

# PARLIAMENTARY DEBATES.

## (HANSARD.)

### Third Session of the Twenty-Second Parliament.

*Parliament was prorogued on the 2nd July, 1958, to the 7th August, 1958, when it met for the despatch of business.*

*Parliament was opened by his Excellency the Lieutenant-Governor and Administrator.*

## Legislative Council

Thursday, 7th August, 1958.

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### OPENING OF PARLIAMENT.

The Legislative Council met at noon.

#### PROCLAMATION.

The Clerk of Parliaments (Mr. J. B. Roberts) read the proclamation of His Excellency the Governor summoning the third session of the Twenty-second Parliament.

#### COMMISSIONER.

His Excellency's Commissioner (His Honour Mr. Justice Jackson), having entered the Chamber, a message was sent to the Legislative Assembly requesting the presence of members in the Council chamber.

The hon. members of the Legislative Assembly having arrived accordingly, the Commissioner requested the Clerk to read His Excellency's Commission to do all things necessary in the name and on the part of Her Majesty the Queen or in the name and on the part of His Excellency for the opening and holding of the third session of the Twenty-second Parliament.

The Commission was read.

The Commissioner read the following statement:—

Honourable Members of the Legislative Council and Members of the Legislative Assembly—I have it in command from His Excellency the Governor to inform you that, at three o'clock this afternoon, His Excellency the Lieut.-Governor will declare to you the causes of the calling together of this session of Parliament; and it being necessary that a President of the Legislative Council be first chosen, it is His Excellency's pleasure that you, Honourable members of the Legislative Council, after those who have been newly elected have been duly sworn by me in the terms of a Commission granted to me by His Excellency the Governor, do elect your President and notify the same to His Excellency the Lieut.-Governor.

Members of the Legislative Assembly retired from the Chamber.

#### SWEARING-IN OF HON. MEMBERS.

The Clerk announced the return of writs for the election of members at the biennial elections showing that the following had been duly elected:—The Hon. J. G. Hislop (Metropolitan), the Hon. F. R. H. Lavery (West), the Hon. F. J. S. Wise (North), the Hon. C. H. S. ... (Midland), the Hon. C. R. A. ... (Central), the Hon. J. Murray (South), the Hon. G. Bennetts (South), the Hon. W. R. Hall (North-East), the Hon. A. F. Griffith (Suburban), the Hon. L. Loton (South).

These hon. members ... and subscribed the oath and signed ...

The Commissioner ... retired from the Chamber.

#### ELECTION OF PRESIDENT.

The Clerk ... that the office of President ...

The MINISTER FOR RAILWAYS: I move—

That the Hon. Sir Charles Latham do take the Chair in the Council as President.

The Hon. L. C. DIVER: I have much pleasure in seconding the motion.

No other member having been proposed, the Clerk declared the Hon. Sir Charles Latham elected, and he was conducted to the Chair.

The PRESIDENT-ELECT: I am deeply sensitive of the responsible position members have asked me to accept as President of the Legislative Council. I hope I will be able to maintain the standard that has been set by those great men who have preceded me; and I hope I will give satisfaction to all members and to Western Australia.

The MINISTER FOR RAILWAYS: Mr. President, I desire to offer my congratulations on your election to this most responsible position. I feel sure that with your long parliamentary experience you will ably carry out the very onerous responsibilities which will now rest upon you. I know that other members join with me in saying that we trust your supervision of our activities in this Chamber during the forthcoming session, and while you are President of this Council, will keep us on the right track, but that you will also be tolerant, where tolerance is reasonably necessary. I wish you, Sir, a most pleasant stay during your term as President. You have already told us that it is your intention not to contest any further Legislative Council elections; and therefore it is most fitting that, at this stage of your parliamentary career, you should be honoured by being elected to the highest position in this Chamber.

The Hon. A. F. GRIFFITH: Mr. President, it is with pleasure that I join with the Minister in offering congratulations upon your elevation to the very high office of President of the Legislative Council. You have had a long and distinguished parliamentary career and you have served in various spheres and in a number of Houses of Parliament. I feel sure that the presence of this Chamber will be in good measure due to you guiding its destinies. I also join the Minister for Railways in wishing you good health during the time that you will spend in the Chair; and I think it is fitting that you should end your parliamentary career in a manner that I know you will find desired.

