.

Principal Parliamentary Reporter.—W. J. M. Campbell.

Second Reporter.—L. D. O'Donnell.

Third Reporter.—W. E. Dale.

LIBRARY.

Librarian.—H. L. White.

Assistant Librarian.—L. C. Key.

JOINT HOUSE.

Secretary.—W. I. Emerton.

THE ACTS OF THE SESSION.

(FIRST SESSION : FIRST PERIOD.)

APPROPRIATION ACT (NO. 2) 1955-56 (ACT NO. 26 OF 1956)—

An Act to grant and apply additional sums out of the Consolidated Revenue Fund for the service of the year ending the thirtieth day of June, One thousand nine hundred and fifty-six, and to appropriate those sums.

APPROPRIATION (WORKS AND SERVICES) ACT (NO. 2) 1955-56 (ACT NO. 27 OF 1956)—

An Act to grant and apply an additional sum out of the Consolidated Revenue Fund for the service of the year ending the thirtieth day of June, One thousand nine hundred and fifty-six, for the purposes of Additions, New Works and other Services involving Capital Expenditure and to appropriate that sum.

AUSTRALIAN CAPITAL TERRITORY SUPREME COURT ACT 1956 (ACT NO. 47 OF 1956)—

An Act to amend the *Australian Capital Territory Supreme Court Act* 1933-1955.

AUSTRALIAN COASTAL SHIPPING AGREEMENT ACT 1956 (ACT NO. 42 OF 1956)—

An Act to approve an Agreement entered into by the Commonwealth with respect to Australian Coastal Shipping, and for purposes connected with that Agreement.

AUSTRALIAN COASTAL SHIPPING COMMISSION ACT 1956 (ACT NO. 41 OF 1956)—

An Act to establish an Australian Coastal Shipping Commission to operate certain Shipping Services, and for other purposes.

BROADCASTING AND TELEVISION ACT 1956 (ACT NO. 33 OF 1956)—

An Act to amend the *Broadcasting Act* 1942-1954, and for other purposes.

BROADCASTING AND TELEVISION STATIONS LICENCE FEES ACT 1956 (ACT NO. 34 OF 1956)—

An Act to provide for Fees for Licences for Commercial Broadcasting and Television Stations.

CELLULOSE ACETATE FLAKE BOUNTY ACT 1956 (ACT NO. 38 OF 1956)—

An Act to provide for the Payment of a Bounty on the Production of certain Cellulose Acetate Flake.

COAL INDUSTRY ACT 1956 (ACT NO. 52 OF 1956)—

An Act to amend the *Coal Industry Act* 1946-1952 and the *Coal Industry Act* 1951.

COMMONWEALTH AID ROADS ACT 1956 (ACT NO. 31 OF 1956)—

An Act to amend the *Commonwealth Aid Roads Act* 1954-1955.

CONCILIATION AND ARBITRATION ACT 1956 (ACT NO. 44 OF 1956)—

An Act to amend the *Conciliation and Arbitration Act* 1904-1955, and for other purposes.

CUSTOMS TARIFF 1956 (ACT NO. 15 OF 1956)—

An Act relating to Duties of Customs.

DEFENCE FORCES RETIREMENT BENEFITS ACT 1956 (ACT NO. 24 OF 1956)—

An Act to amend the *Defence Forces Retirement Benefits Act* 1948-1955.

EVIDENCE ACT 1956 (ACT NO. 48 OF 1956)—

An Act to amend the *Evidence Act* 1905-1950.

EXCISE TARIFF 1956 (ACT NO. 16 OF 1956)—

An Act relating to Duties of Excise.

EXPORT PAYMENTS INSURANCE CORPORATION ACT 1956 (ACT NO. 32 OF 1956)—

An Act to promote Trade with Countries outside Australia by establishing an Export Payments Insurance Corporation to provide Insurance against certain Risks arising out of that Trade not normally insured with Commercial Insurers.

FISHERIES ACT 1956 (ACT NO. 4 OF 1956)—

An Act to amend the *Fisheries Act* 1952-1953.

FISHING INDUSTRY ACT 1956 (ACT NO. 22 OF 1956)—

An Act to establish a Fisheries Development Trust Account, and for purposes connected therewith.

GOLD-MINING INDUSTRY ASSISTANCE ACT 1956 (ACT NO. 23 OF 1956)—

An Act to amend the *Gold-Mining Industry Assistance Act* 1954.

HOUSING AGREEMENT ACT 1956 (ACT NO. 43 OF 1956)—

An Act relating to Financial Assistance to the States for the purpose of Housing.

INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ASSESSMENT ACT 1956 (ACT NO. 25 OF 1956)—

An Act to amend the *Income Tax and Social Services Contribution Assessment Act* 1936-1955, and for other purposes.

INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ASSESSMENT ACT (NO. 2) 1956 (ACT NO. 30 OF 1956)—

An Act to amend the *Income Tax and Social Services Contribution Assessment Act* 1936-1955, as amended by the *Income Tax and Social Services Contribution Assessment Act* 1956.

INCOME TAX AND SOCIAL SERVICES CONTRIBUTION (COMPANIES) ACT 1956 (ACT NO. 28 OF 1956)—

An Act to impose a Tax, payable by Companies, by the name of Income Tax and Social Services Contribution.

- JUDGES' PENSIONS ACT 1956 (ACT NO. 49 OF 1956)—
An Act to amend the *Judges' Pensions Act* 1948–1951.
- MEAT AGREEMENT (DEFICIENCY PAYMENTS) ACT 1956 (ACT NO. 3 OF 1956)—
An Act to amend the *Meat Agreement (Deficiency Payments) Act* 1955.
- MEAT EXPORT (ADDITIONAL CHARGE) ACT 1956 (ACT NO. 2 OF 1956)—
An Act to impose a Charge upon certain Meat exported to the United Kingdom, and to repeal the *Meat Export (Additional Charge) Act* 1955.
- MINISTERS OF STATE ACT 1956 (ACT NO. 1 OF 1956)—
An Act to amend the *Ministers of State Act* 1952.
- NATIONAL HEALTH ACT 1956 (ACT NO. 55 OF 1956)—
An Act to amend the *National Health Act* 1953–1955.
- NAVIGATION ACT 1956 (ACT NO. 46 OF 1956)—
An Act to amend the *Navigation Act* 1912–1953.
- NORTHERN TERRITORY (ADMINISTRATION) ACT 1956 (ACT NO. 50 OF 1956)—
An Act to amend the *Northern Territory (Administration) Act* 1910–1955.
- PARLIAMENTARY ALLOWANCES ACT 1956 (ACT NO. 29 OF 1956)—
An Act relating to the Allowances of Members of each House of the Parliament.
- PUBLIC SERVICE ARBITRATION ACT 1956 (ACT NO. 51 OF 1956)—
An Act to amend the *Public Service Arbitration Act* 1920–1955, and for other purposes.
- RAYON YARN BOUNTY ACT 1956 (ACT NO. 39 OF 1956)—
An Act to amend the *Rayon Yarn Bounty Act* 1954.
- SALARIES ADJUSTMENT ACT 1956 (ACT NO. 18 OF 1956)—
An Act to provide for Increases in certain Salaries, and for purposes connected therewith.
- SALES TAX ACT (NO. 1) OF 1956 (ACT NO. 6 OF 1956)—
An Act to amend the *Sales Tax Act (No. 1)* 1930–1954.
- SALES TAX ACT (NO. 2) 1956 (ACT NO. 7 OF 1956)—
An Act to amend the *Sales Tax Act (No. 2)* 1930–1954.
- SALES TAX ACT (NO. 3) 1956 (ACT NO. 8 OF 1956)—
An Act to amend the *Sales Tax Act (No. 3)* 1930–1954.
- SALES TAX ACT (NO. 4) 1956 (ACT NO. 9 OF 1956)—
An Act to amend the *Sales Tax Act (No. 4)* 1930–1954.
- SALES TAX ACT (NO. 5) 1956 (ACT NO. 10 OF 1956)—
An Act to amend the *Sales Tax Act (No. 5)* 1930–1954.
- SALES TAX ACT (NO. 6) 1956 (ACT NO. 11 OF 1956)—
An Act to amend the *Sales Tax Act (No. 6)* 1930–1954.
- SALES TAX ACT (NO. 7) 1956 (ACT NO. 12 OF 1956)—
An Act to amend the *Sales Tax Act (No. 7)* 1930–1954.
- SALES TAX ACT (NO. 8) 1956 (ACT NO. 13 OF 1956)—
An Act to amend the *Sales Tax Act (No. 8)* 1930–1954.
- SALES TAX ACT (NO. 9) 1956 (ACT NO. 14 OF 1956)—
An Act to amend the *Sales Tax Act (No. 9)* 1930–1954.
- SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT 1956 (ACT NO. 5 OF 1956)—
An Act to amend the *Sales Tax (Exemptions and Classifications) Act* 1935–1954.
- SNOWY MOUNTAINS HYDRO-ELECTRIC POWER ACT 1956 (ACT NO. 45 OF 1956)—
An Act to amend the *Snowy Mountains Hydro-electric Power Act* 1949–1955.
- STATES GRANTS (COAL MINING INDUSTRY LONG SERVICE LEAVE) ACT 1956 (ACT NO. 54 OF 1956)—
An Act to amend the *States Grants (Coal Mining Industry Long Service Leave) Act* 1949–1950.
- STATES GRANTS (UNIVERSITIES) ACT 1956 (ACT NO. 37 OF 1956)—
An Act to make provision for the grant of Financial Assistance to the States in connexion with Universities.
- STATISTICS (ARRANGEMENTS WITH STATES) ACT 1956 (ACT NO. 17 OF 1956)—
An Act relating to arrangements with the States in connexion with Statistics.
- STEVEDORING INDUSTRY ACT 1956 (ACT NO. 53 OF 1956)—
An Act relating to the Stevedoring Industry.
- SUPERANNUATION ACT 1956 (ACT NO. 19 OF 1956)—
An Act to amend the *Superannuation Act* 1922–1955.
- SUPPLEMENTARY APPROPRIATION ACT 1954–55 (ACT NO. 56 OF 1956)—
An Act to appropriate a further sum out of the Consolidated Revenue Fund for the service of the year ended the thirtieth day of June, One thousand nine hundred and fifty-five.

SUPPLEMENTARY APPROPRIATION (WORKS AND SERVICES) ACT 1954-55 (ACT NO. 57 OF 1956)—

An Act to appropriate a further sum out of the Consolidated Revenue Fund for the service of the year ended the thirtieth day of June, One thousand nine hundred and fifty-five, for the purposes of Additions, New Works and Other Services involving Capital Expenditure.

SUPPLY ACT (No. 1) 1956-57 (ACT NO. 35 OF 1956)—

An Act to grant and apply a sum out of the Consolidated Revenue Fund for the service of the year ending the thirtieth day of June, One thousand nine hundred and fifty-seven.

SUPPLY (WORKS AND SERVICES) ACT (No. 1) 1956-57 (ACT NO. 36 OF 1956)—

An Act to grant and apply a sum out of the Consolidated Revenue Fund for the service of the year ending the thirtieth day of June, One thousand nine hundred and fifty-seven, for the purposes of Additions, New Works and other Services involving Capital Expenditure.

TRACTOR BOUNTY ACT 1956 (ACT NO. 40 OF 1956)—

An Act to amend the *Tractor Bounty Act 1939-1953.*

TRANSFERRED OFFICERS' ALLOWANCES ACT 1956 (ACT NO. 20 OF 1956)—

An Act to amend the *Transferred Officers' Allowances Act 1948-1954.*

WHALING INDUSTRY REPEAL ACT 1956 (ACT NO. 21 OF 1956)—

An Act to repeal the *Whaling Industry Act 1949-1952*, and for purposes connected therewith.

BILLS OF THE SESSION.

BANKRUPTCY BILL 1956. Initiated in the House of Representatives. Second Reading.

COMMONWEALTH ELECTORAL BILL 1956. Initiated in the Senate. Second Reading.

THE PARLIAMENT CONVENED.

TWENTY-SECOND PARLIAMENT—FIRST SESSION.

(*Gazette*, No. 6A, 1956.)

The Parliament was convened by the following proclamation:—

PROCLAMATION.

Commonwealth of
Australia to wit.
W. J. SLIM
Governor-General.

By His Excellency the Governor-General
in and over the Commonwealth of
Australia.

WHEREAS by the Constitution of the Commonwealth of Australia it is amongst other things provided that the Governor-General may appoint such times for holding the Sessions of the Parliament as he thinks fit:

Now therefore I, Sir William Joseph Slim, the Governor-General aforesaid, in exercise of the power conferred by the said Constitution, do by this my Proclamation appoint Wednesday, the fifteenth day of February, one thousand nine hundred and fifty-six, as the day for the said Parliament to assemble and be holden for the despatch of divers urgent and important affairs: and all Senators and Members of the House of Representatives are hereby required to give their attendance accordingly in the building known as Parliament House, Canberra, at the hour of ten-thirty o'clock in the morning on the said fifteenth day of February, one thousand nine hundred and fifty-six.

Given under my Hand and the Great Seal of the Commonwealth of
(L.S) Australia this 7th day of February, one thousand nine hundred and
fifty-six and in the fifth year of Her Majesty's reign.

By His Excellency's Command,

ROBERT G. MENZIES
Prime Minister.

God save the Queen!



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Tuesday, 5 June, 1956.

The PRESIDENT (Senator the Hon. A. M. McMullin) took the chair at 3 p.m., and read prayers.

AUSTRALIAN CONSTITUTION.

Senator GRANT.—I direct a question to the Attorney-General. As it concerns an entirely non-party matter, perhaps he will bear with me while I make an explanation. A constitutional committee, representative of all parties, has been appointed. As we all know, after the 30th June, the personnel of this Senate will be different and a situation will arise in which no method for dealing with the question of double dissolutions will exist. In view of the urgency of this matter will the Attorney-General, either as the chairman of this committee or in collaboration with the Government and the Opposition, immediately attempt to devise ways and means to overcome this difficulty? It seems to me to be out of all reason to postpone consideration of this matter until such time as other questions are dealt with and submitted by way of referendum to the people.

Senator SPICER.—I can well understand the honorable senator's having fears of a double dissolution.

Senator GRANT.—That is quite uncalled for.

Senator SPICER.—We had experience of one in 1951, which, doubtless, my friend does not care to recall. The question of the relations between the two Houses is no doubt one which will come before the constitutional committee when it embarks upon its task. It is an important question. The committee has been given a very wide charter to review the Constitution in the light of the developments during the last 50 years. I have no doubt that the matter to which the honorable senator has referred will be one of the questions to which we will have to devote attention.

SHEARING INDUSTRY STRIKE.

Senator SEWARD.—My question is directed to the Attorney-General. Does not the fact that wool sales have had to

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be cancelled in New South Wales on account of the shearers' strike in Queensland, bring the matter of the strike within the jurisdiction of the Commonwealth? If so, does the Government intend to take any action that will bring to an end this disastrous holdup in Australia's foremost export industry?

Senator SPICER.—The honorable senator will recall that in view of the decision of the High Court in the *Boilermakers* case, power which at present can be exercised by the arbitral tribunals in the way of enforcing their awards is very limited. There is a bill before the Parliament at the present time, which the Senate will be discussing in the course of a few days and which is designed to remedy that situation. However, at the moment, the means by which enforcement action could be taken in relation to this dispute are pretty limited; but such as exist are available to the employers to pursue if they see fit to do so.

LATE DELIVERY OF AIRMAIL LETTERS.

Senator CRITCHLEY.—Will the Minister representing the Postmaster-General ascertain from the Postmaster-General whether there is any way of finding out the reason for recent long delays in the deliveries of airmail letters as instanced by the late delivery this week of letters addressed to members at Parliament House? In explanation, may I say that I have before me an airmail letter posted in Adelaide on the 7th May which reached Canberra only to-day. I am reliably informed that this is not a singular instance, and other honorable senators and, I believe, some honorable members in another place, have received airmail which has taken weeks from the date of posting to arrive in Canberra. I ask the Minister whether he will give some information about these delays to the Senate.

Senator COOPER.—I shall be pleased to obtain from my colleague the Postmaster-General the information sought by the honorable senator.

OVERSEAS TRADE.

Senator KENDALL.—My question is addressed to the Minister for Shipping and Transport. In view of the urgent need to increase our exports, will the Minister explore the possibilities of using one of the Commonwealth ships as a trade ship? Such a vessel could be fitted out with display rooms, accommodation for sales representatives, facilities for potential buyers and so on, with a view to increasing the sales of our products in the many countries north of Australia. This system was tried with great success 25 years ago, to my own knowledge, by British firms interested in the far eastern trade.

Senator PALTRIDGE. — While acknowledging at once the desirability of taking every measure possible to increase our sales of goods overseas, I must inform the honorable senator that although his suggestion is a good one I very much doubt whether it would be possible to take any one ship of the fleet of the Australian shipping line out of service on the Australian coast. They are all fully committed, and I could not, without the closest examination, see my way clear to give the honorable senator any hope that his request will be granted.

AUSTRALIAN-MANUFACTURED CARS.

Senator ARNOLD.—About two weeks ago, I asked a question of the Minister for the Navy with regard to the tariff protection given to Australian manufacturers of motor vehicles or, alternatively, the penalty placed on motor vehicles which come from overseas. The Minister promised to obtain a statement for me, and I now ask him whether he yet has done so.

Senator O'SULLIVAN.—Some time ago, I had the answer available, but the honorable senator was at that time otherwise engaged. The answer has been posted to him, and I believe that it has already appeared in *Hansard*. However, I am sorry that he did not obtain the answer personally.

CANCER RESEARCH.

Senator ANDERSON.—Has the attention of the Minister representing the Minister for Health been directed to the

fact that last week a New York surgeon, Dr. Alexander Brunschwig, Professor of Clinical Surgery at the Cornell University College of Medicine, New York, flew to Australia, and with his own instruments, brought with him for the purpose, successfully operated on a sufferer from advanced cancer? Has the Minister further noted that the methods used by this doctor are largely unknown to the Australian medical profession and, indeed, that the operation has never previously been performed in this country? Will the Minister confer with the British Medical Association in Australia with a view to ascertaining whether the techniques and instruments used by the American doctor can be successfully employed in Australia, thereby holding out some slight hope to sufferers from advanced cancer of the particular type involved?

Senator COOPER.—I saw a report of this successful cancer operation in the press, and I understand that there were Australian specialists and other doctors at the operation to see just what had been done, and how it had been done. I shall bring the honorable senator's request concerning the British Medical Association to the notice of my colleague, the Minister for Health, and obtain a considered reply for him.

GENERAL MOTORS-HOLDEN'S LIMITED.

Senator BROWN.—I ask the Leader of the Government whether he has noticed a report that a representative of General Motors-Holden's Limited has declared that £6,000,000 of the huge profit of £10,000,000 made by the company last financial year is to be "ploughed back" into the motor car industry. Has the Minister any inside information concerning the manner in which this money is to be expended? Is it to be used to develop a system of automation in the industry? If so, what steps, if any, are being taken to safeguard the interests of those workers who, inevitably, will be sacked?

Senator O'SULLIVAN.—The answer is "No" to each of the four questions asked by the honorable senator. I am

not in a position to give any inside information as I have no knowledge at all of the matters mentioned by him.

WESTERN AUSTRALIAN SHIPPING SERVICES.

