

ing that statement. It was made mandatory on the local board of health to pass this by-law. In my opinion the action was inopportune, though it might be justified say, three years hence, or 12 months after the war. These people are engaged in a small way in supplying cheap meat for the market, a most desirable contribution to the needs of the community. I will leave this matter to the House. I cannot amend the by-law in question in the way desired, but if it were disallowed a new by-law could be drawn up to the effect that in three years these men shall vacate their properties.

Question put and a division taken with the following result:—

|                 |    |    |    |    |    |
|-----------------|----|----|----|----|----|
| Ayes            | .. | .. | .. | .. | 18 |
| Noes            | .. | .. | .. | .. | 15 |
| Majority for .. |    |    |    |    | 3  |

## AYES.

|                     |                    |
|---------------------|--------------------|
| Mr. Berry           | Mr. McDonald       |
| Mr. Boyle           | Mr. Needham        |
| Mrs. Cardell-Oliver | Mr. Bodoreda       |
| Mr. Cross           | Mr. Sampson        |
| Mr. Fox             | Mr. F. C. L. Smith |
| Mr. J. Hegney       | Mr. Tonkin         |
| Mr. W. Hegney       | Mr. Warner         |
| Mr. Johnson         | Mr. Waits          |
| Mr. Lambert         | Mr. Doney          |

(Teller.)

## NOES.

|                |              |
|----------------|--------------|
| Mr. Coverley   | Mr. Pantou   |
| Mr. Holman     | Mr. Raphael  |
| Mr. Latham     | Mr. Thorn    |
| Mr. Leahy      | Mr. Willmott |
| Mr. Mann       | Mr. Wise     |
| Mr. McLarty    | Mr. Withers  |
| Mr. Millington | Mr. Wilson   |
| Mr. North      |              |

(Teller.)

Question thus passed.

*House adjourned at 10.20 p.m*

## Legislative Assembly.

Thursday, 12th September, 1940.

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The DEPUTY SPEAKER took the Chair at 4.30 p.m., and read prayers.

### QUESTION—PERTH HOSPITAL.

#### Administration Costs.

Mr. NEEDHAM asked the Minister for Health: What were the administration costs of the Perth Hospital for the financial years ended June, 1937, 1938 and 1939?

The MINISTER FOR HEALTH replied: 1936-37, £7,589; 1937-1938, £8,764; 1938-39, £10,135.

### QUESTION—NEW ZEALAND "POLICE GAZETTE," 1921.

Mr. THORN, without notice, asked the Minister representing the Minister for Police: Will be make available to members privately, in the Clerk's room, the New Zealand "Police Gazette" for the year 1921, which should contain page 75?

The MINISTER FOR THE NORTH-WEST replied: This volume of the New Zealand "Police Gazette" being approximately 19 years old, I have to ask for time to ascertain whether it is available. I have no objection to making it available to members, if possible. I shall make inquiries in the matter.

### BILL—LAND TAX.

#### Second Reading.

THE PREMIER (Hon. J. C. Willcock—Geraldton) [4.34] in moving the second reading said: The purpose of the Bill is to fix the rate of land tax for the current financial year. It is not proposed to vary the rate, which has been in operation for 16

years. In the past we have combined the legislation for the imposition of rates for income tax and land tax. There are now separate assessment Acts for income tax and land tax, and therefore this session we are submitting separate taxing Bills. In addition, we are providing that the rate of land tax shall remain in operation until Parliament otherwise determines. This will be a help to the Taxation Department towards enabling earlier preparation and issue of assessments. The only variation proposed is to increase the minimum amount of tax from 2s. 6d. to 5s. The cost of valuation and assessment is greater than 2s. 6d. I do not consider it necessary to give any further information concerning the Bill. There is no difference whatever in the rate of tax, which has been the same for so many years. Members know its incidence, and how it affects everybody, and are also aware of the necessity we are under to obtain money from every source. I move—

That the Bill be now read a second time.

**HON. C. G. LATHAM** (York) [4.36]: As the Premier has pointed out, the Bill asks for the ordinary land tax, which is imposed year after year, with one variation, that instead of a minimum tax of 2s. 6d. there shall be a minimum tax of 5s. I do not know that many persons pay the minimum tax.

The Premier: Yes, a fair number.

**Hon. C. G. LATHAM**: For those persons who own a comparatively valueless block of land, there is a fairly heavy increase of 100 per cent. Still, I do not think it will make much difference to them. It may affect owners of land in outside districts, such as the mining areas, where much land is being held that cannot be got rid of. As the rate of tax has been imposed for so many years, there cannot be objection to the Bill.