The Hon. A. F. GRIFFITH: As one who keenly contested the election with you, Mr. President, I offer my congratulations on your election. I trust your stay as President will be a pleasant one for you; and that you will continue to have good health because I know you will be busy the hours

drag on, you will find that the work becomes most onerous. I trust that your stay will be a pleasant and successful one.

The Hon. C. H. SIMPSON: May I also be permitted to offer you my personal congratulations, Mr. President, on your election to this very high office. Some years ago you and I were associated as Ministers; and we worked together in discharging the functions of Government and in performing those duties which devolve upon Ministers who have the job of running the business of this chamber. We were also seat-side companions in Opposition for some years; so I think we have forged a very strong link of association, and, like those who have already spoken, I offer you my sincere congratulations. I have in mind your statement that you intended to retire in two years' time. Be that as it may, it is a fitting close to almost half a century of association with politics that you should be elected as President of this Chamber, because for this period, except for a very short time when you were not actually representing the people but were engaged on work of national importance, you have been a member of a House of Parliament. This association has given you the necessary experience to fit you for the task which you have now undertaken.

The PRESIDENT-ELECT: I wish to thank the Minister and those who joined with him in offering me congratulations.

The MINISTER FOR RAILWAYS: I desire to advise members that when this sitting is suspended the Lieut.-Governor will be pleased to receive the President-Elect forthwith, together with any other hon. members who wish to accompany him. *Sitting suspended from 12.35 to 2.55 p.m.*

#### PRESENTATION OF PRESIDENT-ELECT.

The PRESIDENT: I desire to inform the House that I have submitted myself to His Excellency the Lieut.-Governor and Administrator and His Excellency has been pleased to express satisfaction at the choice of the Council in the following terms:—

Mr. President:

It is with much pleasure that I learn that you have been elected by the members of the Legislative Council to the high and honourable office of President of the House. I have every confidence that you will fill the office in a worthy and dignified manner.

(Signed) John Patrick Dwyer,  
Lieutenant-Governor  
and Administrator.

I have also to report that I have received from His Excellency the Lieut.-Governor and Administrator a Commission to administer the oath to members which will now be read by the Clerk.

The Commission was read.

**LIEUT.-GOVERNOR'S OPENING SPEECH.**

His Excellency the Lieut.-Governor and Administrator entered the Council Chamber at 3.10 p.m. and the members of the Legislative Assembly having also attended in the Chamber, obediently to summons, His Excellency was pleased to deliver the following speech:—

*Mr. President and Honourable Members of the Legislative Council:*

*Mr. Speaker and Members of the Legislative Assembly:*

It is with pleasure that I open the Third Session of the Twenty-Second Parliament of Western Australia.

I refer with profound regret to the passing of Mr. A. J. Rodoreda, Mr. J. H. Ackland, and the Honourable H. S. Seward, all of whom rendered valuable service to the State. Mr. Rodoreda was a Member of the Legislative Assembly and a former Speaker, Mr. Ackland a Member of the Legislative Assembly, and Mr. Seward a former State Minister serving as a representative of Western Australia in the Senate.

The continued illness of the Chief Secretary, the Honourable Gilbert Fraser, will unfortunately prevent him from attending sittings of the Legislative Council, although he is able to carry out some of his Ministerial duties.

The visit of Her Majesty Queen Elizabeth the Queen Mother to Western Australia, although regrettably short, gave our people the opportunity of again demonstrating their deep personal affection for Her Majesty and their devout loyalty to the Throne.

The economy of the State continues in a healthy condition and solid progress is being made despite lower overseas prices for some of our most important products.

The selection of the City of Perth as the site for the Empire Games of 1962 affords Western Australia a wonderful opportunity to become better known throughout the world. It is now the responsibility of us all to ensure a united effort to take full advantage of this opportunity.

*Mr. Speaker and Members of the Legislative Assembly:*

Revenue for the financial year 1957-1958 was £57,053,977 and expenditure £58,177,307. The deficit of £1,123,330 was substantially less than the estimate.

*Mr. President and Honourable Members of the Legislative Council.*

*Mr. Speaker and Members of the Legislative Assembly.*

Despite a difficult season in 1957 in the sheep and cereal areas, crop yields were above average. Although the first half of 1958 was unusually dry, rains came at the right time and the outlook is generally very satisfactory throughout the agricultural districts.