Senator COOKE.—I ask the Minister for Shipping and Transport whether he recollects that, over a number of years, representatives of Western Australia have made persistent requests for an improved shipping service to the ports of Esperance and Albany. I know that, as a private senator, the Minister was strong in his representations on this subject, as were other honorable senators from Western Australia. Can the Minister inform the Senate what improvement has been made, or is expected, in the shipping service to those ports?

Senator PALTRIDGE.—Offhand, I cannot give details of the schedules of shipping to the ports of Esperance and Albany mentioned by Senator Cooke. However, my recollection is that last year five ships called at Albany, and the prospect of that number being increased this year is quite substantial. If the honorable senator will wait for a further reply, I should prefer to obtain a detailed schedule of the service to those ports so that he may compare last year's sailings with those now arranged.

SHIPPING OF POTATOES.

Senator ASHLEY.—I ask the Minister for Shipping whether his attention has been directed to a press report which claims that the expected high price for potatoes, of 2s. per lb., threatens to deprive thousands of families of potatoes—a staple food in the rearing of young children. Is it true, as stated in the article, that repeated shipping bungles have caused a potato famine and consequent high prices? Is it a fact that in 1886 there was a regular Tasmanian-Sydney potato run?

Senator PALTRIDGE.—What year?

Senator ASHLEY.—Eighteen eighty-six, but in 1956 shipping interests have confessed that they cannot provide a regular service? Will the Minister ensure that provision is made in the shipping

agreement for the transport of potatoes from Tasmania to the mainland in the interests of both the producer and the consumer?

Senator PALTRIDGE.—I have not noticed the press report to which Senator Ashley refers, nor did the honorable senator mention the name of the newspaper in which it appeared. Probably it was a Sydney paper. I am kept closely informed concerning the shipping of potatoes from Tasmania. Two committees contact me almost daily, one representing the potato-growers association and the other the potato-shippers association. Tasmanian senators on both sides of the House also see to it that I am kept up to date concerning the shipping of Tasmanian products. There has been no bungling in the shipping of Tasmanian potatoes. Last week, I read to the Senate the schedule for shipping potatoes from the north-western ports of Tasmania, and since that time I have not heard from either of the associations which I just mentioned. Even from my comparatively short experience as a Minister, I am convinced that the absence of complaint from those two associations shows that they are completely satisfied with the shipping arrangements made for the immediate future. I do not recall what was the position in 1886. Senator Ashley probably does, but I assure him that the shipping of potatoes and every other product from Tasmania is being closely watched by me, and is receiving my careful personal interest and attention.

AUSTRALIAN CARPET INDUSTRY.

Senator HENDRICKSON.—I point out to the Minister representing the Minister for Trade that at the week-end it was brought to my notice by the secretary of the textile workers' union that 35 employees were dismissed from the factory of the United Carpet Mills Proprietary Limited at Preston and that the remaining hands at the factory have been placed on a four-day week. Will the Minister see that further restrictions are placed upon the importation of carpets

so that those Australians who have been dismissed from this industry may be re-employed?

Senator SPOONER.—I know that already there are restrictions upon the importation of carpets from overseas, and I doubt very much whether we could use Government policy to cover an occurrence which, apparently, is applicable to only one factory. The incident to which the honorable senator refers may not, of course, be due to general conditions in the trade; it may be due to some special circumstance in that particular industry.

LATE DELIVERY OF AIRMAIL LETTERS.

Senator TANGNEY.—I ask the Minister representing the Postmaster-General a question following upon that asked by Senator Critchley in connexion with airmail deliveries. Will the Minister inquire into the non-delivery of a letter posted to me in Perth on the 6th May by airmail and which I should have received here on the 7th May, but, which has taken almost a month in transit? I should like to express my appreciation of the efforts of the staff of the Canberra Post Office who have endeavoured over the past month to trace that letter, and also to thank the officers of this House for their efforts to find the letter, the delay in the delivery of which has had serious consequences for me.

Senator COOPER.—I can only say what I said to Senator Critchley. I shall have the matter inquired into and have a copy of the Postmaster-General's reply supplied to Senator Tangney.

ANTI-COMMUNIST LABOUR PARTY FUNDS.

Senator WRIGHT.—I ask the Minister representing the Treasurer whether his attention has been drawn to the news published during the week-end to the effect that the Commonwealth Bank had paid, I think, the sum of £16,000 to the representatives of the Anti-Communist Labour party and that an inquiry was about to be held by the bank into the authority to receive that money. Can

the Minister give any information to the Senate as to the nature of the inquiry and the circumstances of the payment?

Senator SPOONER.—I have a recollection of seeing the newspaper report and my impression is that the Commonwealth Bank was inquiring into the question of who had the legal capacity to operate upon the bank account and in whom the legal responsibility for this account is vested. I shall make inquiries to see if there is any additional information I can obtain for the honorable senator.

TASMANIAN TIMBER.

Senator O'BYRNE.—I remind the Minister for Shipping and Transport that a joint deputation of Tasmanian representatives from both sides of both Houses waited upon him last Thursday concerning the removal of surplus timber from Tasmania and that he promised to make a statement on the matter to-day. Is the Minister yet in a position to make a statement on that matter?

Senator PALTRIDGE.—I was in a position last Friday to inform Mr. Canning, of the Tasmanian timber interests, who was supported by the all-party delegation on Thursday night, that the Australian Shipping Board had arranged for the lifting of timber from Tasmania by releasing the 4,000-ton ship *Yanderra* from the mainland coal trade, the arrangement being that *Yanderra* shall go into service along the north-west of Tasmania thus releasing ships to lift the accumulation of timber at Hobart. It is expected that the employment of this ship will bring about a very substantial easement in the accumulation of cargoes, and Mr. Canning has expressed his satisfaction at the arrangement that has been made.

TASMANIAN SHIPPING SERVICES.

Senator WRIGHT.—I have no doubt that it has come to the notice of the Minister for Shipping and Transport that an impression gained currency in the Tasmanian press towards the end of last week to the effect that the new legislation for the reconstruction of the Australian

Shipping Board would preclude the operation by the Commonwealth of shipping services between the mainland and Tasmania. Is the Minister able to give to the Senate and to the people an unqualified assurance that the purpose of the legislation is to promote and advantage the services of the Australian Shipping Board between the mainland and Tasmania?

Senator PALTRIDGE.—I can, happily, give the assurance for which Senator Wright has asked. I thought that the purpose of the legislation was well explained in my second-reading speech on the bill, and that that speech made it perfectly clear that the intention is that interstate trade will be catered for. It was a matter of considerable astonishment, and acute disappointment, to me that a newspaper like the Hobart *Mercury*, which is published in a State whose people are entirely dependent upon shipping, was the only newspaper in the Commonwealth which got the story wrong. I repeat that I was both astonished and disappointed. However, I am somewhat relieved to know that in the following issue—on Saturday morning—that newspaper made a half-hearted attempt to correct the unfortunate impression that it had created, and I am also told that, in a sub-leader yesterday, the newspaper made a further reference to its mistake. I can quite understand, as the newspaper explained, I believe, in this most recent article, that the terms "interstate" and "intra-state" could get mixed up in transmission. But I cannot understand, even if a mistake was made by a junior journalist, or by a telegraphist in the Postmaster-General's Department, how a leader writer for the Hobart *Mercury* could bring himself to make this remarkable statement—

The most significant statement by the Minister for Shipping (Senator Paltridge) is that the new Commission will have no power to operate ships in interstate trade because the Constitution does not permit it.

The making of a statement of that nature by the leader writer of a presumably responsible newspaper goes far beyond my comprehension. I assure the Senate that the intention of the legislation is that the Commonwealth Shipping line will operate interstate, and that Tasmania's needs will be cared for.

EXCISE REVENUE.

Senator WILLESEE.—I preface a question to the Minister for the Navy by pointing out that, when the Prime Minister recently introduced his little budget, he said that he did not expect that the increased price of beer, spirits and cigarettes would result in any loss of revenue to the Commonwealth. Will he produce to the Senate a statement of revenue received by the Government from those sources in April and May of this year and during the corresponding months of 1955, and inform honorable senators whether the right honorable gentleman's expectation has been realized?

Senator O'SULLIVAN.—I take it that the honorable senator requires information only in regard to liquor and not to all sources of revenue?

Senator WILLESEE.—No, revenue from liquor and tobacco.

Senator O'SULLIVAN.—I shall endeavour to obtain the information for the honorable senator.

TASMANIAN SHIPPING SERVICES.

Senator WRIGHT asked the Minister representing the Minister for Labour and National Service, *upon notice*—

1. Has the Minister's attention been directed to the fact that waterfront stoppages—first the general waterside strike and then a series of sporadic stoppages—have had a very prejudicial effect on the export of apples from Tasmania?

2. Can the Minister give the Senate any indication as to when the Hobart port quota will be brought up to the number fixed for the season?

3. Has the shipping programme been retarded and, if so, to what extent?

Senator SPICER.—The Minister for Labour and National Service has supplied the following information:—

1. The honorable senator will be aware that on the 19th April, the right honorable the Prime Minister and I received a deputation in Canberra, described to us as the most representative deputation from Tasmanian interests ever to visit Canberra. The Prime Minister and I were very fully informed of the delegates' views on the extent to which Tasmanian trade, including its export of apples, has been affected by waterfront troubles.

2. I am advised that the revised quota for Hobart agreed by the parties concerned has been met and that the registered strength is still at the agreed upon figure.

3. I have no precise information on this point, but I am advised that, as at the 14th May, just on 2,000,000 cases of fruit had been shipped from Hobart and Port Huon. This was about 60,000 cases less than in 1955 up to the 11th May.

TOBACCO.

Senator ROBERTSON asked the Minister representing the Minister for Primary Industry, *upon notice*—

1. Is it a fact that, on the 15th May, the Minister for Primary Industry made a statement that a sum of £153,000 is to be made available for research and expansion of the tobacco industry, and that £108,000 of that sum would be spent in Queensland?

2. Will the Minister state what assistance will be given to the tobacco-growers of Western Australia who, because of the later ripening of the Western Australian crop, are in the unfortunate position of having substantial quantities of saleable leaf left after the sales?

3. Will the Minister indicate to what extent, and in what way, assistance will be given to these growers, who are still struggling to establish the industry?

Senator PALTRIDGE.—The Minister for Primary Industry has supplied the following answers:—

1. The Minister for Primary Industry has advised me that he did announce that £153,000 is to be made available for research and advisory services for the Australian tobacco-growing industry and that £108,000 of this amount will be spent in Queensland. This money is for capital expenditure on the existing State experimental stations and for the establishment of a tobacco research station by the Commonwealth Scientific and Industrial Research Organization at Mareeba, north Queensland. It is part of the amount of £168,000 which has been contributed on a £1-for-£1 basis by the Australian tobacco manufacturers and the Commonwealth Government for this purpose.

In addition to this amount, a further £71,000 per annum is to be made available for the increased maintenance costs of the expanded tobacco research and advisory services programme which has been approved by the Minister for Primary Industry. Of the capital expenditure, £10,000 will be spent in Western Australia, and an additional £3,800 per annum on maintenance.

2 and 3. In addition to the expenditure on research and advisory services referred to, which is designed to improve the quality and to produce the type of leaf required by manufacturers, the Commonwealth Government has used its best endeavours to promote the sale of all usable Australian leaf. Action has been taken to reduce substantially the allocation of dollars for imported tobacco leaf in 1956-57,

and, last week the Government announced its decision that the percentages of Australian leaf to be incorporated for duty rebate purposes in manufactured tobacco products will be substantially increased for the year 1957-58. These increases are from 7½ per cent. to 12½ per cent. in respect of leaf for cigarette manufacture, and from 17½ per cent. to 21 per cent. in respect of leaf for tobacco production. In determining these percentages full regard has been paid to the estimated availability of Australian leaf in all States.

The Minister for Primary Industry is most anxious that satisfactory agreement between growers in all States and manufacturers on 1956 gradings and prices be reached, and his department has been in close touch with the negotiations to date, at the wish of all parties concerned. Western Australian growers are at some disadvantage owing to the lateness of the tobacco leaf sales in that State. Likewise, growers in other States whose leaf is offered at the close of the selling season suffer some disability on that account. However, the principal manufacturing company has given an assurance that it is willing to buy any leaf left over at the end of the selling season that comes within its grade buying schedule.

WHEAT.

Senator KENDALL asked the Minister representing the Minister acting for the Minister for Trade, *upon notice*—

What is the approximate percentage of wheat exported in bulk, as opposed to bags?

Senator PALTRIDGE.—The Minister for Primary Industry has supplied the following answer to the honorable senator's question:—

Approximately 90 per cent. of Australian wheat exported is in bulk form, and about 10 per cent. in bags.

DRIED FRUITS.

Senator PALTRIDGE.—On the 24th May, Senator Critchley asked the Minister representing the Minister for Trade a question without notice relating to the agreement entered into by this Government concerning the sale of Australian dried fruits overseas. The Minister for Primary Industry has supplied the following answer to the honorable senator's question:—

It is assumed that the statement referred to by the honorable senator concerns the agreement under which the United Kingdom Government guaranteed minimum prices for Australian dried vine fruits of the 1954 season marketed in the United Kingdom on a trader-to-trader basis. The guarantee applied in respect of all sales made up to the 31st May, 1955. Whilst the agreed arrangements are

contained in an exchange of letters at the government level, the related terms and conditions were negotiated at first hand in London by representatives of the Commonwealth Dried Fruits Control Board. An appreciable portion of the total claim has been disputed by the United Kingdom. The Government is exerting the strongest pressure on the United Kingdom authorities to have the claim settled on a mutually agreeable basis with the least possible delay.

INCOME TAX AND SOCIAL SERVICES CONTRIBUTION (COMPANIES) BILL 1956.

Assent reported.

PRINTING COMMITTEE.

Senator BUTTFIELD.—I present the second report of the Printing Committee.

Report read and—*by leave*—adopted.

FOREIGN AFFAIRS COMMITTEE.

Senator GORTON.—I have the honour to advise the Senate, in accordance with the resolution constituting the Joint Committee on Foreign Affairs that, the Minister for External Affairs (Mr. Casey) having requested the committee to furnish him a report upon extradition arrangements between Australia and Communist-controlled countries, the committee has this day submitted its report to the Minister.

COMMONWEALTH AID ROADS BILL 1956.

SECOND READING.

Debate resumed from the 22nd May (*vide page 854*), on motion by Senator PALTRIDGE—

That the bill be now read a second time.

Senator KENNELLY (Victoria) [3.35].—The Opposition opposes the bill for the reasons which I hope to outline in the course of my remarks. The bill, as honorable senators are aware, envisages the raising of an extra £12,000,000 per medium of the additional 3d. a gallon tax on petrol. Out of that amount £4,000,000 will be paid to the States for the construction and maintenance of roads, under a formula about which I shall have something to say in a moment.

The Government estimates that from the beginning of April until the end of this financial year £1,000,000 of that amount will be paid to the States. In a full year £4,000,000 will be paid, although in his second-reading speech the Minister for Shipping and Transport (Senator Paltridge) estimated that the amount will be more than £4,000,000. He is hoping that even with the increased costs all round, extra petrol will be used and instead of £4,000,000 the figure will be nearly £5,000,000.

The Opposition believes that the whole of the proceeds of the additional tax should be devoted to roads. I know it will be said that when the Opposition was responsible for the affairs of the country it did not apply the whole of the petrol tax revenue to road purposes. That is true. It is also true, as the Minister said in his second-reading speech, that the Labour government at that time contributed £7,000,000 to the States for road purposes, whereas last year this Government provided in the vicinity of £27,000,000. If the money to be received as a result of this legislation is added, the figure will be £32,000,000. However, when we compare the state of the economy in 1949 with the position to-day we see that the purchasing power in 1949 was very much greater than it is to-day. We have also to take into consideration the cost of constructing roads in 1949 and the number of vehicles that were then using the roads. I have here figures which show that at the 30th June, 1939, in Australia, 889,533 vehicles were registered and of that number 261,855 were registered in my own State of Victoria. In 1951 the corresponding figures were 1,575,960 for Australia and 444,400 for Victoria. That shows a great difference in the number of cars registered in those two years. When we consider the period from the 30th June, 1951, to the 31st December, 1954, the percentage increase is even greater. That is understandable because during the first period I quoted the country was either engaged in war or in the process of re-organizing itself during the immediate post-war period. On the 31st December, 1954, the number of vehicles registered in Australia was 2,057,192 and in Victoria 604,592.

I suggest, therefore, that we need to take into consideration first of all the value of money and compare the services the £1 can provide to-day with those it would provide in previous years. Then we have to consider the extra revenue that this Government is getting on account of the extra petrol used. The figures I have quoted do not, to my mind, portray the true position. I am not saying, for one moment, that the figures are false; but we must also consider the cost of constructing a certain number of miles of roads in 1949 compared with the cost of constructing the same number of miles to-day. We have to take into account, first, the value of money to-day compared with its value in 1949; and, secondly, the quantity of petrol that is used to-day on account of the great expansion in motor transport, compared with the quantity used in 1949.

Some honorable senators opposite may ask why Labour, when it occupied the government benches, did not do what I am now saying should be done to-day. I should like to refer to remarks made by the Minister for Repatriation (Senator Cooper) when the Commonwealth Aid Roads Bill 1949 was before the Senate. His words were similar to those which will no doubt be uttered by some honorable senators to-day. Speaking on behalf of the then Opposition, he said—

The Opposition says that the whole of the proceeds of the federal tax should be used for the purposes for which they were collected.

I agree with that statement. The first roads bill came before the Parliament in 1902. At that time we spoke about a tax on benzine; I do not think we used the word "petrol" as much as we use it to-day. I agree that at no time has any government specifically laid it down that all moneys derived from a petrol tax were to be used for road works.

But I ask honorable senators now to consider how different our position is now. Consider the transport facilities that we are at present using compared with those that were used previously. I suppose that there is no one who could honestly say that he ever visualized the tremendous growth that has taken place in road transport within the last few years. The journal from which I previously quoted figures with regard to the

numbers of vehicles in Australia, also indicates that 76 per cent. of the products of our primary and secondary industries are transported by road. Therefore, we must change our opinions about the place of road transport in our economy. The state of our rail transport system, including the change of gauge between the two most populous cities of the Commonwealth, is a tremendous bar to the efficient transport of goods by rail. Consequently, the road transport system in this country must continue to expand. It is worth noting that in the years when we were most concerned about the safety of this country, that is during World War II., the defence chiefs had to decide whether they would continue the railway north from Alice Springs, or build a road. The fact is that the road was built.

I believe that we must give to the States for road construction and maintenance, at least the revenue derived from the petrol tax. If we hope to have roads that will carry our present heavy traffic, the States must be given more money for road purposes. I think it will be agreed that our pre-war roads were not built to carry the heavy vehicles that use the roads at present. Moreover, I understand that 1 mile of road may cost up to £40,000, and, of course, the cost is governed by the width of the carriage-way, distance from gravel pits, and so on. At one time, the Country Roads Board in Victoria was one of the concerns that I had to administer for a short space of time. Therefore, it will be conceded that I have had some experience of these matters. I do not say that the States do not have some responsibility for roads, but, in Victoria at any rate, roads are constructed and maintained through the use of money received from three sources. The first is motor registration fees, the second is motor drivers' licence-fees, and the third is the proceeds of the petrol tax. Whilst I believe that in view of our changed road circumstances the whole of the petrol tax proceeds should go to the States, I believe also that there is a responsibility on the States, particularly on my own State, to ensure that motor vehicle registration fees are not left at their present low rates. It is

really fantastic to think that I, as a Victorian citizen, may drive a motor car for a 1926 registration cost on a 1955 road cost.