**HON. N. KEENAN** (Nedlands) [4.37]: The only important difference in this Bill from many other Bills which have been brought down to impose a land tax is that this measure, by Clause 3, becomes perpetual until Parliament otherwise determines. In other words, instead of being enacted from year to year, the measure continues indefinitely, unless Parliament otherwise determines. That is a novel rule in taxation. I would like the Premier, if he can, to cite a single precedent for that position.

The Premier: There is the hospital tax.

**Hon. N. KEENAN**: The hospital tax is a service tax pure and simple. It is meant to recoup services which are rendered.

The Premier: No. There is also the totalisator tax.

**Hon. N. KEENAN**: We might just as well have the income tax made subject to something of a similar provision to what is contained in this Bill. If there be any reason which the Premier has not given, why not give it? What is the reason for having this departure from the ordinary procedure? Is there a reason for it? If so, what is the reason?

The Premier: I will reply to the hon. member.

**Hon. N. KEENAN**: The Premier should have given his reason in his statement, instead of in his reply, so that the reason could be examined and dealt with. Here we are to have, for the first time, a reason given in a reply. That is irrelevant. I do not wish in the slightest degree to embarrass the Treasurer, but I must call attention to an anomalous procedure, both in the matter of this position and in the matter of the reason not being given until the reply. It can be given by interjection. What is the reason?

The Premier: As a matter of fact, I was going to deal with the assessment Bills and two or three other tax Bills, and then explain the whole thing.

**Hon. N. KEENAN**: That again is embarrassing. There may be some hotch-potch made—

The Premier: No.

**Hon. N. KEENAN**: —and then we shall discover the object.

The Premier: The hon. member is not justified in making that statement.

**Hon. N. KEENAN**: That is merely how I understand the position. I may, however, misunderstand it. Do I understand the Premier to say he will not proceed with the second reading of the Bill until he has made a general statement during which he will give us the reason for this decided change?

The Premier: Yes.

**Hon. N. KEENAN**: Then that is sufficient.

On motion by Mr. Watts, debate adjourned.

**BILL—INCOME TAX.***Second Reading.*

**THE PREMIER** (Hon. J. C. Willecock—Geraldton) [4.41] in moving the second reading said: When moving the second reading of the Income Tax Bill last year, members will remember that this House approved of the Government's proposal to abolish the financial emergency tax and to make provision as regards salary and wage earners, for the collection of income tax by weekly deductions at the source. When introducing that legislation I informed members that it was the intention of the Government to raise approximately the same amount of taxation from the combined taxes as we would have received had the old income tax and financial emergency tax been continued. I then stated that while the determination of the rates of income tax for this year was a matter to be decided this year, at the same time I could give an indication of what the Government then had in mind. Members will recollect that the legislation was introduced at the beginning of the present war, and the Government was not in a position to know what amount of taxation might be required for particular purposes. At that stage I could not give an indication of what taxation would be imposed, and that is why I mentioned that approximately the same volume of taxation would be raised. To give members an indication of what the Government intended, tables were distributed setting out what the various classes of taxpayers would probably be called upon to pay under the Government's proposals, which were then tentative, compared with what they were paying under the taxation levied at that time. With that information before members the legislation was passed.

When I delivered my Budget speech I said that the Government had decided to carry on with practically the same amount of taxation this year as last year. In the circumstances that decision evidences the Government's desire to abide by the indication given to the House by means of those tables last year. We then said that the rates of taxation would be as set out in the tables. We propose to adhere to the undertaking given last year. I may mention that the printed tables, when distributed amongst members, were closely scrutinised. So great was the interest in the Government's proposals that the printed supplies of those

tables ran out within two or three days, and none is available now unless we go to the trouble of printing more copies. I presume members have retained those issued to them, particularly if they are keenly interested in this matter.

Hon. N. Keenan: Have you no extra copies at all?

The PREMIER: No. I have explained that although we had 200 or 300 extra copies printed, the demand for them was so great that the supply soon ran out. The details included in the tables provide an indication of the intentions of the Government. I am satisfied that an equivalent amount of taxation will be required this year as was obtained during the previous period. With the information that was before the House last session, members agreed to pass the legislation authorising the Government to deduct taxation at the source. At that time I made the following statement to members:—

I have been informed by the Taxation Department that the proposed rates, will, in ordinary circumstances, return not quite, but almost an amount equivalent to that raised by means of the two taxes at present.