Some sections of the Department of Agriculture have moved into the new buildings in South Perth. It is expected a second block will be ready for occupation before the end of the year.

The availability of wheat industry funds has made it possible to expand research into various problems of the industry.

The main city and suburban areas have been freed of Argentine ants.

There is a very keen demand for land, particularly in the South Coastal areas extending from Albany to Esperance. Many applicants from the Eastern States are anxious to settle in Western Australia. Additional land is being classified for subdivision and allotment.

The termination of the developmental phase of the War Service Land Settlement Scheme is approaching. The State will then have provided sufficient farms to supply the needs of all eligible and qualified ex-servicemen who are still applying for farms under the Scheme. Allotment of these holdings should take place within the next two years.

Extensive surveys are in progress to provide for land, pastoral, and industrial development as well as for highways and roads.

The long dry summer caused very severe fire dangers in country areas, and a serious fire occurred in the Mayanup district. The volunteer bush fire brigade organisation has again rendered excellent service.

The figures of the Rural and Industries Bank advanced in line with the State's economy. Loans have been made to all sections of the community without sacrificing the Bank's liquidity. The Savings Bank is proving extremely popular.

Nominations under the assisted passages scheme have maintained an even trend, arrivals of British assisted migrants totalling 2,914 for the year.

Gold mining is being maintained, but rising costs are seriously affecting marginal producers. The Commonwealth Government has again been approached by the industry and the State Government for alterations in the subsidy payments.

The search for oil continues with undiminished vigour, mainly on an extensive exploration programme in the Kimberleys. Two deep drills are operating in that area.

Production of titanium is being carried on at Bunbury and Capel, with further deposits at Yoganup and Wonnerup now receiving attention. Several large shipments from these deposits have already gone overseas through the port of Bunbury.

Amendments to the Mining Act last session to provide for large temporary reserves for selected prospecting activities have aroused greater interest among influential mining companies. Extensive prospecting is being undertaken for bauxite. Increased interest has also been shown by United States and other foreign mining and investment companies in our manganese deposits.

Two additional drills will be purchased to extend the search for underground water.

Bills will be introduced to amend the Mine Workers' Relief Act, the Coal Mines Regulation Act, the Inspection of Machinery Act, and the Mining Act.

The Government has actively pursued the policy of encouraging the expansion of secondary industries and generous conditions are being offered to attract new industries to the State. A trade delegation led by the Deputy Premier (the Honourable J. T. Tonkin), who is supported by Mr. J. F. Ledger representing the Chamber of Manufactures, Mr. R. Goyno Miller representing the Chamber of Commerce, and Mr. A. H. Telfer, Under Secretary for Mines, is at present on a visit to Europe, the United Kingdom, the United States of America and Canada. Preliminary reports indicate that the mission has created intense interest and has favourable prospects of success.

The campaign conducted by the Trade and Industries Promotion Council for the greater use of locally produced goods is gathering momentum. More of our people are now insisting on being supplied with goods made in Western Australia. This is helping to create more employment in our State.

The expanded Charcoal Iron plant at Wundowie is expected to be in full production before the end of 1958. The industry continues to show a clear profit after meeting all costs. With the iron output to be more than doubled, future prospects are very bright.

Ministers greatly regret the continued failure of the Commonwealth Government to permit the export overseas of 1,000,000 tons of iron ore, the proceeds of which would be devoted to the establishment of a large scale charcoal iron industry in the South-West.

The quantity of fish produced in 1957 was 21,300 000 lb. The purchase of a new 75-foot vessel will enable research investigational work to be greatly extended.

The State's housing requirements continue to be met to the full extent of available funds. During the year 2,400 homes were handed over to applicants, while a further 1,150 were under construction at the 30th June. Financial aid was given by various methods to many families to improve their housing circumstances.

A scheme to effect improvement in the housing of elderly couples has been accelerated to yield some 400 units of accommodation in both country and metropolitan areas this year.

The sale of homes on low and moderate deposits has proved very successful and approximately 65 per cent. of the homes built by the State Housing Commission have been sold.

The needs of the country, including the North-West, will be met by the allocation of almost 50 per cent. of the funds available this year. This represents a considerable advance over previous allocations for rural housing.