Senator HANNAFORD.—It is time that position was altered.

Senator KENNELLY.—I admit that; but I believe that the responsibility for our roads is a joint responsibility of the Commonwealth and the States. I have said in other places as well as in this chamber, that it is good economics for the motorist to have good roads. Good roads means less wear and tear on his vehicle, and, consequently, he has to pay less for maintenance. Moreover, the motorist is able to get about much faster on good roads, and in saving time he is saving money. I believe that my own State of Victoria has not lived up to its responsibilities; but that does not absolve this Government or the Parliament of its responsibility to take a greater interest in road matters and to consider the financing of roads in the proper light. Comparisons are not meant to be unfair, but when they are made in this matter of roads they do not appear to be so very fair.

At one time it was said that import controls were to be introduced to cure inflation. We were told that we should not be able to import as much as we were importing; and that what we did not import, we would not use. But the Minister in his second-reading speech said that to-day the Government is paying £27,500,000, and that next year the payment will be more like £32,000,000. Therefore, if more money is spent it means that more goods will be sold, and so, on the Minister's own figures, the Government is not reducing the number of buyers. The story now is that the legislation at present before the Senate, which was brought in following the statement on economic affairs made by the Prime Minister (Mr. Menzies), is that the legislation was designed to raise money so that in the next financial year the Government will be able to pay to the States from revenue about the same amount that it cannot now obtain from loans but which it obtained from loans in years gone by.

I admit that if the States do not get sufficient loan money their public works will have to stop and there will be a huge volume of unemployment. No one wants to see that, but the plain fact is that the Government let the loan market get away from it. People will not now lend to the Government as they did in past years. The Government could honestly answer that it expects to be able to raise the money because its last loan was fully subscribed—or, if I remember correctly, it was slightly over-subscribed. However, there must remain the fear that it will not be able to repay the loans that are falling due. It is not of much use for the Government to say that it is bringing down legislation to provide a method to raise £12,000,000 and to curtail inflation. The figures cited by the Minister show that he is to receive more than he stated, and the inevitable conclusion is that the Government will obtain the money from another source.

Roads are of tremendous importance to the nation. They are as important to the mainland States as shipping is to the island State, about which the Senate has heard a great deal. According to figures taken from the *Australian Municipal Journal*, the roads carry 76 per cent. of all freight, primary and manufactured, and 64 per cent. of all passengers. That being so, I should be pleased—and I am certain the people would be also—if this Government would at least attempt to arrange a conference with the States in order to set up a national road committee for the purpose of future planning. Irrespective of the source of funds, money must be obtained and spent on roads; otherwise, the whole road system will cave in. One has only to observe the condition of roads in the large metropolitan areas to appreciate what will happen to the main roads and highways throughout the States. In the suburbs the cost of road maintenance and construction has risen beyond the financial capabilities of whatever body is responsible for them. Referring again to the journal from which I have quoted, I find that Australia spends less per head of population on roads than any other country in a comparable situation. In Canada, £8 19s. 3d. a head is spent on roads and in New Zealand £8 16s. 10d., but in

Australia only £4 5s. 1d. is spent. I have already cited the figure which shows that 76 per cent. of all freight is carried by road.

Senator KENDALL.—That may be a little misleading. It means that 76 per cent. of all freight is in transport at some period.

Senator KENNELLY.—I could go further than that, and illustrate from one of the Melbourne suburbs. My Victorian colleagues know that Collingwood is the home of the boot and shoe manufacturing industry in Melbourne. How are the boots and shoes taken from those factories into the city? At times they would constitute a large percentage of the 76 per cent. of freight carried by road. The only kind of commodities carried by rail in Victoria are road metal, superphosphate, wheat, a proportion of wool and a little coal.

Senator GORTON.—What about fruit?

Senator KENNELLY.—I would not agree that much fruit is carried. Some stock is also transported by rail.

Senator SCOTT.—How is petrol carried in Victoria?

Senator KENNELLY.—Very little goes by rail. Any traveller in Victoria will see petrol tankers from the main petrol companies on the roads. The great worry, of course, is that when the roads were constructed they were not intended to carry the heavy motor vehicles and their huge loads which now traverse them. At one time the Hume Highway was the pride and joy of all Victorians, but to-day it is not a good road.

Senator KENDALL.—It is too straight.

Senator KENNELLY.—Apart from being too straight, the surface is not strong enough to cope with the heavy traffic—that is, the huge transports and their enormous loads. As a consequence, roads everywhere are rapidly deteriorating. I hope that in the near future the Government will put this question on a national footing. The money must be found from somewhere, and the fairest way of doing so seems to be to raise it

by a petrol tax, but the question is whether the Australian Government will be prepared to vacate the field of petrol taxation, and tell the States to make those who use the roads pay for them. Such a direction would not be received with the greatest of pleasure by all States. The method devised by the Commonwealth to apportion petrol tax revenue has been on an area plus population basis, and on that ground Victoria would be the only State—because of its small size and comparatively dense population—which would be keen to say to any Australian government, irrespective of its political colour, "Get out of petrol taxing altogether, and allow the States to do it". For that reason it is not right or proper, in the interests of the nation as a whole, that I should ask honorable senators to regard roads as a national question and then suggest a course which would benefit my own State only.

Senator HANNAFORD.—We are glad to hear the honorable senator say that.

Senator KENNELLY.—Roads are essential not only for the economy of the nation; they are also vital to its defence. I admit that I have never heard it suggested by the Government that the whole of this petrol tax was to be devoted to roads. Certainly, some percentage of it was always ear-marked for that purpose. That percentage has grown gradually, and I hope that it will continue to increase under the present Administration. I remind the Minister for Shipping and Transport (Senator Paltridge) that during the last election campaign the Australian Labour party said that it was prepared to make the whole of these funds available to the States. The Minister has stated that for the current financial year 73 per cent. of these moneys will be used for roads, but unfortunately, with the present increase of 3d. a gallon, that percentage decreases correspondingly. Whereas the Government was paying 7d. out of 10d., it will now be paying only 8d. out of 1s. 1d. So, inevitably, the percentage is lower.

According to the *Australian Municipal Journal*, the roads in this country have not kept pace with the expansion of the economy. I propose to cite certain figures

which I feel should prove of great interest to the Senate. They relate to the period from 1939 to 1954. During that time, the population of Australia increased by 29 per cent.; the number of motor vehicles on the roads increased by 133 per cent.; the factories to and from which both raw and processed materials were transported increased by 70 per cent.; the national output of our country increased by 400 per cent. and the national income increased by 360 per cent. Now, I come to the crux of the whole question. The mileage of improved roads increased by only 5 per cent. in that period! The *Australian Municipal Journal* is the official organ of the municipalities of Victoria. It is an authority on municipal matters and, no doubt, any information published by it relating to similar instrumentalities in other States is equally authoritative. That publication contains further extremely interesting figures relating to the usable area of each State, the present mileage of roads in each State and the roads that will be required ultimately in all States. Of course, I am vitally interested in Victoria, where we are fortunate in that our area is small and we have the second-largest population of all the Australian States.

Senator GORTON.—Surely, the honorable senator admits we are badly treated under the formula?

Senator KENNELLY.—I do not want to be hard on Senator Gorton, but I am not looking at this question from a parochial point of view. This is a national issue, and so strongly do I feel on the point that I have even supported the present method of distributing the money. I can only say that I should be more in sympathy with those who oppose the present formula if the States which they represent would only help themselves a little. I do not want to keep on repeating that we in Victoria are not fair; but I cannot agree that it is right that, as a Victorian, I should be paying registration fees based on 1926 costs while driving on roads built on 1955 costs and, at the same time, suggest that more should be done for Victoria. I am not asking for a change in the formula.

All I ask is that the Government treat this as a national question. Only a fortnight ago, I saw in the Senate committee room a moving picture of the roads in the United States of America. I am confident that any one who saw that picture must agree that this question of roads must be dealt with completely outside the realm of party politics. Roads are as important to the welfare of the nation as are many other things. I should like to see that picture shown again, because it gives some idea of the colossal amount of money that is being expended on roads in the United States. I understand that the United States and Canada are the only two countries in the world where the percentage of motor vehicles to population is higher than in Australia; yet, we are doing virtually nothing about our roads. I know that in the city in which I live they have a master-plan which refers to such things as over-passes and under-passes. These things are badly needed, but one cannot help feeling a little sceptical about the possibility of their becoming realities under the present arrangement.

Reverting to the figures I had commenced to cite, I point out that New South Wales has 244,000 square miles of usable country. In that State they have a total of 126,000 miles of road, 9,000 miles of them being sealed, and 117,000 miles unsealed. According to those people who should have some knowledge of what is needed to make New South Wales properly "roaded", if I may use that term, 244,000 miles of road will be required, whereas only 126,000 miles have been constructed so far. All the other States except Victoria are in a similar plight. Victoria has 88,000 square miles of usable country and a total of 101,000 miles of road, 11,000 miles of which are sealed and 90,000 miles unsealed. According to those people who are in a position to write about this question, that State needs 88,000 miles of roads. That would at least enable Victoria to be proud of its roads system. The position in Queensland, which has an area of 550,000 square miles, is fantastic. Although that State requires 550,000 miles of roads, at present it has only 4,000 miles of sealed roads and 127,000 miles of other roads—a total of 131,000 miles.

Senator WRIGHT.—What is the source of the honorable senator's figures?

Senator KENNELLY.—They were published in the *Australian Municipal Journal* of February, 1956. I rely on them because, as all municipal bodies are interested in roads, I believe they are correct.

Senator Wood.—I presume that the figures were supplied by the various States?

Senator KENNELLY.—That would be the only reliable method of compiling them. The Opposition opposes this measure because, as I have said before, we believe that the whole of the additional amount of tax of £12,000,000, not £4,000,000 only of that amount, ought to be paid to the States for roads purposes. During the last general election campaign, Labour decided that, if it were returned to office, it would pay to the States for roads purposes the whole of the proceeds of the petrol tax. I believe that the relatively small proportion of the proceeds of the petrol tax which is now retained by the Commonwealth should be handed over to the States for this purpose. If, because of the economic position now confronting the Government, it is not possible to do that this year, it should be done in the near future. We should be big enough to forget our party affiliations for a short period, although that may be hard—and, quite honestly, it would be hard for me—in order to deal with this matter which is vitally important not only to the economic welfare of the nation, but also to its defence. We should approach this matter from the national point of view and take steps to ensure that the roads are maintained in such a condition as will enable goods to be transported over them economically, and so that the condition of the roads will not be a bar to the continued progress and growth of Australia.

Senator SCOTT (Western Australia) [4.18].—I agree whole-heartedly with most of the speech that has been delivered by Senator Kennelly, who is the Deputy Leader of the Opposition, but I cannot agree with his contention that the whole of the increase of customs and excise

duty of 3d. a gallon on petrol should be given to the States for road developmental purposes. I suppose that that is a good line for the Opposition to adopt, but members of the Government must be factual. Let us consider the history of Commonwealth assistance to the States for roads. When the federal aid roads grant was first introduced in 1926, it was opposed by the then Labour Opposition on the ground that a tax should not be levied on petrol for the development of roads within the various States. A statement to that effect was made by Mr. Charlton, the then honorable member for Hunter, when speaking to the motion for the second reading of the Federal Aid Roads Bill. That was the policy of the Labour party in 1926. We come now to 1949. Although a Labour government had been in office for a number of years, and could have altered the legislation, it did not do so. In that year, customs duty of 10d. a gallon and excise of 8d. a gallon was levied on petrol, of which, 3d. a gallon from customs receipts, and 2d. a gallon from excise receipts was paid to the States for the development of roads. In 1948-49, of the total collections of petrol tax amounting to £17,500,000, excluding customs duty and excise on aviation spirit, a little more than £7,000,000, or about 40 per cent., was paid to the States. As we know, the Labour Government relinquished office after the general election of 1949. Since that year, the present Government has introduced various amendments to the legislation, each one increasing the amount payable to the States for roads. Out of the proposed increase of 3d a gallon in the petrol tax, it is proposed to give the States 1d., which will bring the total amount payable to the States from petrol funds to 8d. on every gallon of petrol used in Australia. The Commonwealth will pay to the States for roads in this financial year £27,500,000, and it is expected that the amount payable in the next financial year will be about £32,000,000.

The Western Australian Government expected to receive at least £6,000,000 from the Commonwealth this year, compared with about £1,000,000 received in 1949. Therefore, that State now receives

in one year as much as was paid to all of the States by the Labour Government that was in office in 1948-49. The allocation to the States has increased from a little more than £7,000,000 a year to an estimated £32,000,000 next year. In other words, it has been increased almost five times.

Senator Kennelly has stated that the Opposition opposes the bill because only 1d. of the 3d. increase in petrol tax will be paid to the States for roads purposes. I agree with his contention that the development of roads in the rural districts, and in the outback areas of this country, is important not only from the point of view of increasing production, but also from the point of view of defence. I believe, that, as time goes on, the Government will have to make available more money for the development of roads.

The distance by road from Perth to Wyndham is about 2,500 miles, of which only a few hundred miles has a bitumen surface. I believe that this road should be maintained in such a condition that it could be used at all times of the year for defence purposes. If an enemy were to attack, we could not get to those vital defence areas because of the condition of the roads. If an enemy were to attack in the Kimberleys, for instance, during the wet season, how could we get there to try to drive him out?

Senator VINCENT.—How would he get to us?

Senator SCOTT.—That is an interesting question. I suggest, however, that we must face this problem so that we may be able to reach those areas easily. If we were to allow the enemy to consolidate in those places for two or three months until the wet season was over, he would have had an opportunity to build up his strength to such a degree that when we succeeded in making contact with him we might not be able to shift him. Of course, in the meantime, he might have been building roads with the idea of getting at us.

I believe that moneys from the petrol tax, and perhaps funds from the defence vote as well, should be made available for the development of roads. We need a road right round the western coast of

Australia, passing through Geraldton, Carnarvon, Onslow, Roebourne, Derby, Katherine, and on to Darwin. We also need another road on the east coast from Melbourne, passing through Sydney, Brisbane, Townsville, Mount Isa, Tennant Creek, and on to Darwin.

Senator KENDALL.—We already have one.

Senator SCOTT.—Yes, but it is not surfaced. I believe that those roads, together with a central road and one from Adelaide to Perth, with bitumen surfaces, should be developed in the interests of defence. I appreciate that the construction of such roads would cost many millions of pounds, and I do not think that revenue from the petrol tax would be sufficient for the purpose, nor do I think that the States could construct the roads. It seems to me, however, that an annual allocation of £10,000,000 or £15,000,000 from the defence vote of approximately £200,000,000 would not be felt. Eventually, we shall have to decide on a means of raising revenue for the development of defence roads throughout Australia.

In the United States of America and Canada, the states and provinces have been assisted, from 1916 onwards, on a dollar-for-dollar and £1-for-£1 basis respectively, in the development of roads in rural areas, in order to aid production. We in Australia saw the first Federal Aid Roads Agreement Act in 1926, when the Bruce-Page Government introduced legislation to subsidize the construction of roads in rural areas by granting to the States £1 for every 15s. expended by the States. That also was the occasion of the first imposition of petrol tax, its purpose being to assist the development of rural roads.

The position of the Commonwealth in this respect is somewhat peculiar. This Government is endeavouring to assist the development of rural roads in the States by allocating to the States every penny that it is possible to allocate. Yet, when we look at the action that the States have taken in this respect, we find that they have not raised their licence-fees for more than twenty years.

Senator GEORGE RANKIN.—What about their shire rates?

Senator SCOTT.—The people of Victoria have to pay rates, but so do all the other people in Australia. As I say, some of the State governments have not raised licence-fees for more than twenty years. The figures disclose that the number of registrations of motor cars, trucks and motor cycles in New South Wales, as at the 30th June, 1953, was 613,554, whereas the number in Victoria was 539,800. The gross revenue from licence-fees in New South Wales was almost double that of Victoria, although New South Wales has not nearly double the number of vehicles that Victoria has. Evidently, registration fees in Victoria are very much lower than they are in New South Wales. These figures are published in the *Year-Book* and may be verified. It is interesting to note, also, that the number of motor vehicles in Australia has increased from 15 per thousand of population in 1921, to 192 per thousand in 1953, and is still increasing. I should say that the figure this year will be well over 200 per thousand.

So that honorable senators will not think that I am selecting only Victoria for the purposes of my argument, I point out that Western Australia also has not increased licence-fees for a number of years. I believe that it is the responsibility of the States to increase licence-fees to a realistic figure. I agree entirely with Senator Kennelly that we cannot have to-day a scale of licence-fees which dates back to 1926.

Senator ANDERSON.—And registration fees.

Senator SCOTT.—And registration fees. We cannot have 1926 fees and expect to be able to build roads in 1956, because costs to-day are three or four times greater than they were then. Therefore, I am of the opinion that the States should do something about increasing licence and registration fees.

Senator KENDALL.—The fees in Queensland have been raised by 76 per cent. already.

Senator SCOTT.—I do not know anything about the position in Queensland, but I do know that the fees in Western Australia have not increased. I also know that, during the depression years, the Government of that State gave a 50 per cent. reduction to people who wanted to license a truck or a utility if it were the only vehicle used on a farm, with the result that a utility so used could be licensed for half the ordinary licence-fee. That provision has applied since 1929, and no Western Australian government, of any political colour, has had sufficient courage to reinstate the original law in this respect. At roads board conferences in Western Australia, I have endeavoured on several occasions to have that position altered, so that, in prosperous times, farmers could pay the full amount of licence-fees for their utilities and trucks. It should not be thought that a farmer obtains any benefit from a cheap licence-fee for his utility or truck, because if the local government authorities do not receive sufficient money, from the petrol tax, road rates and other sources, for the construction of roads, the roads get into such a deplorable condition that repairs to his vehicle cost him so much more than they would if it were being driven over good roads. Therefore, it would be much cheaper for the farmer to pay the full licence-fee and have good roads. In Western Australia now, bitumen roads are being built by local authorities and the State government on a 50-50 basis by using petrol tax revenue. The road boards are borrowing more extensively for the improvement of those roads so that they can give the ratepayers better transport facilities. Although the rates charged by the local authorities in the rural areas to service the loans are rising yearly, the ratepayers are more than pleased. They are paying more by way of rates for bitumen roads, but repairs to their motor vehicles are less expensive. Better roads are being built in the rural areas because of the assistance that is available from this Government through petrol tax revenue, which is distributed through the States to the local authorities. Transport is cheaper because roads are better. We should do all that we can to assist the States from petrol tax revenue, so that they can help the local authorities to improve roads.

Since this Government was elected to office, there has been rapid development of the road system in the north-west of Western Australia. The programme far exceeds anything attempted in the past. In 1948, when I visited the northern part of Western Australia, it was possible to travel only to Meekatharra, a distance of 470 miles, on a formed road. Last year, we were able to get as far as Port Hedland—that is, 1,150 miles—on a formed road. Broome is 400 miles further north, but the road to that town has not been completed yet. From Broome to Derby, the road is bad, but the road to Fitzroy Crossing and Hall's Creek has now been built with money granted by the Commonwealth to Western Australia from the petrol tax. That is quite an achievement. In Western Australia, we look forward to the day when we will have not only a formed road, but an all-weather road, as far as Port Hedland, Broome and the Kimberleys. There is a proposal to build a road from Geraldton to Carnarvon. Those roads can be built only with the money that is collected through the petrol tax and distributed by the Commonwealth. As years go by, roads are getting better and better.

Recently, the Commonwealth Aid Roads Act was amended so that money could be made available by the State governments to local authorities for the purchase of road-making plant. For some reason best known to the State Government authorities in Western Australia, none of the money made available out of those funds has been used for the purchase of plant. Various representatives of local authorities have asked me to ascertain on their behalf what can be done. They believe that the Commonwealth is not making the money available to the States for distribution to the local authorities for the purchase of plant. When I have explained the situation to them, they have been unable to understand why they could not get the money. For want of it, they have been unable to proceed with road-building as they would like.

I should like to see the State governments persuaded to make the money available to local authorities, particularly in the outback areas. The local authori-

ties must have plant if they are to build good roads. Many of the local authorities in the outback areas have only small revenues, and are surviving mainly on the money that they receive from the petrol tax distribution. They have to use that money to the best advantage. It is ridiculous to see them using pick and shovel methods because money that was granted by the Commonwealth for a road construction programme is not made available to them. The States should see that the grants are distributed.

Senator ANDERSON.—Is it true that Western Australia has not used all the money that is available?

Senator SCOTT.—I believe that at the 30th June, 1955, the Western Australian Government was holding about £1,300,000. When I made inquiries about it, I was given to understand that all of it had been allocated to the local authorities, but that it had not been distributed at the 30th June. No doubt, it was all disbursed during the succeeding few weeks. I believe that Queensland was in a similar position in 1952. I have been assured by a Minister in Western Australia that there will be very little difficulty this year in spending all the money available. I know that Victoria is very interested in that £1,300,000, but I can assure honorable senators from Victoria that Western Australia has allocated all the money, although it had not been actually paid to the local authorities at the date I have mentioned.

I do not agree with Senator Kennelly that the Commonwealth should give all the additional petrol tax revenue to the States. The increase of 3d. a gallon is designed to provide money for State works. Although only 1d. of the increase is to be made available to the States for their road programmes, the remaining 2d. on every gallon of petrol, which will yield between £8,000,000 and £10,000,000, will be provided to assist the works and housing programmes of the States.

Senator KENNELLY.—Does Senator Scott mean that the States will get that £8,000,000 in addition to their normal allocation?

Senator SCOTT.—The States get from this Government, for developmental work, much more than they ever obtained from any other Commonwealth Government. Since Senator Kennelly has raised the matter, I shall read a portion of a letter that was written by the Treasurer (Sir Arthur Fadden), in which he stated—

Over the last four financial years the Commonwealth arranged assistance amounting to some £400,000,000 for Loan Council borrowing programmes. During that period, the total amount which became available for the works and housing programmes of the States was £797,000,000, so that over half of this amount was arranged by the Commonwealth.

In providing this assistance the Commonwealth decided to assist the State Loan programme as a whole rather than to assist selected State works projects. The distribution between the States of the total loan raisings (including the assistance arranged by the Commonwealth) has therefore been determined by the Loan Council, whilst the allocation by each State of its share of the available funds among its works projects has been a matter for that State.

For instance, the Commonwealth, in the last four years, has given Western Australia somewhere in the vicinity of £75,000,000 to £77,000,000. If we take the last four years of the previous Administration we find that it was what?

Senator KENNELLY.—Nothing.

Senator SCOTT.—Virtually nothing; it was about £16,000,000. So, we find that the Government, in its keen desire to help the States, has done a good job as far as petrol tax is concerned. It has not only given four or five times as much as the previous Administration gave in 1949, but also it has actually helped the States to develop their roads and, during the time it has been in power roads have improved year by year. In conclusion, I say that the longer this Government remains in office the better our roads will be.

Senator O'FLAHERTY (South Australia) [4.47].—Senator Scott has dealt only with the political phases of this matter; he did not deal in any shape or form with the equity of the proposals made by the Opposition. In the first place, he went back as far as 1926 and said that the imposition of petrol tax was for the purpose of distributing the

money among the States for the construction of rural roads. I wonder what has become of those rural roads. In 1946, a proposal was made to give the States an extra £1,000,000 to be earmarked for the purpose of developing rural roads. But what has become of the rural roads between 1926 and 1946? The honorable senator's argument does not amount to anything at all. He also complained that in his State the people responsible for constructing rural roads are not able to get any of the money that is allocated for this purpose. I think that applies to other States also. I know a very conservative State, which has a conservative government at the moment, but, there, unless the people concerned with rural councils are favorably received by the Administration they do not receive anything from the moneys that are allocated for rural roads. Only the pet friends of that government receive any of this money, and even then what they receive is not sufficient to carry out half the work that is necessary to be done by these shires, district councils or local governing bodies.

Senator Scott made a song about Victoria not charging sufficient registration fees for motor vehicles. Good heavens, the money received for the registration of motor vehicles does not help county councils, district councils or shire councils to build roads.

Senator HANNAFORD.—Why not?

Senator O'FLAHERTY. — Those bodies obtain their money from rates and what they are able to borrow. It is useless to tell me that shire councils and such bodies receive any money from the registration of motor cars. The government of the State concerned allocates that money and it does not give money to a local council unless it receives something in return. I know that is so in my own State, and I am sure it is the case in other States, too. The shire councils get their money from rates and other charges, and it is with those moneys they construct their roads. I know that the responsibility for main roads and highways has been, more or less, transferred from the shire councils to roads boards, but that does not help the district councils, nor does it help the far-flung areas.

Senator Scott is barking up the wrong tree when he says that Victoria is at fault in not increasing its motor vehicle registration fees. A statement like that does not help in any way as the subject being debated concerns the percentage of petrol tax which should be given to the State governments for the purpose of building roads. What is happening is that the Government, although it is giving some extra money to the States, is actually reducing the percentage of petrol tax to the States. There is no question about that. The Minister for Shipping and Transport (Senator Paltridge) said that last year the Government gave £27,000,000 to the States and this year the amount will be £32,000,000, and that of the £12,000,000 to be collected through the extra tax of 3d. a gallon only £4,000,000 will go to the States. In the same speech he pointed out that 1d. only of the extra 3d. will go to the States. The position is that the percentage the States are to receive is being reduced.

Another point mentioned by Senator Scott was the necessity to build strategic roads. He told us that some money from the defence vote should be used to build these roads. That is what the Labour party has been saying for a long time. It has said that it would be much better to spend the defence money on strategic roads than to spend it in the way it has been spent during recent years. Then, Senator Scott told us about some part of a strategic road now being built near Derby, in Western Australia. The Labour party has been advocating such a road for a long while, but that is quite outside the subject of the allocation of petrol tax to the States. Senator Scott and other senators, and even the Minister himself, have told us that we are entirely wrong in saying that all of the petrol tax should be given to the States for road purposes. In 1949, an extra £1,000,000 was made available to the States for the purpose of enabling district councils to provide rural roads. At that particular time, of course, the members of the present Government were in opposition and the present Minister for Repatriation (Senator Cooper) was the Leader of the Opposition in this chamber. During a speech

he made at that time, he told the Senate that the purpose of the bill under discussion was to provide an additional sum of £1,000,000 for the construction and repair of roads in sparsely populated areas. He agreed with that and then, like Senator Scott, went a little further and told us of the places where roads ought to be built; and he described several roads that were not too good. He then said—

The Opposition—

That is, the present Government— contends that the whole of the proceeds of the petrol tax should be used for the purpose for which it is collected.

Then it is stated that the petrol tax is collected in respect of the roads. Now, who is right, the present Government or the members of the Government parties who were in opposition in those days? It appears to me that there is not much difference between the Government and the Opposition in regard to the petrol tax, except in regard to the amount that should be allocated for roads. The Opposition believes that all the proceeds should be distributed to the States, and that of that sum a certain proportion should be granted to district councils for district and rural roads.

Senator Scott has stated that the amount of money to be allocated for rural roads is a matter solely for the States. Although we might give £1,000,000 to a State for roads within that State, Senator Scott maintains that we cannot tell the State how that sum should be distributed. Well, perhaps that is a constitutional matter, but I should like to know where the money that has been allocated for district roads has gone. Somebody must have got it, because Senator Scott stated that these allocations were being made for the purpose of developing rural roads as far back as 1926. I have done a fair amount of travelling on the roads, as no doubt other honorable senators have, and I know that back in those days not much money seemed to be spent on the roads.

Senator Scott said that this Government has increased the advances to the States during its term of office. Of course it has, and what is more, it should have done so. In order to give the

States the same spending power, about three and a half times as much money should be allocated to them to-day as was given to them in 1949. But even on Senator Scott's own figures the States are not now getting three and a half times the amount that they used to get. Even if they are given an extra £4,000,000 next year the money will not have the same purchasing power as the money they received in 1949. That, of course, is because the Government has allowed inflation to get out of hand, and all that it has done to remedy the position is to make certain extra sums of money available from time to time. Nevertheless, the States are still not getting grants, the purchasing power of which is equivalent to the purchasing power of their money in 1949.

Some millions of pounds have been made available through the States to district councils, shires and other local government organizations, in order that they might purchase machinery for road building. The Government made arrangements to borrow dollars overseas for the purchase of machinery which, it said, could not be bought in Australia. However, I believe that in most of the States machinery belonging to local government organizations may be seen lying idle and rusting away in yards.

Senator VINCENT.—Not in our State of Western Australia.

Senator O'FLAHERTY.—I can give names, but I do not wish to drag the names of people into this debate. The point is that the members of local government organizations change, and the new members have different ideas from the old ones. The new ones might decide to do their work by contract and call tenders from private contractors in accordance with this Government's policy. The contractors use their own machinery, and the council's machinery, bought with Commonwealth funds, lies idle. Those councils believe that the contractors will do the work more cheaply, but really the work is not done more cheaply if all the costs in connexion with it, including the deterioration of the councils' machinery, the interest and instalments and so on are taken into consideration.

Consequently, roads are not constructed more cheaply, and I am sure that they are not better than those built by the councils themselves. That sort of thing is going on all over Australia, and something should be done to correct that position.

Senator VINCENT.—The honorable senator is wrong.

Senator O'FLAHERTY.—I can take Senator Vincent to some places between here and the border of South Australia—which area takes in two States—and show him machinery going to waste in the ways I have indicated. Some machines are lying on the roadside and others are in yards. I have seen that with my own eyes.

Senator VINCENT.—The honorable senator said it was happening all over Australia.

Senator O'FLAHERTY.—I believe that that is correct. We borrow dollars in order to buy, for local organizations, machinery which the Government says cannot be purchased here. Some of that machinery is made available by State governments to local bodies. Those bodies have to pay for the machinery, probably by instalments including interest, but a tremendous amount of that machinery is not being put to a proper use in Australia to-day. That, perhaps, could be a reason why the Government should not give all the proceeds of the petrol tax to the States, but the Government has not put it forward as a reason. All that it has said is that its policy differs from that of the Labour party.

I have no doubt that one day the Minister for Shipping and Transport (Senator Paltridge) will be a proper political captain, because every time he makes a speech he tells us all about the objections to the Government's policy that will be raised by the Opposition. In his second-reading speech he said—

The annual provision which we are now making for roads is three or four times as great as the amount being provided when we first took office.

Just before he made that statement he indicated the amounts of money that were being allocated, but those amounts are not three or four times the amounts that were being allocated when the Government took office. The Minister should be more careful when he makes his statements, and should ensure that his figures are correct. Accuracy is better than political points.

I believe that an improvement has taken place in the condition of our roads right throughout Australia, because engineers have more or less collaborated to build us better roads. However, in every State hundreds of miles of the best of roads have been constructed alongside railway lines. I do not know why that should be so, but right alongside a main railway line may be found a splendid wide, sealed road capable of taking heavy traffic. The roads into the outlying districts, however, are sometimes little ribbons of sealed roads here and there, with soft edges—and with notices at intervals along them warning motorists that they have soft edges.

Some collaboration between the Commonwealth and the States is needed to set up an authority to co-ordinate the work of building roads throughout the length and breadth of Australia. From time to time transport associations have hammered this request but I do not altogether agree with the kind of authority they propose. Road construction and maintenance should be a purely government undertaking by the States and the Commonwealth. As money is allocated first priority should be given to particular roads, such as strategic roads mentioned by Senator Scott. Second priority should be given to roads into remote primary-producing areas so that the producers might be able to bring their goods to market much more cheaply and efficiently than at present. Such work could be undertaken most effectively by joint government authority and it should have a continuing right to build roads, particularly away from railway lines into the outback areas.

As Senator Kennelly said, the Opposition will vote against the bill because the Government proposes to pay to the States only 1d. of the 3d. extra petrol tax.

That is an inadequate percentage of excise duty and next year the Government will reduce it further. The Government is not just in treating the States in such a manner. When the present Government parties were in Opposition they strongly advocated that the whole of the petrol tax should be paid to the States. The percentage allocation next year should be the same as this year in order to keep the value of the allocation as near as possible to that of the amount spent in 1926 when rural roads were built.

Senator HENTY (Tasmania) [5.9].—The Senate is dealing with a vast question of great importance, that of roads throughout Australia and petrol tax. As the Deputy Leader of the Opposition (Senator Kennelly) has said, it is a national question which is becoming more prominent each day. Honorable senators opposite have made one or two points which they believe call for an answer; before this debate is finished they will have to make a much stronger case for their opposition to the bill to convince us of their sincerity. So far, many of their statements have been wide of the fact and their arguments have not been relevant to the proposal. In the first place it was suggested that the Government is raising £12,000,000 by the extra 3d. tax of which only £4,000,000 will go to the States. That is only half the truth. The remaining £8,000,000 will go to the States to help finance State public works.

Senator KENNELLY.—That portion will not go to the States for the purpose of building roads.

Senator HENTY.—The whole of the £12,000,000 will go to the States, and £8,000,000 of it will be provided to help finance State public works.

Senator KENNELLY.—Also education and other matters.

Senator HENTY.—Education has already been provided for. The £4,000,000 is to be provided for roads. The Opposition intends that the whole of the £12,000,000 raised by this additional impost should be spent on roads. If that were done, the States would have £8,000,000 less with which to finance

their works programmes. Does the Deputy Leader of the Opposition agree that that should be done? If it were done, a further £8,000,000 would have to be raised by some other form of taxation to assist the financing of State works that have already been contracted for. Either this Government has to inform the States that they cannot have £8,000,000 of the £12,000,000 raised by the extra petrol tax, or it will have to provide a further £8,000,000 for State public works. The Opposition cannot have it both ways. Obviously the proposition of the Opposition is that taxes should be increased to the extent of another £8,000,000. Taking a hypothetical case, if, in these days of over-full employment, the whole of the £12,000,000 were made available for road works, could it be profitably spent in the States with the limited labour force that would be available for the work?

Senator O'FLAHERTY.—Of course. Machinery could be used.

Senator HENTY. — Road-building machinery is being used now. One of the great problems in these days of over-full employment would be to get sufficient labour to go into outback areas to build roads.

Senator ROBERTSON.—That is especially true in Western Australia.

Senator HENTY.—It is especially true in most States. We must not be stupid about this matter. I am one who believes that we have to find, on a national basis, more and more money to construct better and better roads. Every honorable senator would regard that as an ultimate goal.

Senator KENNELLY.—Would I be fair in saying that if the honorable senator is assured that a portion of the £8,000,000 could not be used by the States for public works, he would agree to that portion being added to the £4,000,000 for road construction?

Senator HENTY.—Let me take the honorable senator's suggestion a little further. If the whole of the £12,000,000 were allocated to road construction, when the time came to abolish the extra 3d.

impost honorable senators opposite would not agree to that course but would advocate that it should remain.

Senator KENNELLY.—But it may be abolished.

Senator HENTY.—That is true, and that might happen in the not distant future. Honorable senators opposite would oppose the abolition of the 3d. tax and argue that it should be retained for the purpose of financing road works. I shall be pleased to see whether they take that stand, but I rather think that they will not do so.

Senator O'Flaherty said that in 1949 the government of the day made a special grant of an extra £1,000,000 to the States for the construction of outback and rural roads. I was connected with municipal affairs in those days. One of my great disagreements with the then Government was that it believed in political patronage. It would occasionally take, say, £500,000 from the petrol tax revenue and make a grant to one of the States by way of a grand gesture from the Commonwealth. Why, just before the general election in 1949, it made a grant of £1,000,000 from the petrol tax in an effort to mislead the people, but they saw through the ruse and dealt with the Labour Government accordingly.

One great benefit the present Commonwealth Government has bestowed upon the States and municipalities is the introduction of the five-year plan. The States now know that they will receive a definite sum for at least five years, and they can budget accordingly. Sometimes, they may be given more than the stipulated amount, but at least they can budget on a five-year basis for a definite fixed sum. Senator Kennelly knows what a benefit that is to both States and municipalities, but to municipalities in particular, because he was engaged in local government affairs at one time. That should be an effective answer to Senator O'Flaherty's assertions about the £1,000,000. The Labour government would make an additional grant occasionally, but always with the idea of bestowing political patronage in order to gain some advantage in return.

Under this bill, it is proposed to make an extra £1,000,000 available to the State governments for the four months from April to June, and in the next full financial year the extra amount it is proposed to make available to the States for expenditure upon roads will be almost £5,000,000. I admit that a tremendous amount of work could be done on our roads if we had the requisite labour force available and if roads were treated as a national problem. The great need at the moment is for better rural roads. For two years now, I have commended the Government for allocating greater sums for expenditure on rural roads, and I now commend it again for proposing to increase the allocation for that purpose to 40 per cent. That can be of tremendous help to our economy because, the better the type of rural road the lower will be the cost to the producer of transporting his goods to the market; and, in these days when prices are rapidly being overtaken by costs, every reduction in costs is most welcome. In addition to reducing costs to primary producers, improved rural roads would help to remove one of the greatest blots on Australia's record to-day. I refer to the tremendous number of road fatalities, a great proportion of which occur because our roads are not capable of carrying modern high-speed motor cars. Any money that can be spent on roads to help reduce this terrible toll will be well-spent.

Again, it is essential from a defence point of view that our strategic roads be kept in order and developed. I am one of those who believe that it would be better to spend a little less on our Australian Road Safety Council and a little more on the roads themselves. I know that that council has done an excellent job in the dissemination of propaganda, but I often wonder whether we are getting full value for the money we spend on that body. Some of the funds used by the Australian Road Safety Council would be better spent on roads themselves. Indeed, any contribution from any fund towards improving the roads so that they will be capable of carrying modern fast motor cars will be supported by the Senate.

Senator O'Flaherty made one further point, and I am certain that he could not have studied the position carefully. He suggested that this Government should make available for expenditure on roads at least three and a half times the amount the Labour Government allocated for this purpose from the petrol tax. I point out to him that in the last year of its office the Labour Government allocated £7,700,000 from petrol tax for roads whilst this year the present Government is allocating £27,500,000 for that purpose and next year that figure will be increased to £32,000,000. In view of those facts, Senator O'Flaherty must admit that this Government is contributing more than three and a half times the amount the Labour Government allocated in 1949.

Senator KENNELLY.—But the honorable senator knows that what he says is not true. The amount being made available by the present Government will not build three and a half times more roads.

Senator HENTY.—According to my calculations, £27,500,000 is well over three and a half times £7,700,000, and certainly £32,000,000 is far greater.

Senator KENNELLY.—But the honorable senator must be fair. He knows that that amount will not construct three and a half times the amount of roads.

Senator HENTY.—I believe it will.