Although there have been good export orders for Jarrah sleepers, the marketing of Karri timber in the Eastern States has become difficult, owing to heavy imports from overseas of Oregon at depressed prices. The tariff relief sought by the timber industry has not been granted.

The Forests Department expects to continue its activities at the same level as last year in respect to both native forests and pine plantations.

The emphasis in Railway activity has been on better organisation. Financial results for the year were £1,166,000 better than the estimate.

The Royal Commissioner (Mr. A. G. Smith) is still engaged on his thorough investigation into Railway Administration. Several interim reports have been submitted. The appointment of the Royal Commissioner has already been justified.

The recently constituted Metropolitan (Perth) Passenger Transport Trust is in the process of acquiring the various services in the metropolitan area. When this phase is completed, a general re-organisation will be commenced.

Bus stops have been moved to less dangerous positions and 83 extra bus shelters have been erected.

Successful measures have been taken to improve the flow of traffic through central Perth and an accelerated programme of traffic light installations has been put in hand. Parking meters and off-street car parks are giving more motorists an opportunity to visit the central city area.

The Government is continuing to give consideration to the measures necessary to implement the Metropolitan Regional Plan. A Bill will be introduced to extend the Interim Development Order for a further term.

Good progress has been made with country water supplies and irrigation works. The pipeline to Katanning from Narrogin has been completed and the pipeline northwards from Cunderdin towards Kokardine-Koorda is well advanced. New reticulated water supplies

have been provided for Lake Grace, Dumblenyng, Williams and Onslow. The scheme at Albany is being further developed. The raising of Wellington Dam, which will increase the capacity from 8,500,000,000, gallons to 41,000,000,000 gallons has continued.

The Serpentine Project is progressing satisfactorily and will provide additional water for the metropolitan area in the coming summer.

Works to provide improved treatment to sewage by the activated sludge process are being carried out at the Main Treatment Works.

Main Drainage is being constructed in some districts subject to heavy winter flooding.

During 1957/1958 a sum of £6,725,000 was allocated from motor fuel taxation funds for expenditure on the State's roads. This year it is estimated that £7,225,000, the highest sum on record, will be available for this purpose. During each of the last three years upwards of three-quarters of a million pounds has been spent on North-West roads.

Work on the Bridge over the Narrows is reaching an advanced stage.

The Swan River Conservation Bill will be re-submitted with minor amendments.

At Fremantle Harbour a new 600-1,000 ton Slipway is nearing completion and should shortly be in operation. In the rehabilitation of berths, improvements are being made to passenger facilities.

Work is proceeding on the installation of two additional units at Bunbury Power Station and tenders have recently been let for a fourth similar unit. A 66,000 volt transmission line extending into the Great Southern area is being constructed. Drilling operations are being carried out to see if there is sufficient water available in the Collie sedimentary basin to supply a large power station on the coalfields.

There has recently been an encouraging awakening of interest in the North-West portion of the State. To promote the development of the area north of the 20th parallel, the Commonwealth Government has granted a sum of £2,500,000 to be expended over the next five years. It is proposed to spend the money on the construction of a deep water port at Black Rocks near Derby, the construction of a new berth at the Wyndham Jetty, and an extensive investigation in the vicinity of Napier-Broome Bay to decide the most suitable and economic method of servicing the recently allocated pastoral leases.

With the addition of the Motor Vessel "Koolama" to the State Shipping Service fleet, the North-West coastal service is maintained by three modern passenger-cargo ships and three modernised cargo ships. Improvement in the frequency and

regularity of the Service is now possible, resulting in improved handling of the North's growing requirements.

Extensive improvements to the berth facilities at Port Hedland will facilitate the export of minerals and other cargo through this centre.

The Wyndham Meatworks expect to treat 35,000 head of cattle this season.

A new Technical School at Derby has been completed, large additions are to be made to the Onslow and Derby Hospitals, and new Court Houses and Offices are to be erected at Derby and Port Hedland.

School enrolments continue to increase, reaching a total in all Government primary and secondary schools of 111,869 at the beginning of the year. This represents an increase of 52,642 since 1946, almost double the 1946 figure.

Two hundred and fourteen new classrooms were built last financial year. Since 1953 thirteen new high schools have been started, five of which have been completed. It is planned to commence one more in the present year, as well as to provide extensive additions to high schools in the metropolitan area and country towns.

Teacher-recruitment is very satisfactory, there being over 1,000 trainees in the two Teachers' Colleges at present.

The new Chest Hospital at Hollywood will be opened shortly and the transfer of cases from Wooroloo Sanatorium will provide hospital accommodation for aged and chronic cases at that institution. The second section of the Royal Perth Hospital was also completed during the year.

The construction of a mental hospital at Guildford will be commenced this financial year.

Work has started on the new Albany Hospital and preliminary work has commenced on the construction of extensions to King Edward Memorial Hospital. Progress is continuing with other hospital work throughout the State.

The Government and the Anti-Cancer Council have co-operated in ordering a Linear Accelerator to assist in the fight against cancer.

The Child Welfare Department, with the co-operation of the Army, has developed Evening Classes for boys committed to Child Welfare care. Results indicate that the methods employed offer a very successful means for the social re-education of juvenile offenders.

The erection of a closed reformatory at Caversham for more hardened boys is proceeding. The building will be complete in the New Year.

A Bill will be introduced to give natives full status as citizens. Wherever possible, improvements will be made on the native

reserves by the erection of huts and ablution blocks of a suitable type. Consideration will also be given to the erection of additional hostels for native children in the North-West and Kimberley districts.

The working hours of the Police Force will be reduced during the next two years from forty-eight to forty per week. About one hundred and seventy additional men will be recruited.

Very satisfactory industrial relations continue to be a feature of Western Australian industry.

The Government will give wholehearted support to a Commonwealth-wide move to bring before employers and employees the urgent necessity for the observance of safety in industry.

A Bill to amend the Workers' Compensation Act will be submitted.

A Bill will be introduced to amend the State Government Insurance Office Act to enable it to engage in all forms of general insurance, including the removal of the restriction on the State Government Insurance Office with respect to the School Children's Insurance Scheme.

Amendments will be introduced to the Unfair Trading and Profit Control Act, which continues to serve as a very worthwhile safeguard to the community as a whole.

Consideration is being given to means of further expanding the tourist industry, particularly by increasing business from the Eastern States.

Planning for Civil Defence is being expanded.

Other legislation to be placed before you will include—

A Bill to amend the State Housing Act and the Housing Loan Guarantee Act;

Bills to establish a Health Education Council and a Cancer Council;

A Bill to amend the Land Act;

A Bill to amend the Railways Act;

Bills to amend the Industries Assistance Act, the Plant Diseases Act, and the Vermin Act.

I now declare this session of Parliament open and trust that Providence may bless your labours.

His Excellency and members of the Legislative Assembly then withdrew from the Chamber.

[The President resumed the Chair.]

## LICENSED SURVEYORS ACT AMENDMENT BILL.

*First Reading.*

The MINISTER FOR RAILWAYS: In order to assert and maintain the undoubted rights and privileges of this House

to initiate legislation, I move, without notice, for leave to introduce a Bill for "An Act to amend the Licensed Surveyors Act 1909-1940."

Leave given; Bill introduced and read a first time.

## LIEUT.-GOVERNOR'S SPEECH.

*Distribution.*

The PRESIDENT: For the sake of greater accuracy, I have obtained copies of the Speech that His Excellency the Lieut.-Governor and Administrator has been pleased to deliver to Parliament. These will be distributed amongst hon. members.

## ADDRESS-IN-REPLY.

*First Day.*

The Hon. F. J. S. WISE (North) [3.45]: I move—

That the following Address be presented to His Excellency the Lieut.-enant-Governor and Administrator in reply to the Speech he has been pleased to deliver to Parliament:—

May it please Your Excellency: We, the members of the Legislative Council of the State of Western Australia in Parliament assembled beg to express our loyalty to our Most Gracious Sovereign and to thank Your Excellency for the Speech you have been pleased to deliver to Parliament.

I am very conscious, Mr. President, of having the privilege to move this motion which will have the effect of expressing the appreciation of this Chamber to His Excellency and to commence the debate on the Address-in-reply.

Firstly, Mr. President, I would like to congratulate you on your elevation to the very high office in control of this Council. I think I would be remiss if, at this stage, I did not also express appreciation on my behalf for the consideration shown to me—and I am sure to all members—by your predecessor, and to express to him the thanks of this Chamber for his interest in the plans for the extension of this building and other matters of a domestic nature.