Senator KENNELLY.—It will not, and the honorable senator knows it will not.

Senator HENTY.—It all depends upon the State in which one lives. I always thought that roads costs in Victoria were good. I thought they had a very competent country roads board there. The amount which I have mentioned will certainly construct three and a half times more roads in other States even if it does not in Victoria.

Senator KENNELLY.—The honorable senator knows that is not true.

Senator HENTY.—As a representative from one of the States with a small population, I pay tribute to those States with the larger populations for the contribution they make under the petrol tax formula. I refer in particular to New South Wales and Victoria, which help the

other States considerably. I was rather interested the other day to peruse certain figures which set out the percentages of petrol tax revenue contributed by the various States and compared them with the percentages of the total collections which those States received. They disclose that New South Wales contributes 33.1 per cent. of the total petrol tax collected and receives 27.46 per cent., and that while Victoria contributes 31.3 per cent. it receives only 17.57 per cent. As against that, Queensland contributes 14.2 per cent. and receives 19.22 per cent., South Australia contributes 10.1 per cent. and receives 11.22 per cent., Western Australia contributes 7.8 per cent. and receives 19.53 per cent. whilst Tasmania contributes 3.5 per cent. and receives 5 per cent.

Senator KENNELLY.—Tasmania does very well.

Senator HENTY.—Senator Kennelly has never heard any complaint from Tasmania. My only complaint about Tasmania is that the Minister for Works in the Labour Government in that State persists in complaining that Tasmania is not getting enough from the petrol tax. I am continually urging him not to "wake up" the rest of Australia to Tasmania's actual position under the formula. I keep reminding him that Tasmania receives 5 per cent. whilst it contributes only 3.5 per cent. and I am persistently urging him to keep quiet about it because if he complains too much he will ruin the position for Tasmania.

Senator KENNELLY.—The honorable senator knows he will not ruin Tasmania's position.

Senator HENTY.—He will not ruin it so long as the Senate exists because the four smaller States which are on the receiving end under the formula have a majority of senators in this House, and so long as they have that majority the formula will remain unchanged. We have many theories, but that is one of the practical facts of life.

I thoroughly agree with Senator Kennelly that this question must sooner or later be treated as a national problem. Sooner or later, we shall have to forget

parochialism in the States and municipalities. They cannot look at this matter from a national point of view. Their thoughts are restricted to the fact that they want a mile or two of their own roads repaired. I believe that, as additional labour and material become available, we shall have to give more money to the States for roads purposes. I believe, also, as I have said over and over again in this chamber, that there should be established by the Commonwealth and the States a proper priority for public works. No greater justification for the establishment of that priority system exists than the condition of the roads throughout this country. I support the bill.

Senator SHEEHAN (Victoria) [5.26].—This bill is an echo of the economic measures that were taken by the Government with the object of curbing inflation. When these proposals were announced, I was at a loss to understand how the beer drinker, the cigarette smoker, and the petrol consumer had accentuated inflation. However, the Government, in its wisdom and according to its lights, saw fit to levy tribute from these three categories of consumers. Of course, the Government has admitted that the economic measures, including the increase of petrol tax, have been applied in order to make up the loss of revenue that has been occasioned as a result of the failure of the Government itself to retain the confidence of the people of Australia. Evidence that it has lost their confidence is seen in the failure of several Commonwealth loans.

This afternoon, we are endeavouring to devise ways and means of distributing the additional revenue that will be received from the petrol tax. As I have said, the Government has increased petrol tax in order to help curb inflation, and it proposes to grant to the States for roads purposes a proportion of the additional revenue of £12,000,000 that will be obtained this year from the users of petrol. The Opposition feels that the whole of the additional revenue of £12,000,000 should be distributed amongst the States for the maintenance and construction of roads.

It is rather remarkable that, during discussions which have taken place on the very important subject of road construction and maintenance, although the national importance of roads has been acknowledged, it has been stated, parenthetically, that it is still the function of the States to maintain roads. In Australia, there are three forms of government, the Federal system, the State system and the local government system. When it is suggested that the maintenance of the roads is essentially a State matter, I visualize it being handled, ultimately, by local governing authorities. Although money is made available by the Commonwealth to the States for roads purposes, the actual work on the roads, other than highways for which special State instrumentalities are responsible, is carried out by the various municipal bodies. By and large, the provision of essential services to the community, including the construction of roads in sparsely populated districts, roads to serve the primary producers, and roads needed to provide amenities to people less favourably situated than the great bulk of the community is undertaken by shire councils, borough councils, or, in large country centres, by town councils. The local authorities—to use a common phrase—receive grants, either per medium of the Department of Public Works, or other bodies, such as, in Victoria, the Country Roads Board, for roads purposes. In this connexion, I was very interested in Senator Kennelly's remarks, as he was formerly Minister for Public Works in Victoria. In that State, the maintenance of the highways is carried out by the Country Roads Board, and the local authorities receive grants from that board for work on other roads.

A good deal of discussion has taken place in relation to the users of motor vehicles. I point out that it is necessary for the local authorities to find a percentage of the money needed for roads purposes, as the grants are made by the Country Roads Board on a two-to-one, a three-to-one or, in isolated cases, a four-to-one basis. Let us consider the impact of the cost of roads on the average ratepayers of a municipality. Under the local government legislation, most local authorities in Victoria are not permitted to levy ratepayers at a rate

greater than 4s. in the £1 on the value of property, whether it be net annual valuation or unimproved or site values. From that revenue, the local authorities provide amenities for the residents, and construct and maintain roads, other than main roads and highways, within their boundaries. In addition, they provide paving, footpaths, stormwater channels and so on.

Many other duties are imposed on municipal authorities. They must ensure, for instance, that the health laws are observed, that child welfare centres, parks and gardens and other recreational facilities for the citizens are maintained, that libraries are provided, and so on. It is true that small grant is made to them for this purpose by the State Government, but that is not sufficient, by any means, to provide for all those works to be carried on. The municipal authorities are required to undertake, in addition, work which does not come within the scope of the subsidy. They have to float loans, for instance, and repayments of principal and interest charges must be met from ordinary revenue. It is even necessary for them to provide a proportion of the grants that they receive from the Country Roads Board or the Public Works Department. Ratepayers in a municipality must contribute to the cost of the sewerage or other sanitary system, garbage collections, and the like. When honorable senators speak about these things being the responsibility of the State, they must appreciate that the responsibility is passed on to the local authorities, so that the provision of these amenities, which mean so much to the people, falls on the shoulders of a relatively small section of the community.

All residents of a town, shire or borough are not ratable. In fact, only certain householders or landholders are ratable. I should say that perhaps the bulk of our population is not ratable under our form of municipal government, although all the people enjoy the benefits, of which I have spoken, that are provided by the municipality. Therefore, when we speak of the need to develop roads, we must keep in mind the authority that is actually called upon to carry out that work. If we do that, we must agree that the

development of roads is of national importance; and that is where the Commonwealth comes into the picture. The Commonwealth, for a number of years, has been distributing a certain sum of money derived from a tax on petrol. There has been much disputation as to whether this tax is levied for the sole purpose of maintaining roads, or partially for that purpose and partially for the purpose of producing revenue for the Commonwealth. Whatever may be the true purpose of this tax, the fact remains that to-day it is utilized partly to produce revenue for the Commonwealth; and that is where the conflict arises. We on this side of the chamber believe that if roads are to be maintained and developed, the Commonwealth must play an increasingly important part, and that it should commence now by providing to the States the whole of the revenue from this increased tax on petrol, in order that they may undertake this work.

I think it was in 1926 that the petrol tax was first introduced, and, of course, at that time it was never thought that the roads would be used to the degree that they are used to-day. As a matter of fact, in the first year of distribution of revenue from the tax the Commonwealth distributed more to the States than it collected, but of course that has not always been the case. The development of the internal combustion engine has revolutionized the means of transport. To-day, a great part of our transport is carried by the roads, whereas previously much more use was made of the railways. In addition, there were forms of land transport that did not require the highly efficient roads that we need to-day. In the days of the bullock wagon, the horse and buggy, and the dray there was not the same degree of expense in maintaining country roads that there is with modern motor traffic. Senator Scott stated this afternoon that unless there are efficient roads, the owners of motor vehicles which use the roads will be involved in a great deal of expensive repairs. It can be seen, therefore, that there is a constant need for better roads.

Many people complain that our roads were not built for the use to which they are being put to-day, and I have no doubt that every honorable senator will agree

with that contention. Only a few months ago, the Calder highway, one of the main highways in Victoria running from Melbourne to the north of the State, was undergoing repairs, and it was discovered that the old logs which went to make the corduroy road that was in use during the gold rush 60 or 70 years ago, were still there. We need something better than that to-day. Those old roads are too narrow for modern traffic. In the days of slow-moving traffic, a narrow road was adequate, and vehicles could pass each other with ease, but with the fast-moving traffic of to-day, a wider road is required. Hardly a day goes by that we do not read in the newspapers reports to the effect that people have been fatally injured or severely maimed as a result of road accidents. It is often said that it is speed that kills. That may be so, but when there are high-powered machines, nobody can expect drivers to drive them at the speed of the horse and buggy. There is more and more speed, and no matter how careful drivers may be, there comes a time when, due to the inefficiency and narrowness of the roads, accidents occur.

I know that there is great support for the development of road transport. Our primary producers desire better road transport facilities, because they believe that it is more efficient and more economical for them to be able to send their produce, whether it be wool, vegetables, fruit or anything else, from the point of production to the market in the one movement. They object to having to take their produce from the farm to the railway station, consigning it to the railway terminal, and then having to transport it from the railway terminal to the point of disposal.

Sitting suspended from 5.45 to 8 p.m.

Senator SHEEHAN.—When the sitting was suspended, I was speaking of the part that has been played by municipalities in providing better roads for primary producers and others. In Victoria last year, the Country Roads Board contributed £12,000,000 for roads. The municipalities contributed £8,000,000, after bearing the burden of all other costs that I have enumerated. The Commonwealth and State governments provided

£2,000,000. Honorable senators might ask why the Government of Victoria did not provide more money from its own revenue for roads to augment the allocations from the petrol tax. As honorable senators know, a system of uniform taxation has been in force since World War II., and the powers of the State governments to levy taxes are limited. They lost a big field of revenue when they ceased to levy income tax and company tax. Other fields of taxation are not extensive, and they have been fully exploited.

A comprehensive survey has shown that £24,000,000 would be required to place Victorian roads in proper order. As I have mentioned, only £22,000,000 has been provided to pay for a project that is estimated to cost £34,000,000. Unless additional revenue accrues to the States, it is obvious that the roads will deteriorate further, and that the construction of new roads will be out of the question. In view of the importance of this matter, the Commonwealth Government must recognize the part that it has to play. We are told that the increase of 3d. a gallon in the petrol tax, of which the States are to receive 1d. for roads, is temporary and that, when the inflationary period has passed, the increase of petrol tax—like the higher sales tax and excise charges on beer and cigarettes—will disappear. What will happen in normal times if we are to have roads suitable for the development of Australia?

In the House of Representatives, and in this chamber during the course of the debate, reference has been made to the importance of roads in the defence of Australia. Recently, I travelled over the road from Alice Springs to Darwin. That road would not have been built but for Commonwealth activity. It does not serve a very valuable purpose for the residents of the area because of the extent of the Northern Territory, and because most of the land is devoted to the raising of cattle, which travel overland to grazing areas and to markets. Nevertheless, that road is there for use, if required, for defence. We could do with more of such roads throughout Australia for defence purposes. Might it not be possible, there-

fore, to allocate a certain amount of money from the defence vote for strategic roads?

Each year in recent years we have appropriated many millions of pounds for defence. It is questionable whether all the money voted for defence this year will be expended, and the Government should consider a comprehensive road-building programme in the remote areas, including Western Australia. Reference has been made to the fact that Western Australia has been unable to spend all the money that has been allotted to it under the formula for road grants. Western Australia is sparsely populated, but it is an important State, and it must be developed. During World War II., there was a danger of an attack upon the Australian mainland along the Western Australian coastline. Air force units were established at Exmouth Gulf and other remote places in Western Australia as a protective measure. Construction of roads is a legitimate field for Commonwealth Government activity as a defence project. The expenditure of money from the defence vote could relieve the Commonwealth Government of petrol tax allocation, and the Commonwealth might accept full responsibility for Western Australia and other remote places.

I know that there has been dissension in Victoria about the allocation of money derived from the petrol tax. Some honorable senators have suggested that Victoria is rather parochial. From my knowledge of Victorians, I do not believe they are any more parochial than are the residents of other States. They are prepared to pull their weight for the development of Australia, but Victoria is closely populated and has a greater road mileage than have most of the other States. There would not be a big margin between Victoria and New South Wales in that connexion. For those reasons, Victoria should have additional revenue so that its roads can be kept in order.

I have referred to the difficulties of the Victorian State Government and local government authorities in dealing with the problem. Reference has been made also to the charges for motor licences. This Government should grapple with that problem. Every time a move is made

to make those who use the roads contribute more towards their maintenance, advantage is taken of the Constitution which provides for free trade between the States. The State governments are prevented from receiving compensation for the work that they do on the roads. I hope that, as a result of discussions that are to take place upon a review of the Constitution, it might be possible to overcome that difficulty, particularly in connexion with trade and commerce between the States. I do not for a moment suggest that we should erect trade barriers as existed in the old days prior to federation when toll gates were established on State borders. However, it may be possible to introduce uniform legislation in respect of road transport. For instance, the Commonwealth might enact a law that would be beyond challenge. As I have said, Victoria suffers severe disadvantages and I am pleased that a suggestion has been made that at least the formula under which petrol tax revenue is distributed to the various States should be reviewed. It is a long while since the formula was laid down. It was based upon the American system and I know, from reading, that difficulties have been experienced in the United States because of the construction of speedways for motor cars and fast-moving vehicles, and roads suitable for the conveyance of goods by heavy transport. A good deal of discussion has taken place in that country and it has been suggested that the arrangement which exists between the American Federal Government and the various State governments should be overhauled. We should overhaul our arrangement here in Australia and give to the States which require money at the moment some relief and so provide for the better development of our roads.

As I have said, this Government is the National Government and national projects should come within its ambit. I am hoping that as a result of discussions which will soon take place some satisfactory system will be evolved. At the moment I feel that the Government could quite easily hand over the total revenue that is to be collected under this scheme. It is suggested that if that were done it would affect the Government's economic policy. I think that policy could be

carried out in another way because at present the Government is merely tinkering at the problem. It should deal with the problem of inflation in a proper manner. It should devise ways and means to defeat inflation by imposing taxation upon those best able to bear it. That would solve the problem. At a later stage when an amendment is moved for the purpose of enabling the whole of the revenue to be collected through the additional petrol tax to be handed to the States, I shall have much pleasure in supporting it.

Senator HANNAFORD (South Australia) [8.14].—I suppose that as senators representing the various States we are prone to advocate our own State's point of view in dealing with legislation of this type. I shall not be guilty in that respect. Speaking as a representative of South Australia, I say at the outset that we are quite satisfied that this legislation is sound and that the allocation we receive under it is satisfactory. I shall not look into the dim and distant future because that might alter the situation, and I might change my views on the subject. I say to honorable senators from one State in particular that the right attitude to adopt at this juncture is to take the broad national outlook and support the bill without any compromise whatsoever. The Premier of South Australia is a hard-headed gentleman of very great political principles who is able to sum up situations such as these very accurately. He is not one to be satisfied with the second best; but he is satisfied that South Australia will be well served with this particular legislation. In a statement to the press and also in a statement to the South Australian Parliament, he expressed satisfaction with the distribution, although he made the qualification that South Australia obtains slightly less than the amount it would be entitled to receive on a population and usage basis. I do not know exactly what he means by a usage basis, but I should think that the amount of petrol consumed in South Australia is proportionately higher than in other States. I know we have more motor cars in proportion to population; and probably we would use a little more petrol per motorist than is the case in

other States. The Premier of South Australia has stated that the distribution is equitable, and I am quite prepared to rest my case on his opinion.

Senator McCALLUM.—At the moment.

Senator HANNAFORD.—At the moment. I hope that when South Australia progresses to the stage reached by Victoria, I shall still be able to adopt the broad national outlook on this subject.

To my way of thinking, this bill is a good one. Without going into all the figures that have been quoted, I think its introduction is fully justified. I realize that the problems involved are of great magnitude and deserve the closest attention by all our citizens, particularly parliamentarians, whether State or Federal. As the Minister for Shipping and Transport (Senator Paltridge) pointed out in his second-reading speech, this measure will provide for a substantial addition to State roads grants. As one who was engaged formerly in local government, I know something of the value that this grant will be to local government authorities operating throughout the Commonwealth. For a number of years, I was associated with a district council, as we call them in South Australia. In Western Australia, I think they are called roads boards, and in other places, shires. In addition to them, municipal bodies operate throughout the country.

In reply to Senator O'Flaherty, I point out that the finances of local government bodies are very closely linked with the amount of money which the State governments receive from the Commonwealth. The honorable senator gave me the impression that he was a little out of date in his knowledge of the finances of local government authorities. He indicated that in one particular State, and he implied he was referring to South Australia, which has a conservative government, one had to be in the swim in order to secure the necessary finance from the Government which controls the distribution of this money. I suggest that Senator O'Flaherty spoke in great ignorance about that matter. Most honorable senators will acknowledge that local government bodies derive their revenue from the States in which they are situated, and the

proceeds of the petrol tax, as allocated to the States, are distributed by the State governments to the local government organizations. In South Australia, local government finance is distributed by the Highways and Local Government Department from the funds available. We work on a specific system under which we distribute main road grants and federal aid grants which come to the State under this and similar legislation. The main road grants are distributed fairly evenly throughout the States, as also are the federal aid grants. The money in respect of main road grants is allocated to the district councils on the basis of their requirements, their size, the state of the roads in their areas and their ability to spend the money advantageously.

Considerable sums of this money are set aside for the purchase of better road-making machinery. In my own district council one of our main ambitions was to maintain an efficient and effective road-making plant. We were able to get an adequate grant from the State only if we were able to satisfy the Highways and Local Government Department that we had a plan with which we could make roads efficiently. If a local government area had a good plant and had many roads, both main and district, to attend to, close consideration was given to the needs of that body by the central authority in Adelaide. If it had plant and labour available and was able to satisfy the State department that it could carry out the work well, it was given a substantial grant of money. I suggest that any local authority in South Australia has only itself to blame if it does not get an adequate amount of money to spend on its roads. It must have some shortcomings. Probably it is not up to date in its methods. Who would suggest that a large amount of money should be given to a local authority if it did not have adequate plant and man-power available to carry out necessary work?

Senator PALTRIDGE.—The State government entirely determined who should receive the money?

Senator HANNAFORD.—That is so, and I suggest that that is a reasonable and satisfactory way to distribute this money.

Senator ASHLEY.—That happens in every State. It is not only in South Australia that such a method applies.

Senator HANNAFORD.—In all probability that happens in all the States, and it is the only way to distribute the money. I hope that the same method is followed in Senator Ashley's State of New South Wales, because I believe it is a satisfactory way to spend money on road-making.

I have been greatly interested in this matter because, while roads are extremely important, we must not lose sight of the fact that road transport is not the only form of transport. This money which is to be raised under the supplementary budget is being raised because the Government needs more revenue. We are diverting a certain amount of that revenue to roads in accordance with the agreement between the States and the Commonwealth. Roads are playing a large part in our development, but no one will suggest that many of our roads are satisfactory. In some country areas some roads are far from perfect, and a vast sum of money would need to be expended to bring them into first-class condition. However, we cannot do everything in a day. I agree with other honorable senators who have said that there has been a substantial improvement in the roads throughout Australia in the last few years.