I am sure I express the feelings of all members of the House when I refer to the illness of our Chief Secretary, and wish that the reports we have on his improvement in health are well founded and that we may find, before long, that he is again in his place in this Chamber.

In the time which I intend to take, Mr. President—approximately twenty minutes—I will refer to two subjects only, obviously very cursorily, the two subjects being the North-West of this State, and the Commonwealth and State financial relationships.

As one who, for the best part of a lifetime, has endeavoured to serve the North-West of this State, I am indeed pleased to note the interest that many people are taking in that part of Australia.

The most notable visit of His Excellency the Governor-General was a very important one, and I am sure he will use whatever influence he may have with the Commonwealth Government for the good of that part of our State. As a result of the visit of the Prime Minister he will, I hope, at some early date show his appreciation of the problems of the North.

I think it was most unfortunate that the first the Government and the people of this State knew of his impending visit was to read of it in the Press at the time of his departure. The Prime Minister has not so far, if we are to take any indication from the Budget Speech, had much appreciation—on the occasion of his first visit to that part of the Commonwealth—of what is necessary for his Government to do to assist the Government of this State with all it is attempting to do for the North-West.

"The West Australian," a leading newspaper of this State, is to be commended for its attitude in endeavouring to have people interested, and in insisting that they become better informed in regard to the problems and the nature of our North-West. In that area, which comprises approximately one-sixth of the whole continent, only a handful of people reside, although it is an area of great latent assets; one which produces much wealth and which requires urgently the attention of all Australians, because after almost 80 years of occupation the residents of that part of this State number still a mere 11,500.

In a territory as large as our North-West, it is dangerous for the whole of Australia that the population should remain so small. I have referred to this area as being a producer of real wealth and would point out that in the last decade mining has given the North-West the greatest impetus it has received in our lifetime. Prior to that the pastoral industry was suggested as the best means for the colonisation of that area, but I suggest that, if the North-West is to progress as it should, it must be populated much more densely than is compatible with solely pastoral pursuits.

Although there is room for great improvement in the pastoral industry in the North-West, we cannot hope for any great accretion of population without closer settlement. The sheep population of the North-West has dwindled by almost 50 per cent. in the last 25 years and I submit that a revision of our land laws is an urgent necessity for the better use of the privilege of holding leases of land in that area; so that this great national asset is not subjected to deterioration.

In agriculture the North-West has more than one prospect, but they are very hazardous prospects. In that region agriculture is difficult and will, there is no doubt, meet with a great number of natural disturbances and difficulties before success is achieved.

We all recognise, of course, that the discovery of oil in the North-West would result in the disabilities of that area—to quote Longfellow—folding their tents like the Arabs and as silently stealing away, almost overnight. However, oil has not yet been discovered in Australia in commercial quantities and although the mineral wealth produced in the North-West last year was in excess of £2,500,000, there is still so much unprospected land and such a diversity of minerals to be found there, that I hope the words of the Prime Minister, on the eve of his departure from this State, will be realised and that the Commonwealth Government will give opportunity for investors; and for those who already live in that region, to improve and develop leases and to explore and search for and exploit more of the available mineral wealth.

It is indeed pleasing to see that the asbestos industry has been able to create a town of considerable size far from the coast and that it was responsible last year for production worth nearly £1,250,000. To sum up briefly what is necessary to help those people whom all of us respect and who live under the difficult conditions that obtain in the North, I would suggest that action is urgently necessary under four categories. Firstly I would refer to education. Although the State Government has done much to alleviate disabilities associated with education in the North, much more might be done and I feel that an inquiry at high level, through the Education Department, might bring before the Government some practical ways better to assist those people who have elected to live, and who are pleased to live, in that part of Australia.

The second important and urgent necessity is a revision of our land laws, to enable more effective pastoral occupation of the North-West. We frequently mention how empty those great spaces are, but no one, except under the most difficult circumstances, would have any opportunity of entering the pastoral industry in our North-West at present, with our Land Act as it now stands. A third important requirement is subsidised road transport from the ports and from the railheads. The greatest sign of evolution in the North-West in our time is the improvement in roads, due to the engineers, resident in that area, who have done wonderful work, with the result that that part of the State now has thousands of miles of trafficable roads. If we could evolve a

scheme whereby the equivalent of concession rail freights could be achieved by a subsidy for transport, the progress of the North would be greatly enhanced.