The sum that is spent on roads each year is only a small part of the total amount allocated for public works throughout the Commonwealth. It has been stated that we spend about £400,000,000 each year on public works, and that the total amount involved for roads, about £30,000,000, is only a small proportion of the total amount devoted to works. I am concerned about the cost of maintaining three separate systems of transport in Australia, and I rather deplore the fact that road transport has gained to the degree that it has in competition with rail and sea transport. Recently some figures on this subject were supplied to me. Although I cannot vouch for their accuracy I believe they are substantially correct. The figures indicated that our national income is about £4,000,000,000 a year, and no less

than £1,500,000,000 of that sum is spent on transport. That shows what a vital part transport plays in our production costs. Indeed, it is staggering to note that the cost of transport is nearly one-third of the total costs in our economy. I have other figures which deal with the expenditure on various systems of transport throughout Australia each year. According to those figures, about £50,000,000 is absorbed by shipping, in the transport of goods and passengers by sea. That does not appear to be very large when compared with the amount involved in motor transport, which is about £1,350,000,000 each year. Railways absorb about £100,000,000 a year. I will not include aerial transport because that is still more or less in its infancy.

Senator ASHLEY.—But it is very effective.

Senator HANNAFORD.—I agree that it is an effective means of transport, which is growing rapidly and will play its part in the further development of this continent. But the comparative costs impressed me most in this consideration of the various modes of transport for moving freight. Shipping costs from $\frac{1}{2}d.$ to 1d. per ton mile, railways 5d. per ton mile and road transport from 3s. to 5s. per ton mile. I was staggered when I first saw those figures.

Senator WRIGHT.—Does the cost of road transport include the cost of roads?

Senator HANNAFORD.—No, the figure cited is the actual charge for shifting freight from one centre to another. The comparison may not be absolutely accurate, because in estimating railway charges, capital costs have to be taken into account. There may be some discrepancy in those figures, but there certainly is a wide difference in the respective costs of those three modes of transport. In spite of the fact that road transport is so much dearer, however, it is being more widely and frequently used. Honorable senators are aware of some of the influences which have produced such a situation. As far as shipping is concerned, circumstances on the waterfront have not helped. The uncertainty in the movement of ships has been responsible for losing business to road

transport, and one of the chief causes of this has been industrial trouble on the wharves. To some extent similar trouble in the railways has had a like effect. Both shipping and railways have had fierce competition from road transport, and even when it was controlled, the road hauliers were able to skim the cream off the trade by taking the goods most easily transported and leaving the railways and the ships to carry the heavy freight. That has placed them at a great disadvantage, and they have lost heavily to road transport in spite of the fact that the cost of moving materials by road is so much greater.

Senator GORTON.—It is not, really.

Senator HANNAFORD.—Senator Gorton says he does not agree with me.

Senator ANDERSON.—I think, naturally, it is dearer.

Senator HANNAFORD.—I know from personal experience that many advantages accrue from road transport. For example, the goods can be loaded at the point of despatch and brought right to one's door. It is obvious that handling is reduced to a minimum—much less than would be involved if the goods were carried by rail. People seem to be prepared to pay the higher price for road transport because of its advantages. Materials for use in our workshops and for the construction of houses were transported from Newcastle to Western Australia by road. There was no certainty when they would arrive if they were brought by ship and the only practical alternative was road transport, although the cost involved was higher.

It is not hard to understand the effect of road transport upon main roads and highways which were never built to carry heavy vehicles, to say nothing of the enormous loads on them. The effect of semi-trailers on many roads has been devastating. Some of these vehicles and their loads have a total weight of from 25 to 30 tons. The roads, in addition to being unable to carry such weights, are far too narrow. In order to allow another vehicle to pass, the driver of a semi-trailer must pull well to the side of the road, with the result that the shoulder of the road is depressed and cracked

and its deterioration accelerated. The camber of the older roads is too great also, and makes them unsuitable for heavy transports.

Our roads are being "flogged" and there are associated with the problem certain constitutional difficulties. I know that the Minister gives a great deal of attention to this matter, and he would be doing the country a great service if he could evolve a plan to ensure that the owners of heavy road transports would make a fair contribution to the cost of road maintenance. Because of section 92 of the Constitution, it is virtually impossible to make them pay their share, but ordinary common sense and justice demand that they should make a proper contribution. If a suitable plan could be evolved, the roads could be kept in a better condition than they are now. Honorable senators are all aware of the situation with regard to road hauliers. I was interested to read an article in a Sydney newspaper dealing with interstate road hauliers in New South Wales. It suggests that the Government is becoming increasingly alarmed at the growing number of giant road transports travelling along the road between Melbourne and Sydney, in particular, and the great number of accidents resulting from the fact that these semi-trailers are operating on our main highways. I understand that on one trip Mr. Enticknap, the Minister for Transport in New South Wales, counted 240 heavy transports on the road between Sydney and Gundagai. That is a terrific number of heavy vehicles, especially when we realize that it is essential that our railway system be maintained. I am one of those who believe that we cannot scrap our railway system, because it is playing, and will continue to play, a vital part in the development of this country. A state of affairs under which we have such a tremendous number of heavy road transport vehicles operating more or less uncontrolled and not contributing their fair share towards the maintenance of the highways they use is untenable and will have to be faced in the comparatively near future.

I believe that this extra 1d. a gallon that is being set aside for road-building will be of the utmost value to not only the

States concerned but also the Commonwealth as a whole. Senator Scott has referred to Western Australia. We all appreciate the fact that Western Australia will probably derive greater benefit from this measure than any other State, and I do not suggest that it is not entitled to the money. A State like Western Australia, with vast distances and comparatively limited population, needs all possible assistance to develop its roads system. What I say of Western Australia is almost equally applicable to Queensland, a State that has a vast potential. There is no doubt that it has wonderful resources, and it must have an adequate roads system. Victoria, of course, is much more favoured in many respects than the other States, and I think it can well afford to make some contribution to the development of the Commonwealth as a whole. I have already spoken for my own State. I think New South Wales is satisfied that the present system is operating fairly. As for Tasmania, Senator Henty pointed out this afternoon that the less we say about its position the better, because the legislation under discussion is particularly favorable to it.

I prepared copious notes on this subject, but I do not think there is any need for me to refer to all of them. We have heard a very interesting discussion, and I should like to compliment Senator Kennelly on his contribution. He indicated that the Opposition intended to vote against the bill because the whole of this money is not to be devoted to roads. He is entitled to his viewpoint, but I think he is influenced in his decision mainly by the fact that during the last election campaign the Labour party advocated that that should be done. I believe that he is really favorably disposed towards the bill, and I am convinced that were it not for the rather rash promise the Labour party made before the last election he would give the measure his full support. I believe that this legislation will lead to the development of our present inadequate roads system. In so doing, it will help to foster our primary industries. The bill provides that 40 per cent. of the moneys allocated shall be expended in rural areas. That is an important feature. It is all very nice to have good

roads in city areas, but it is the men in the outback who are most in need of good roads. I have had the privilege of travelling through the outback areas of my own State and I know the disabilities suffered by the people in such areas. We have not so much country of that type as Western Australia, or even Queensland, has; but we are endeavouring to develop remote areas that have great potentialities. I refer in particular to the Eyre Peninsula, where we have a growing agricultural population. That area is becoming the granary of our State. In time, it will earn a substantial part of our income; but roads are the burning question there just now. One only needs adverse weather conditions to realize how bad some country roads are, and I suggest that this money which is to be made available on an equitable basis through the State governments will mean much to the people of the outback who are pioneering undeveloped areas for the ultimate benefit of Australia as a whole. The bill is sound in principle and merits the support of all thinking people.

Senator BENN (Queensland) [8.48].—Despite all the compliments paid by honorable senators on the Government side to the Menzies Government for the sums of money it has made available to the State governments and to local authorities during the last six years for road construction, it may be said that greater dissatisfaction than ever before is felt by road users in Australia to-day about the amount being made available to the various road construction authorities. This is due, of course, to the condition of the roads. The dissatisfaction stems from that and nothing else. Let me now make a brief review of the history of the construction of roads in Australia. I do not think there was anything like a main roads board, a country roads board or any other such organization operating in Australia until about 40 years ago. Prior to that, local authorities collected rates. Now and again, they obtain loans from the Government and construct formed gravel roads. I think it is true to say that the roads that were constructed in those areas years ago were quite suitable for the vehicles which then used them. They

were mostly horse-drawn vehicles and jinkers drawn by bullock teams, and occasionally a motor vehicle. During the last 40 years, the various main roads boards and similar authorities have revolutionized the methods of road construction in Australia. The main roads in certain areas are wonderful Commonwealth assets. This is due, in the main, to the improved methods of organization that have been adopted by the various government instrumentalities.

However, we all acknowledge the fact that there are many bad roads in this country. There are thousands of roads in Queensland on which it is not practicable to put even a load of gravel because of the prohibitive cost. In the wool-growing regions in the western part of that State, there are formed roads here and there, which were laid down or improved during the war years, but they are very few in number. In certain roads in country areas that were constructed in the pioneering days of Queensland, floodwaters have scoured the surface and caused bog holes to develop. Those bad stretches have not been repaired, and vehicular traffic now merely goes around them either to the right or to the left. I quite agree with the assertion that has been made by other speakers that good roads should be constructed in farming areas, wherever it is possible to do so, but it goes without saying, that large sums of money are needed to construct good main roads.

Senator Anderson has mentioned the increase that has occurred in air traffic. There, again, we are confronted with the necessity to construct runways. It costs £100,000 to lay down an ordinary sealed gravel runway, and approximately £1,000,000 to lay down a properly formed runway consisting of two grades of metal with screenings on top, properly rolled and sealed with either bitumen or macadam. This will give honorable senators an idea of the cost of this class of work. Here and there, gravel roads sealed with bitumen have been constructed. They cost much less to lay down than the solidly constructed main thoroughfares in certain States, particularly Victoria.

No matter how this subject is approached, we are faced with the necessity to provide large sums of money for road construction. At the moment, we are considering a measure under which an additional £4,000,000 will be payable to the States for road purposes, but that is a trifling amount compared to what the States need. I do not think that it will help any of the States very much with their road construction programmes. If all of that money were devoted to completing one job, we should get somewhere, but when split up it will not greatly assist the various road constructing authorities to carry out their programmes. To-day, the Commonwealth holds the purse-strings in Australia, due to the operation of uniform taxation. It makes grants to the States for roads and, in turn, the State governments allocate the money to the shire councils and other constructing authorities. As this system has operated for some years, the people have become accustomed to it. I think that they expect from the Commonwealth something more than the amount that this bill provides shall be paid to the States.

Of course, I am aware of the divergent opinions on how the additional revenue of £12,000,000 from the petrol tax this year should be applied. Some persons contend that the Commonwealth is entitled to retain the whole of the additional petrol tax of 3d. a gallon for its own purposes; that is, that the whole of the additional revenue of £12,000,000 should be paid into the Consolidated Revenue Fund, and that the Commonwealth should then exercise its own judgment on how the money was used. On the other hand, the Opposition believes that the whole of that amount of £12,000,000 should be paid to the States, which would decide how it was to be apportioned for roads purposes. Over the years, the petrol tax has provided money for road construction, a fact that has influenced our thinking on this subject. I do not quibble about what has been done over the years. I only want to say that I do not know why petrol tax should be associated with road construction, any more than the revenue derived from the excise on beer should be associated with the improvement of

bar drinking facilities. I believe that the proceeds of taxation should be applied according to the judgment of the government of the day.

Certain honorable senators have contended that some States should receive a greater proportion of the £12,000,000 than it is proposed to pay to them. I think there is some merit in that contention, because all of the roads in this country are not good roads. Senator Hannaford has mentioned the fact that the heavy vehicular traffic that now flows over our main highways is pulverizing them. I understand that the owners of certain heavy semi-trailers do not even pay registration fees and that, since the recent decision of the Privy Council, they have not been required to pay road tax. I think that this matter should be examined by the recently appointed committee of this Parliament, which will consider possible amendments to the Constitution.

Senator PALTRIDGE. — Interstate hauliers pay registration fees.

Senator BENN. — I should be glad if the Minister for Shipping and Transport (Senator Paltridge) would give me up-to-date information on this point when he is replying to the debate. He might be able to clear away some doubts that exist in the minds of certain honorable senators. In addition to pounding the roads to pieces, these heavy vehicles are responsible for many accidents on the highways. If we had £120,000,000 to make available to the States to-morrow for the purpose of permitting them to repair roads, we should make it available to them. I travel on the roads of the various States, and from what I have seen of them I believe that what is required at the moment is for the States to adopt a general road repair policy for the next six months or nine months. If they do not concentrate very soon upon repairing the existing roads, it will be found, within a year or so, that the bitumen and macadam roads will be so broken up that it will take many millions of pounds — much more than this country can afford to pay — to restore them to a traffickable condition.

There are various ways in which roads may be constructed. For instance, there is the method of sealing gravel roads,

which I think is sheer waste of money at any time. Then there is the method of constructing good solid roads with various grades of metal forming a foundation, having the metal properly bound with screenings and other material, having it watered and rolled, and then having a coating of 3 inches, 4 inches or 5 inches of either bitumen or macadam applied to the top. Roads constructed in that way will stand wear. A while ago, an honorable senator indicated that, notwithstanding the money that has been expended and the conscientious work which has been carried out in constructing such roads, the traffic of to-day is breaking away the shoulders of the roads, and that that, combined with the recent heavy rains, is causing them to begin to disintegrate.

It is really amazing that in a country such as Australia we should have so small a mileage of concrete roads. The probability is that we have not more than 200 miles of concrete roadway in the whole of Australia. We should ask ourselves why this is so. When we consider the Barrier Reef, we must appreciate that there are huge deposits of coral on the east coast of Australia. Why, then have we not more concrete roads? There is the coral; it is only a matter of loading it into launches and bringing it to the mainland. Surely cement works could be established on the coast of Queensland — perhaps even a dozen of them could be established — to the advantage of Australia, because they could manufacture all the cement that would be required, at very low cost.

Senator ANDERSON. — That is not always an economic proposition.

Senator BENN. — I ask the honorable senator to bear with me for a moment or two. Senator Scott raised the subject of the construction of strategic roads this afternoon. As a matter of fact, he took us for a ride around Australia, up the west coast, down the east coast, and so on. The most economical road that can be constructed is the road that is constructed of concrete, because of its durability. Such a road will last as long as Australia lasts, and it requires very little maintenance.

When it comes to the allocation of funds that are available for road purposes it is difficult to find an equitable basis of allocation. I say that because of my knowledge of Queensland affairs. In some areas on the coast of Queensland the rainfall exceeds 100 inches a year. That is the common thing in those parts of Australia, whereas in most parts of Australia the rainfall averages approximately 20 inches a year. On the Queensland coast there is excessive heat, whereas other parts of Australia have moderate climates. I say, Mr. Deputy President, that if you were to construct the very best type of road in the north of Queensland, in the coastal belt, even though it did not have any traffic on it at all, within a year or two it would commence to disintegrate because of climatic conditions. You have there heavy rainfall and extreme heat, so that moisture penetrates the foundations of the road. Finally, something has to go. Even granite will start to crack after a number of years. As I say, a manufactured road in that area need not have traffic on it at all before it commences to disintegrate. How, then, can the Queensland Government and the shire councils be expected to bear the cost of constructing roads there, let alone maintain them in good condition? It is beyond their capacity to do so.

I thought that an honorable senator hit the nail on the head when he said that the construction of good roads and the general provision for them in Australia was a national responsibility. I do not know whether he would be prepared, at the same time, to transfer to the Commonwealth the responsibility to construct roads which is now that of the States. At the present time, it appears to be the responsibility of the Commonwealth only to make funds available to the States, because it is recognized that the proper road-constructing authorities in the Commonwealth are the State governments. Every one knows that, over the years, the State governments have got together very efficient technicians, engineers and clerical staff. They have the machinery and the road-making equipment. They know the location of the metals that are required, and how they may be transported and used to the best advantage.

They have a wealth of experience and information. But it is probable that, later on, the constructing authority will be the Commonwealth; either that, or there will be such a close connexion between the Commonwealth and the road-constructing authorities that, in effect, it will be the responsibility of the Commonwealth to construct roads, and, at the same time, to provide the funds for their construction. I do not say that that will come to pass immediately; it may be a matter to be placed on the plate of the constitutional committee which will be dealing with Australia's future problems within the next year or so.

The Minister for Shipping and Transport, in the course of his second-reading speech, directed attention to some of the problems of the Government, and he referred to the additional taxation which is being imposed for the purpose of providing funds for the requirements of the States. He referred particularly to the housing programme. I want to see the Government being consistent, just as I like to see individuals being consistent and following the same course all the time. We know that the Commonwealth must impose various forms of taxation in order to meet the requirements and the demands of the States in respect of housing and other matters; but what did the Commonwealth do in regard to the private banks? It allowed them to compete with the Commonwealth Bank for savings bank business and thereby whittled away one of the sources from which the people obtained funds, at a low rate of interest, for the purpose of constructing houses. I mentioned that because the Minister raised the matter.

Senator WRIGHT.—Why did that whittle it away?

Senator BENN.—The honorable senator has asked why the fact that the Commonwealth permitted the private banks to operate in the savings bank field whittled away the loan funds made available to the people of Australia for the purpose of constructing homes. If he examines the balance-sheet of the Commonwealth Bank he will find that it made a profit last year of approximately

£2,000,000, and that a percentage of that sum went to liquidate the national debt. Another percentage went, by way of a loan to the States at a low rate of interest for the purpose of constructing houses. If the Commonwealth Bank was making money available to home-seekers at a low rate of interest, and, as a result of meeting that competition, much of its business was lost to the private banks, not so much money will be made available to home-builders. That is what I mean. The Minister said in his second-reading speech—

By 1949, the last year of the Chifley Labour Government, the proportion had risen to only 47 per cent.

He was speaking about the money that was made available for the construction of roads in the States, and he added—

In the current financial year, no less than 73 per cent. of the total customs and excise duties on petrol has been set aside specifically for roads.

The Minister cited the year 1949. There was no great demand in that year from the States for money for road construction. It was not possible in 1949 to recruit men to go out into the camps and construct roads. The States indicated clearly to the Chifley Government that they did not want money then to construct roads, because they could not recruit labour for the work.

The situation is vastly different now. Much of the road construction work today is done by local authorities. It is common knowledge that there are many unemployed men in the shires, and small hamlets and towns who are quite willing to work on the roads provided they do not have to leave their homes and live in tents. I would not care to camp out with a road gang in the Federal Capital Territory in this weather. The Opposition has indicated clearly what it proposes to do, and I shall have pleasure in supporting the amendment that will be moved later to the effect that the whole of the £12,000,000 to be collected from the additional petrol tax be made available to the States for roads.

Senator ROBERTSON (Western Australia) [9.13].—Before saying a few words about the bill, which is of tremendous importance to all States, I wish

to pay tribute to the local government authorities that have done so much, with the funds at their disposal, to provide roads throughout the Commonwealth of Australia. Local government is one of the features of Australian democracy. We have much reason to thank the local government authorities, and we should be proud that there are in Australia people who are prepared to devote their time, without payment, to the development of the nation. Road-building is one of the vital aspects of local government activity, whether it is undertaken as a local effort or in partnership with a State government that is being assisted by the Commonwealth.