The fourth requirement of this part of the State is a review of taxation. Those people who have battled to attain a tax-free North-West have obviously not achieved much in the past ten years and I think it would be a very good thing if the Commonwealth Government gave consideration to implementing this policy progressively. In this regard I feel that the first step should be to make the first £1,500 of taxable income tax-free.

I now turn to the subject of the distribution of tax moneys collected by the Commonwealth within Australia. The Taxation Reimbursement Act, which gives to this State its part of the income tax collected in all States, is so outdated that it now gives to no State the opportunity to exercise initiative or attain expansion which all States deserve. The States are not reimbursed according to needs but, I suggest, on the basis of decisions made by the Commonwealth.

Last year £650,000,000 was collected in income tax from all the States of the Commonwealth. This State received £15,000,000 of that sum, and I would remind the Chamber that, from all the taxes collected in Western Australia, the Commonwealth gleaned £53,000,000, yet we received, under the Taxation Reimbursement Act, only £15,000,000. Although one, of course, could at great length indulge in valid criticism of the Budget introduced two days ago, suffice it to say—at this stage—that if the Federal Treasurer wished to budget for a deficit, one good thought and one good action would have been to do away with the iniquitous sales tax, which raises about £170,000,000 per annum, or to do away with the payroll tax, which takes from the Government of this State alone over £1,000,000.

It was said, at the time of the imposition of the payroll tax, that it was to be a contribution towards social services, but the fact is that the State Government, by means of this tax, is levied over £1,000,000 and the Commonwealth Government gets the credit for distributing that money as social service benefits, which is neither fair, reasonable nor equitable. I believe that the question of adjusting Commonwealth-State relationships is of the greatest urgency in the Commonwealth political sphere. I feel it is a question which could be divorced from politics, if properly handled.

The Commonwealth very recently gave its figures for the adverse overseas trade balance, but if we analyse the figures for all Australia, we find that Western Australia provided £115,000,000 of our overseas credit last year, imported £41,000,000 worth of goods and left, therefore, as

a favourable balance overseas from the production of this State, more than the total favourable trade balance of Australia. I suggest, therefore, that any Government,—not only this Government, which is doing such a wonderful job in this State—is deserving of the greatest attention from Commonwealth in regard to the responsibilities relating to the development of this territory and of the administration which is so costly in such a wide and far-flung area.

We have, too, a matter which requires very serious thought by all citizens. This State, last year, gave to the Eastern States' manufacturers £100,000,000 of trade. Goods made in the Eastern States, amounting to £100,000,000, were purchased by Western Australian citizens. On the other hand, Eastern State's citizens purchased £40,000,000 worth of goods from us. I suggest that is something that all good Western Australians should seriously think about in the future.

To return to the point of the inequity in tax distribution, I think that if Australia is to continue to function as a Federation it is necessary to provide, from time to time, for new adjustments in financial relationships. I think there is a need for close collaboration rather than a jealous independence between States, and between States and Commonwealth. I think it would be better, very quickly, to have a complete adjustment of the revenues of all States and of the Commonwealth; a complete adjustment of the valid needs of all States and of the Commonwealth because I say, quite deliberately, that the Commonwealth Government has been profligate in its own expenditure and has been parsimonious in its handing back to the States what rightly belongs to them. I suggest, therefore, that the time has arrived when a review is urgently necessary.

Let us divorce this matter from politics. There are greater responsibilities to be shouldered by those in Opposition, too—who some day will be the Government—to see that all States get their just dues, and I suggest that a motion should be carried in the Parliaments of all the States, some time this session, suggesting that the Premiers and the Leaders of the Opposition in all the States should, with the Prime Minister, the Treasurer and the Leader of the Opposition in the Federal sphere, form a convention to inquire into this matter and to recommend something better and more equitable than we now experience in regard to the distribution of tax money in Western Australia.

The Hon. F. R. H. Lavery (West): I formally second the motion.

On motion by the Hon. A. F. Griffith, debate adjourned.

*House adjourned at 4.4 p.m.*