In the recent economic proposals of the Government, certain things were marked out for higher taxes. The Treasurer (Sir Arthur Fadden) said openly that the extra money to be raised by increasing the petrol tax would not be used exclusively for road construction. Some of it, he said, would be expended on other public works. The petrol tax is to be increased by 3d. a gallon, and 1d. of that amount is to be devoted to roads. The other 2d. will be devoted to other public works. Nothing is more important than roads to the development of Australia. More money is needed for roads, but I cannot agree with the Opposition that the whole of the extra revenue from the petrol tax should be spent on road work. The Treasurer stated clearly that more revenue must be raised. He said that Commonwealth loans had not yielded all the money needed for public works, and that the deficiency would have to be met out of revenue. If an amendment is moved along the lines foreshadowed by the Opposition, I will vote against it.

I have always thought that some close investigation should be made into the formulation of an advanced policy for the roads of Australia. With other honorable senators, I have advocated that step on many occasions. We should have a scheme to embrace the entire transport system of Australia. There should be correlation between road, railway, air and shipping services. I was interested to read in the publication *Muster* an article written by Stewart Howard in which he formulated

the sort of scheme that has been in my mind for some time. Senator Kennelly touched upon this matter in the fine address he gave to-day, and other honorable senators have referred to it also. Stewart Howard suggested that we should—

Provide a Federal Roads Authority charged with the planning of a highway system capable of meeting the immediate and foreseeable commercial strategic needs of the nation.

Give the Federal Roads Authority the power to let contracts, either to government departments or private tenderers, for the carrying out of projects it might decide on.

Make annual provision, from loan moneys or Consolidated Revenue, of sums sufficient to carry out a comprehensive, Australia-wide roads programme to be drawn up by the Federal Roads Authority.

Assign to the Federal Roads Authority the responsibility of recommending to the Commonwealth Government the sums that should be allocated each year to the States for the construction, improvement and maintenance of secondary highways and purely intrastate roads.

Of course, there would be difficulties in the way—what worthwhile job doesn't bristle with them?

Those suggestions have much merit. They differ from my own ideas in that they have been applied only to roads. I should like to see an authority which would correlate all forms of transport. I believe that at a recent meeting of State Ministers for Transport, with the Commonwealth Minister for Shipping and Transport (Senator Paltridge) in the chair, a suggestion was made that higher taxes should be placed on petrol and diesel fuel, and that the amount so raised should be divided among the States for road construction in accordance with the decision of the State Ministers concerned. Such a proposal, if adopted, would alter the present system of allocation, and I lean to the other suggestion that a federal roads authority should be appointed to deal with the matter. That authority would need the approval of the States, because no federal authority could simply take away from the States the right they have now to be their own road authorities.

I believe that other suggestions have been made for the allocation of the money that will be raised from the higher petrol tax. I think that the Government's proposal to devote 1d. a gallon

to roads and the balance to public works is very fair. Not everybody uses the roads, but every person who pays taxes has some use for the public works upon which part of the money is to be expended. There seems to be little purpose in repeating the figures that have already been cited, but I believe they indicate that both Victoria and New South Wales have been generous in the amount of money that they have contributed for expenditure on roads in Western Australia. I would point out to them, however, that the suggestions made in the Senate and in another place that Western Australia should not get its present quota of the money for roads are very unacceptable to all Western Australian members. Mostly those suggestions came from Victorian members who feel that Victoria has over-contributed to the fund. I point out that Western Australia is roughly ten times the size of Victoria and, therefore, has a tremendous road-making problem. Bearing the responsibility of one-third of the area of Australia, surely Western Australia is entitled to some sort of preferential treatment in this matter.

We must not forget that roads are necessary in Western Australia, not only for civilian and commercial use, but also for defence purposes. I agree with Senator Kennelly that roads are a national matter. He referred to American pictures we saw a few weeks ago which showed the making of roads in that country. I remember a Mr. Clement Johnson, who was here recently, I think on behalf of the American chambers of commerce, contrasting roads in Australia with those in America. While he paid us the compliment of having some long country roads he said that we seemed to have the faculty of looking upon our roads as a continual expense to our economy whereas in America they adopted a different outlook. They wanted their roads to be so good that they would earn money instead of being a continual liability. They were better and safer, and they made transport quicker, thus saving time.

Senator Scott stressed the strategic importance of roads in Australia, and referred also to the fact that some money allocated for road purposes had not been spent on roads. Although that money

had already been allocated, the only reason that it had not been used up to date was because of lack of materials, machinery and man-power. Now that the situation is easing in that regard, I think we will find it will not be long before the present Western Australian Government spends the whole of that money and will be holding out its hands for more. I support the bill which provides for an additional 1d. a gallon petrol tax to be used for roads and 2d. a gallon to be paid to Consolidated Revenue for public works. I trust that one of the first public works to which the Government will give consideration will be the undertaking of a project in the Kimberley district of Western Australia similar to the Snowy Mountains scheme. Such a scheme will cost a colossal sum of money but ultimately it will be of tremendous advantage to the north of Western Australia. I support the bill.

Senator TANGNEY (Western Australia) [9.24].—In rising to speak to this bill I should like for a moment to say that there are aspects of it upon which we are all agreed. I think that honorable senators from all parties are agreed that transport is vital to the Australian economy. All of us are equally seized of the desire to see the problems associated with all forms of transport within Australia solved in a way that will assist the economy of the country. It seems to members of the Opposition to be rather peculiar to find that under this bill, whose title is the Commonwealth Aid Roads Bill, only one-third of the revenue that is to be collected from a certain tax is to be devoted to road purposes.

A great deal has been said in this debate with which I agree. One of those things is that it is necessary for defence purposes to provide a system of well ordered roads. Coming as I do from Western Australia, I am quite certain that to-day the claims of that State have been very well put before the Senate by Western Australian senators. In Western Australia one of our major problems is to provide adequate roads over long distances. We found during World War II. that one of the greatest handicaps to the successful movement of troops and supplies from one end of that vast State

to the other was the inadequacy of our roads. Therefore, it seems to me that when this bill is dealing with an allocation of only £4,000,000 for roads whilst £8,000,000 is to be paid to Consolidated Revenue, the latter sum also could very well be spent on the building of roads for the purposes of defence. That £8,000,000 could easily be taken from the defence vote for the time being because the defence heads are finding it rather difficult to spend, between now and the end of the current financial year, the money that has been allocated to them. The Opposition feels that the total sum of £12,000,000 could very well be spent on roads, because this extra petrol tax of 3d. a gallon really amounts to an extra imposition upon the motorist. Senator Robertson said that motorists were not the only people in the community who used the roads. That is quite true. They are not the only people who use the roads, but they are the ones who will pay the extra tax and I believe it would have been much wiser if the Government, when introducing this extra petrol tax, had stated its real purpose, namely, that one-third of the tax was to go to roads and the other two-thirds was to help the Treasurer (Sir Arthur Fadden) out of his present financial difficulties of which we are all aware and to which we all hope to bring the best solution that is possible. We do not suggest that this extra £8,000,000 will do very much to mitigate our present economic difficulties.

It is rather interesting to note the mileage of the various roads systems throughout Australia. At the present time, there are 525,742 miles of roads in this country. Of those roads only 40,651 miles are concreted or sealed; 115,719 miles are unsealed and 369,372 miles comprise roads which are in their virgin state, just cleared a little and hoping for the best later on. Of the latter type a great proportion, of necessity, must be in my own State of Western Australia. The full task of bringing into worthwhile condition almost 500,000 miles of road is a gigantic task. I agree sincerely with the remarks of Senator Robertson that it is necessary to have some overall plan so that the various forms of transport such as road, rail and

air, can be properly co-ordinated. Then, each form of transport would be developed in proper proportions and the vast national project of roads would not be left to the mercy of various authorities whether they be local or State. There should be some complete Commonwealth plan for road development throughout Australia.

One tragedy that I am sure must come home to every honorable senator in this chamber is the terrific toll of life on the roads because of the condition of so many of our roads and also of so many of the vehicles which use them.

Senator SEWARD.—And because of the condition of many drivers, too.

Senator TANGNEY.—Some of the drivers are equally to blame. No matter what the cause the result is the same. Every year thousands of Australian lives which should not be lost are being lost on the roads. Since World War II. more lives have been lost on the roads in this country than were lost as the result of enemy action. That is a terrific state of affairs. Yet, at least half of the accidents could have been avoided, apart from the human element, if we had possessed decent roads. We must realize that we live in an age when motor transport is fast developing. We have only to travel along any of our main highways to see the terrific toll that is taken of those roads by heavy transport vehicles. Of course, I realize that there are many classes of goods which can best be carried by road, but there are also many others which could be better taken by rail or by sea.

If the figures given to the Senate tonight by Senator Hannaford are correct, I believe that they open a vast field for investigation by some sort of transport commission established by this Parliament to deal with the matter. I know that when goods are to be carried short distances it is easier and more economical to transport them by road. Road transport in such cases involves only the loading and unloading of the trucks, whereas transport by rail involves much more handling, with a consequential increased cost of transport. In any transport system we must ensure that the costs of

transport are kept down to a minimum in order to assist to solve the problems of inflation and the increasing cost of living.

It is certain that any tax put on transport will not be borne only by road users. I know that the Government has stated that the cost of transport enters into so many parts of our economy that a portion of the petrol tax proceeds should be used by people other than road users, and I agree that that is so; but why should only those who use motor cars or commercial vehicles have to bear the increased cost of transport which enters into the cost of all goods carried?

The number of motor cars on our roads has increased enormously since the conclusion of World War II. During the war years we had petrol rationing, and I do not think that any honorable senator on the Government side would say that the policy of rationing petrol during the war when it was necessary to conserve our stocks for defence purposes, was not wise. It was also wise to retain petrol rationing in the immediate post-war years in order to reduce our dollar expenditure. However, since that policy has been abandoned, we have seen a terrific increase in the number of motor vehicles on our roads.

At present there are about 2,100,000 vehicles of all descriptions on the Australian roads, and many of our roads which were built a long while ago were never meant to carry such heavy traffic. The number of commercial vehicles on the roads at present is about 660,000, and that great number imposes a terrific strain on the roads.

In Western Australia, as every honorable senator from Western Australia has repeatedly informed honorable senators until at last they are beginning to believe it, we have about one-third of the total area of the Commonwealth. But, we have the second smallest population of any State, and therefore we have to depend on road grants from the Australian Government to develop our roads. The States of smaller area but large population, such as Victoria and New South Wales, have a smaller total mileage of roads than Western Australia, and therefore they have to pay higher taxes which help the construction of roads in the three smaller

States. For that we are duly grateful, but we do not think that it entitles anybody to wear a halo, because it is all part of a national project. It is not a question of building a road here or there, but of discharging a national duty to develop the Commonwealth. Therefore, when the people of the larger States talk of what has been given in tax revenue to the more sparsely populated States, they should remember that they are contributing towards the development of the whole of the country and are not giving the people of Western Australia something that they do not deserve.

I was most interested to hear Senator Scott's remarks about the road linking Perth with the Kimberleys. We have needed a road such as that for a very long time. Western Australia has about a third of the whole of the area of the Commonwealth north of the twenty-sixth parallel of latitude, but few important roads are to be found in that area. That state of affairs is a hazard to the safety of the remainder of the Commonwealth from a defence stand-point. However, from the stand-point of national development alone it is an absolute scandal that in the past more has not been done in the way of road development in that area.

I do not place the blame for that on this Government or on any State government of any political colour, because it is a fault of all governments, which have given lip service to the north but have not realized how valuable those northern areas are to the Commonwealth as a whole. We hope that we shall now have some roads linking Perth with the north, but I have no doubt that Senator Kendall would not put them in the same category as some of the roads linking the capital cities. A great deal more remains to be done to those roads which come into the third class about which I spoke earlier. They are not all-weather roads, and people in the north are completely isolated at times, not only from the south but also from other parts of the north as well.

If the whole of the proceeds of the petrol tax for one year, not merely this proposed £12,000,000, were spent in Western Australia, we should only be

breaking the surface of the road development problem in that State. We have a very efficient Main Roads Board in Western Australia, which has done a very fine job with the funds that have been put at its disposal over the years. Some roads which have been in existence for 30 years were so well made that they have not had one penny spent on them since they were built. Of course it should also be realized that they were built in those days much more cheaply than it would be possible to build them to-day.

A great deal was said to-day about the need for adequate machinery to enable local government authorities to use to the best advantage the money made available to them by the Commonwealth through the States. In that regard I should like to put forward a suggestion which has been made by much more brainy people than I. That is, the establishment of an equipment pool in each State to buy some of the heavy equipment which local government authorities need but are unable to buy on their own account. That equipment could be rented out to the local government bodies so that they could play their part in a concerted attack upon the roads problem.

Senator KENDALL.—Like the Commonwealth Handling Equipment Pool.

Senator TANGNEY.—Whatever it might be called, I suggest that such a pool is necessary. Otherwise the available money will not be spent to the best advantage, because the heavy equipment needed for roads is beyond the means of a number of our small rural communities. I therefore put the suggestion to the Minister for Shipping and Transport (Senator Paltridge) that when he is consulting with State Ministers, he should explore the possibility of establishing such a pool, particularly in the less-populous States where the need for it is so great.

Something has been said about the various amounts of money that were put aside by the last Labour Government from the petrol tax, and a lot of recrimination has occurred about past practices; but we should all realize that we are now talking about the present,

and that conditions change as the years go by. During the war and in the post-war years our roads suffered a terrific battering and much had to be done before we could develop an adequate roads programme.

To-day we see heavy transport vehicles of all kinds on roads that were not built to carry them, and we have a terrific job to maintain existing roads let alone to build new ones. Road construction is of vital national importance. It cannot be done piecemeal by giving one remote community a few hundred pounds to build a road to Timbuctoo. There must be an overall plan, and I would support the establishment of a commission, such as the Snowy Mountains Hydro-electric Authority, to undertake this work. I realize that the Minister for Shipping and Transport (Senator Paltridge) is responsible for the Commonwealth's road programme, but that programme cannot be carried out unless there is more executive machinery within his department, or some kind of agreement under which the Commonwealth yielded to the States some of its power to undertake such a project. We must realize that transport is of immense importance to the national economy, and a vital element in defence. This matter should be approached only on a national plane, and not in any niggardly fashion. Any money that can be obtained from transport sources should be devoted to the further development of transport, which has such an important bearing on living costs.

Senator GORTON (Victoria) [9.42].—I support the bill, as I will support any bill which provides more money for the development of roads throughout Australia. However, as I will attempt to show later, I support the measure with some reservations. Any legislation which will help to improve Australia's road system must be of advantage to the whole of this country. As Senator Kennelly pointed out, 76 per cent. of everything we eat or use or wear is, at some time or other, carried over our road system by some vehicle, and that is something apart from the movement of people going about their daily occupations or business in vehicles on the main high-

ways. Motor transport has so woven itself into our economic life that it could never be eradicated, even by the most earnest supporters of the railways. It should be agreed and admitted by all Australians, as soon as possible, that it would be destructive to bolster the railways artificially by placing artificial restrictions on road transport. If we must have railways—as we must, for many purposes—it will be much better to run them at a loss so that every one can see what is the cost involved, and whether the service they give is worth the loss. That would be better than to run the railways at a concealed loss by forcing on to them freight which would not otherwise be carried by them, and pretending that they are running economically when actually they are being run at a loss. The difficulties of opening up country roads cannot be too strongly emphasized. Therefore, the bill must receive a large measure of support.

The bill falls short in that it does not provide, as I hope that another bill of this kind soon will provide, that the money allocated shall be spent for the greatest benefit of Australia as a whole. I wish honorable senators to note that I regard this problem from a national viewpoint, and I reiterate that this money should be spent for the greatest benefit of Australia as a whole. Why I believe that it will not be so spent is that it is to be distributed among the States according to an old, moth-eaten, inequitable, worn-out formula that was drafted 30 years ago, when motor registrations, of which Senator Kennelly spoke, were much lower, and when circumstances were completely different from those which obtain in Australia to-day.

I emphasize once more that my approach to this matter is by no means parochial, and I feel that Victoria ought to contribute from its road revenue to help other States—even poor little Western Australia and Queensland. But there must be a limit to the help that can properly be given without attacking the efficiency of the roads system of Australia as a whole, and I think that limit has been reached. I shall now inflict on the

Senate some prophetic words, which I spoke on this subject a year or two ago. I said—

I envisage the time when allocations to the States from petrol tax will have increased from the present £24,000,000 to £32,000,000 or £48,000,000.

At that point Senator Kennelly interjected—

That cannot happen. . . .

It has happened, and under this bill £32,000,000 is being allocated to the States. I am as certain as that the sun rises, that in due course an amount of £48,000,000 will be allocated. But as the total amount allocated increases, so the injustice to Victoria and other States increases.

Senator SCOTT.—What about Western Australia?

Senator GORTON.—I pointed out—
As the allocation continues to grow, the £432,000—

which Western Australia and Queensland now get over and above what Victoria gets—

will become £500,000 or £600,000 or £700,000.

In this very bill before the Senate, Queensland is to receive £500,000 more, and Western Australia £600,000 more. As the total grows so, in money terms, will the advantage to those large States grow and grow, until it is out of all proportion.

The reason why I think that the present system is not good for Australia as a whole is that in each of the States of Victoria and New South Wales, approximately 30 per cent., or one-third, of all the motor vehicles running on Australian roads are to be found. Victoria has 13,600 miles of road, which is the third greatest total among all the States. It is clear that if a third of the total motor traffic of Australia is running in a particular restricted area, carrying a third of the 76 per cent. of the goods which Australia uses, that is where the wear and tear on the road system will be the greatest. It does not occur on the great stretches of country roads over which one car might pass every two or three days. It is where there is a concentration of traffic hauling a concentration of goods. If that road system is to be broken up—as it will break up—and

cannot be properly maintained, the result will be great wear and tear on the vehicles using that road system, and inevitably a rise in freights will occur because of greater costs. That condition applies in New South Wales as well as in Victoria. In those two States two-thirds of all the motor traffic in Australia is operating.

Senator KENDALL.—Those two States have two-thirds of the motor registrations of Australia, but that does not mean, necessarily, that two-thirds of Australia's total motor traffic is operating in those two States.

Senator GORTON.—Those two States have two-thirds of the total Australian motor registrations, and, in fact, two-thirds of the total traffic operates there. If the honorable senator wishes to have it stated another way, two-thirds of the total petrol tax is collected from those two States. One-third comes from New South Wales and one-third from Victoria. If there is not sufficient allocated to maintain the roads in those States, that is where it will be a cost on the economy of the country, and that cost will be the greatest in the long run. It has been suggested that defence enters this question and that we should disregard economic factors and build roads along the coastline of Western Australia and Cape York so that if any enemy should land at either of those places it would have good roads along which to approach our interior. If such roads along these coastlines are essential, then it should be the function of the Commonwealth to finance them from Consolidated Revenue collected from the whole of the people of Australia instead of imposing the burden upon a single section, the users of motor vehicles.

Senator Tangney has told us of all the thousands of miles of roads in Western Australia. She must have included every sheep track in her figures because in that State they have only 1,800 miles of declared main roads. When we examine the facts, we must feel that it is unnecessary to give Western Australia all this money for roads because in that State they not only do not spend all the money they get, but what they do spend is not expended on roads. At the moment.

Western Australia has £1,100,000 odd of roads grants unexpended. We are told that this money is allocated, but the fact is that the amount left over has been growing from year to year. The Treasurer (Sir Arthur Fadden) has pointed out how the amount unexpended has grown. It has moved from £373,000 to £487,000 and now stands at £1,163,000. If that State receives another £2,000,000 in 1956, I suppose the amount unexpended will be £3,000,000 or £4,000,000, and Western Australia will just say that although it is unexpended it has been allocated. The important point is that a considerable proportion of the money that State spends is spent on bridges over rivers in metropolitan areas. The Minister for Shipping and Transport (Senator Paltridge) has admitted in this chamber that £2,000,000 was spent on a bridge in the metropolitan area of Perth at the cost of the road systems of Victoria and New South Wales, and still that State has over £1,100,000 of roads grants unexpended.

I repeat that I am not now viewing this problem from anything but the broad national viewpoint; and I want to try to persuade my friends from South Australia on both sides of the House to view it from exactly the same broad national viewpoint as I am looking at it. With that end in view, I shall put before the Senate, particularly before those whom I hope will be my friends from South Australia, some very interesting figures. In 1949-50, South Australia paid £435,000 more than Western Australia paid in petrol tax and received back £725,000 less than that State. As the money allocated grows and grows, so does the injustice, which I mentioned previously in connexion with Victoria, begin to make itself felt in South Australia. That is borne out by the fact that in 1950-51 South Australia paid £651,000 more than Western Australia and received £1,200,000 less. Each year South Australia pays more and gets back less than Western Australia. In 1954-55, South Australia paid £880,000 more than Western Australia and received £1,900,000 less. It is estimated that in 1955-56 South Australia will pay £1,050,000 more than Western Australia and will receive

£2,590,000 less. As these large allocations of money are growing and growing, and as the amount South Australia pays is dwindling in proportion to the amount given to Western Australia, I trust that it will not be very long before my friends from South Australia will take the same broad national view-point as does Victoria and that at the next Premiers' conference, which I hope will take place towards the termination of the present agreement, they will urge with Victoria that it will be to the benefit of Australia as a whole if some consideration is given to this wretched formula under which we now labour to our disadvantage.

Senator KENNELLY.—I have heard others also say this—said that neither Victoria nor South Australia had raised registration fees as much as they should have and that there has been no increase in such fees in those States since 1926. It is true that Victoria has not increased registration fees but it has increased the licence-fees for commercial vehicles considerably from year to year. If self-help is to be a factor—and it should be—then I point out that we in Victoria have contributed from such self-help as registration fees, licence-fees and rates of all kinds, no less than £17,399,000 towards roads. That is the second highest amount contributed by any State in the Commonwealth but Western Australia has contributed only £1,981,000 to that purpose.

Senator TANGNEY.—What are the population figures?

Senator GORTON.—The population of Victoria is 1,625,000 and that of Western Australia is only 356,000. In other words, Victoria's population is about five times greater than that of Western Australia, but Victoria contributes about eight times more than does Western Australia in self-help.

Senator VINCENT.—The sole problem is one of road construction.

Senator GORTON.—I am told that the problem is solely one of roads to be built, and there I join issue with my colleague. It is quite pointless to have a network of roads that are crumbling into disrepair and to let our vehicles rattle to pieces over them with consequent increases in freights. It is pointless to say that

we are not concerned about maintaining what we already have, that all we are concerned with is building something else. I hope and trust that by the time the next Premiers' Conference takes place there will be, standing beside Victoria, South Australia, New South Wales—whose position is deteriorating year by year—and Tasmania, even if we have to give that State 5 per cent., urging for a re-consideration of this obsolete formula. I am quite confident that the proper maintenance of the network of roads we already have, with some new construction, and some self-help from the various States will be of greater benefit to the Australian economy eventually.

I do not know what formula can be substituted for what we have now, but I do know that something must be done. I could throw out the obvious suggestion that the money allocated from petrol tax receipts—and I hope it will gradually be a bigger proportion than at present—could be put into some national trust fund for the maintenance of proper trunk roads which are of vital importance to our defence. If a part of the total collections was earmarked for maintenance, and divided on the basis of vehicle population and road lengths—

Senator VINCENT.—Western Australia would get more, then.

Senator GORTON.—I am sorry to be diverted in my remarks, but I have been reminded by my colleague from Western Australia that if we were to pay attention to new registrations and road lengths, Western Australia would be in a very favorable position. That interjection having been made, I think it is well that we should have a look at the relevant figures. Western Australia has 7.6 per cent. of all the vehicles registered in Australia, which is the second lowest State percentage, and is only twice as large as the percentage in Tasmania. It has 3,150 miles of declared main roads, which is the second lowest, and is only about one and a half times the Tasmanian mileage. Despite these facts, Western Australia has received one-fifth of the total grant made from Commonwealth sources. I myself would be very happy if the allocations were computed on the basis of the number of vehicles registered

and the mileage of declared main roads, the figures for this purpose being obtained from the *Year-Book*. Prior to the interruption, I was about to suggest a means by which the formula could be improved. I suggest that a part of the money should be applied for maintenance—divided according to the figures I have mentioned—and a part for new construction—distributed on the present system—because we are contributing to these other States in order to help them, not to build bridges and pay rates for them. Some of the States have taken what they could get from the Commonwealth in order to avoid paying for the roads themselves. Perhaps the Commonwealth should take over the whole of the northern part of Western Australia, and be responsible for such roads as are necessary there. Whatever the position might be, we cannot go on with the system of allocating money from the place where all the traffic is and allocating it partly on an area basis, when a great part of the area involved is desert where roads will never be built.

Senator VINCENT.—That is just silly.

Senator GORTON.—Therefore, I urge all members of this Senate to take into their consideration what they would urge the conference of Commonwealth and State Ministers to do, remembering, as Senator Tangney has reminded us, that thousands of people are being killed on our roads every year, particularly where the traffic is thickest, because those roads have not been sufficiently maintained.

Senator SCOTT.—Many are killed in the cities.

Senator GORTON.—I refer to the main road networks of Victoria and New South Wales. We have progressed from the pioneering era in those States, which now have a number of sealed roads. In order to save these roads, we need money to build such things as clover leaves, over-passes and under-passes at intersections. The areas carrying this traffic must have these things if lives are to be saved and traffic is to flow properly.

Senator KENNELLY.—None of those facilities will ever be constructed with this money.

Senator GORTON.—Why not?

Senator KENNELLY.—Because they come under the greater Melbourne scheme, and the Country Roads Board is not permitted to spend money for that purpose.

Senator GORTON.—If we want our main trunk roads between the cities to grow in the way that the main roads of the United States of America have grown, we shall have to establish under-passes and over-passes, and install clover leaves at intersections. The cost of providing those facilities will, or should, come out of this money. I conclude on this note: I support the bill, but I regret that the money will be distributed on a narrow, parochial, basis and I look forward with confidence to the day, which I am sure will come within three or four years, when this money will be properly distributed, with consideration to the best economic interests of Australia as a whole.

Senator O'BYRNE (Tasmania) [10.5].—Although Senator Gorton, who has just resumed his seat, attempted to keep this debate on a broad, national plane, he lost no opportunity to grasp very firmly the handle of the parish pump, and to do his very best to advance the claims of Victoria. That is a very strong argument in favour of the amendment that has been moved by the Opposition, because Victoria's problems are similar to the problems of the other States. The whole thing comes down to the fact that there is insufficient money available to the States to enable them to solve the tremendous roads problems with which they are confronted. The formula does not really come into this debate. However, Senator Gorton mentioned that thousands of people were killed on our roads every year. To a degree, many fatal accidents are attributable to the bad state of our roads, due, in the main, to the fact that the State governments have been unable to carry out sufficient maintenance.

Sufficient money has never been supplied to Tasmania to enable the road authorities in that State to direct their attention to the engineering aspect of roads. Many of Tasmania's roads have followed the old wagon tracks. Instead of curves being properly graded, corners

rounded, and provision made for two, three, and four lanes where the traffic is densest, there are bottlenecks. The position will never be improved while the money allocated to Tasmania for roads is only just sufficient to keep them from falling to pieces.

Due to the inability of the States to achieve efficiency in relation to the roads system, the relationship between the number of vehicles that are weekly being placed on the roads, and the standard of the roads themselves is getting out of all proportion. The dimensions of large numbers of American cars that are coming into Australia, in relation to the width of our roads, is a matter that is causing a lot of concern to road safety authorities. As cars get longer and wider, so does the number of accidents on our roads increase. I believe that this important aspect of the matter should be stressed during a debate in which the allocation of more money to the States for the improvement and maintenance of roads is under consideration.

We on this side of the chamber consider that, because of the disastrous nature of the inflation that exists in this country, road maintenance and the construction of new roads is becoming almost impossible. In Tasmania, quotations for the construction of a mile of sealed road usually range between £30,000 and £40,000. I am sure that even higher costs are the order in other States. If honorable senators consult the figures concerning Commonwealth roads, they will see that there are 525,000 miles of roads altogether. Only 40.651 miles, or 7 per cent., of those roads are sealed and paved, whilst slightly more than 20 per cent., or 115,719 miles, are unsealed. It is obvious, therefore, that the sum of money that would be required even to seal the unsealed roads would reach astronomical heights. The statistics show that there are 369,000 miles of unmade roads. Those figures indicate the enormous problem with which we are faced. The funds allocated from the petrol tax are insufficient even to maintain the roads, as can be seen in any State of the Commonwealth. The sealing that has been done is deteriorating; there are pot-holes caused by washing, the edges of roads

have not been taken right to the paving, and many other faults, due to lack of finance, have become evident.

Senator Tangney referred to the need to establish a pool of equipment so that the maximum economy might be practised in the use of bulldozers, excavators and other implements used in road building. It is interesting to see, throughout the Commonwealth, heavy earth-moving equipment being used on street corners for the excavation of sites for service stations and other buildings, with no co-ordination of its use. The complaint often has been made that even if additional moneys were to be allocated for roads purposes, the necessary equipment and labour would not be available. I believe that to be a fallacy. It is obvious that the lag in road construction and maintenance is one of the main causes of accidents on the roads. The States are doing the best they can with the limited funds at their disposal; nevertheless, such things as guide-posts, which are of value in rainy and foggy weather, are missing from many of our State highways. If the States were in a suitable financial position, I have no doubt that they would attend to these things, but the whole problem is being affected by the restrictive policy of the Commonwealth in making available to the States insufficient funds from the petrol tax. That policy limits the work that can be done in the States.

Last year, I made an interesting trip from Alice Springs to Darwin, and in the course of it I travelled on a road that had been constructed during the emergency of war-time. Of course, we can always find money and man-power for war and defence purposes, and, of course, that is entirely proper. I was amazed to see the development that had taken place because of the construction of that road between Alice Springs and Darwin. It was a revelation. As a result of the construction of the road, the exploitation of the mineral resources of the area has been increased, and the owners of cattle stations in the area had benefited greatly, because they were able to transport their stock quickly to the markets. I am of the opinion that road construction is a national investment. We should not wait until there is sufficient demand to warrant

the building of a road. Roads should be constructed in order to allow development to proceed unhindered.

Reference was made earlier in this debate to the roads that have been constructed by the Snowy Mountains Authority. The fine roads which have been built in the Snowy Mountains area have permitted that great developmental work to proceed. There is a great need for similar construction of national life-lines in other parts of Australia. The amount of money that is available for roads purposes at the present time is quite insufficient. Our approach to this matter should be along the lines referred to by the honorable member for Mackellar (Mr. Wentworth) in the House of Representatives recently, when he spoke of a plan to co-ordinate road construction throughout Australia. The Minister for Defence (Sir Philip McBride), however, when speaking on this subject in the House of Representatives recently, made no mention of a co-ordinated plan for defence roads. It seems that the Government has lost sight of the fact that mobility is the secret of defence, and that it is vital to be able to move equipment and forces efficiently from one point to another, should the need arise. Yet, since the end of World War II, I have not seen any sign of construction of defence roads in Australia. If they are being built, I have not seen them.

Senator GEORGE RANKIN.—Are the people whose land has been improved in value prepared to pay for the roads?

Senator O'BYRNE.—No, they are not prepared to pay anything. Of course, the construction of a road improves the value of property in the area in which it is constructed. Production increases, and the revenue from that area also increases. However, the land is not re-valued, so that the people who have the benefit of the road do not contribute to road construction and maintenance to the same degree as do road-users in the city.

The whole question of road construction and maintenance in Australia should have the closest thought of every member of the National Parliament. Unfortunately, we have reached a stage where inflation has almost priced us out of a

co-ordinated road-building programme. The only thing for which we can hope is that the annual allocation for defence purposes will include provision for roads, and so lead to the opening up of undeveloped areas, such as in Queensland and the Northern Territory. We could then produce more commodities, and that would permit us, in turn, to absorb greater populations. This tax falls heavily on particular sections of the community. A man who does not get the benefits of some of the city roads, or the good Victorian highways that have been mentioned, is paying up to £2 tax on a 44-gallon drum of petrol. I believe that the incidence of the tax is unfair, and that it should be more evenly distributed.

There is a need for the co-ordination of our transport facilities. We need an overall Commonwealth plan for the most efficient working of the railways, roads, shipping services and airlines. We are dissipating our national effort, and are also imposing extra charges on sections of the community who find the burden increasingly difficult to bear. The only logical approach is the national one. The States are no longer able to collect sufficient revenue. The ability of the States to do work within their borders has declined since the introduction of uniform taxation. Roads have become a national responsibility. Eventually, the Commonwealth must take over many of the roads within the States, particularly the main highways. Matters which require attention are railway crossings and the provision of additional traffic lanes so as to eliminate bottlenecks. Only by making a national approach, can we develop transport so that it will play its full part in the national economy.

Senator SEWARD (Western Australia) [10.24].—I support the bill, and oppose the amendment. I congratulate the Government upon making available this year an additional amount of £1,000,000 for the construction of roads in the States. That amount will be increased to about £4,000,000 in the next financial year, and will bring the total vote for roads to £32,000,000. I know

that the higher petrol tax has been criticized strongly, but the matter has to be examined from many points of view. The new impost will add to costs of primary producers, but I hope that it will also reduce the senseless waste of petrol that is involved in stupid races around Australia. I heard an announcement recently to the effect that a first price of £5,000 was to be provided for a motor car race of 8,000 miles around Australia. If we want to reduce the importation of petrol, that is not the way to go about it. If some motorists are prepared to participate in such events, they should pay the higher tax. Every week there are stupid stock car races which burn up petrol and smash motor vehicles. If the settlers living along the roads over which the motorists racing round Australia will pass, were to do a small percentage of the damage that will be done by these competitors, they would be prosecuted by the local authorities. Racing drivers are able to smash up roads and do what they like. It is time we got some sense.

Honorable senators have suggested that we should have a national roads policy. That is all very well, and I agree with the suggestion to a certain extent, but it would involve more than the construction of roads. I shall not anticipate something that I will have to say on another bill, but I wish to make the point that the competition from road hauliers in the past few years has almost put our interstate shipping traffic off the seas. If something is not done, that traffic will disappear.

This competition is also bankrupting our railway system. It has been said during this debate that the railways are necessary, and I agree. I also believe that sea transport is necessary, but if we are going to preserve those two forms of transport, something will have to be done to regulate the unfair competition that is developing on the roads. There is no doubt that fast-moving, heavy traffic is playing havoc with the roads. If Victoria has any complaint about the condition of its roads, it should remember that the damage has been caused by the fast-moving traffic that is allowed to use the roads.

Senator SHEEHAN.—We cannot stop it.

Senator SEWARD.—Tell that to the marines! In Western Australia, I could take the honorable senator over 1,500 miles of bitumen road which is as good as any in the world. We do not allow heavy traffic to pass over the roads, but there has been one exception. I refer to a section of the Albany road extending about 50 or 60 miles from Perth. Unfortunately, the Western Australian Government has allowed the carriage of logs—five or six heavy trunks of trees in a load—over that road, and enormous damage has been done. With that exception, I can say that every visitor from the eastern States whom I have taken over the roads of Western Australia has paid a tribute to their condition.

Senator SHEEHAN.—I suppose they carry only intra-state traffic.

Senator SEWARD.—It is our own traffic. I agree that we have not the interstate traffic that there is in the eastern States, but we have a Transport Act. Under that act, persons are not allowed to carry certain goods on the roads. I was interested when Senator Kennelly said that a proportion of the wool produced in Victoria was transported by road. Persons are not allowed to transport wool by road in Western Australia, and they should not be able to do so, because that is the most profitable traffic. If road transport of such products is allowed, the eyes are picked out of the profitable railway traffic, and the railways show heavy losses.

I know that main roads frequently are parallel to railways. If one travels along those roads, it is remarkable how few trains are seen. If they were doing the business that should go to them, and if the railways were recognized as necessary, those in authority would take steps to stop railway deficits by obtaining for them the maximum amount of traffic. The railways must lose heavily if road transports are allowed to take the best business, but road transport could not take the place of the railways. If the railways went out of existence, the road transport drivers would not travel all night, and they would increase their charges. They would also pick and choose their loads.

We do not allow that in Western Australia. If the other States would take similar action, the roads would not deteriorate.

Senator SHEEHAN.—When the Victorian Government put a tax on road transports, it was disallowed.

Debate interrupted.

ADJOURNMENT.

BASS STRAIT SHIPPING.

The PRESIDENT (Senator the Hon. A. M. McMullin).—Order! In conformity with the sessional order relating to the adjournment of the Senate, I formally put the question—

That the Senate do now adjourn.

Senator PALTRIDGE (Western Australia—Minister for Shipping and Transport) [10.30].—I take this opportunity to make a short statement concerning the Government's intention to order a new modern motor vessel for the Bass Strait trade. After many years of good service, the present vessel in the trade, *Taroona*, is now approaching the end of its useful life and will probably be retired when its current survey period expires in about three and a half years' time. The Government recognizes the vital importance of the sea passenger service in the prosperity and development of Tasmania and, therefore, has decided to order a new ship to replace *Taroona*. The new vessel will be built in an Australian yard and the Australian Shipbuilding Board is already proceeding with its design. The vessel will be built in accordance with the most modern practice overseas for ships of this type. It will be of about 6,000 tons gross with a service speed of approximately 18 knots and will provide a fast overnight service for passengers. A special feature will be a large car-deck which will carry up to 100 cars, lorries and trailers according to size, on the "drive-on, drive-off" principle. It will be operated by the Australian Coastal Shipping Commission.

The vessel will be a development of the cross-channel type of ship of which a number are operating in Europe, but its design will differ in many respects, such as the provision of over-night accommodation and features to meet all the modern requirements for comfort and safety consistent with the open-sea crossing of Bass

Strait. Stabilizers will be fitted to reduce rolling to a minimum. In view of the short time that the over-night crossing will take, a cafeteria meal service will operate.

The Government hopes that the new vessel will make an appreciable contribution towards increasing the tourist trade between the mainland and Tasmania, and it feels sure that the ease with which cars will be handled in large numbers will encourage a rapid development in holiday car traffic. The vessel will also make a significant contribution to the

handling of cargo as it will make it possible for urgent and special freight to be delivered with the minimum of handling by road vehicles from any point on the mainland to any centre in Tasmania. This service could include the carriage, on the return journey, of perishable goods in refrigerated vans and containers. It is expected that the vessel will take about three years to build and should thus be ready to enter the service by the time the current survey of *Taroona* expires.

Question resolved in the affirmative.

Senate adjourned at 10.33 p.m.