In submitting the Budget last week I estimated that the amount to be received this year from income tax and the arrears of financial emergency tax will be £1,815,000 and £255,000 respectively, making a total of £2,070,000. Members will agree that the arrears of financial emergency tax represents a rather large total. Of course, there is always a certain amount of arrears of taxation outstanding. One of the reasons we desire to get the taxing Bills passed by Parliament early in the session is that assessments may be sent out in good time and so help to keep arrears down to a minimum. Naturally the estimate for this year is dependent upon the early passing of those Bills. If, for instance, the Income Tax Bill was not passed, as has often been the case, until November, the assessments could not be issued until after then. Taxation is not usually paid until the assessments are out, although some will be received by way of instalments. The late passage of taxing Bills naturally makes it most difficult to get in the amount of taxation we require when it is wanted. At times it has been about the second week in December before the assessments have commenced to go out. Members will appreciate how desirable it is to place taxing Bills

before Parliament as early as possible. Even though the Leader of the Opposition has stated that Parliament has little control over expenditure, the fact remains that what criticism is deemed necessary, should be indulged in before that expenditure is incurred. This year I desired to submit the Budget as early as possible. Following upon that, I want Parliament to have the earliest opportunity to discuss the taxation measures, so that they may be passed with all reasonable despatch. The Commissioner of Taxation will then be able to send out the assessments promptly. As I have pointed out, the arrears of the financial emergency tax totalled £255,000, but that will be paid in due course. Members who have studied the monthly financial returns that are published, will have noticed that nearly half of those arrears, representing about £117,000, has already been paid during July and August.

Last year the actual receipts from income tax and financial emergency tax were £859,617, and £1,263,700, respectively, a total of £2,123,317. The deficiency this year compared with last year is, therefore, estimated at £53,317. When the Taxation Department prepared its estimates an actual deficiency of £78,000 was expected. Of this sum it is proposed to make up £25,000—I shall deal with the proposals when I introduce the assessment Bill—by eliminating the present income tax allowance of a maximum of £15 per annum for travelling expenses. This allowance is not considered to be warranted and is not in conformity with the practice of other States.

Hon. C. G. Latham: But you never follow the practice adopted in the other States.

The PREMIER: That may be so.

Hon. C. G. Latham: You take away privileges and give in return nothing that equals what is enjoyed in the Eastern States.

The PREMIER: Oh yes, we do. What we are out to do this time is to honour the undertaking I gave to the House that the rates outlined in the tables would approximate those adopted for this year, and with that information at their disposal members passed the Bill last year. Previously members had adopted the attitude that they would not pass the Bill until the Government provided information as to

what rates were to be adopted. On the second occasion when a similar measure was before the House, I attempted to meet this objection because in my opinion members had put forward a sound argument against it. They could have said, "We will consider the Bill seriously when we know something about the incidence of the tax it is proposed to levy." Last session therefore the Government set out its proposals in the measure, I will not say with the idea of inducing members to accept it, but to give them information as to what the Government's intention was. I desire to honour the promise I made and which I am sure greatly influenced the House in passing the measure last year. It is extremely difficult to form an accurate estimate of revenue that might amount to as much as 2¼ million pounds; if we could arrive within 1½ per cent. of the amount I should say it would be a close and reasonable estimate. However, a check has been made of the assessments issued last year and it has been ascertained that the estimate is £70,000 down. That represents 3 per cent. margin of error. Unfortunately, from the Treasury standpoint, it meant a reduction of £60,000 or £70,000 in the amount that the State received last year from the two taxes combined. I took steps to rectify the position and now find we shall receive about £50,000 less than we received last year. To help to make up the deficiency, it is proposed to eliminate the deduction for travelling allowance. There is no method of checking this deduction. The majority of taxpayers, when filling in Form II, always deduct £15 for travelling allowance. The allowance cannot be checked, and in the circumstances is unwarranted. I have asked several persons, "How do you make up the £15 you deduct for travelling allowance? You travel in the tram only once a day, that is 3s. a week, or about £7 10s. per year." "Oh well," is the reply, "I buy my lunch in town and if I travelled home for it, I would pay the £15 a year."

Hon. C. G. Latham: That is a good argument.

The PREMIER: It certainly is, and it eases the conscience. Many people do go home to lunch and spend 1s. per day, which would amount approximately to £15 a year. On the other hand, taxpayers living in the country claim the deduction, yet they do not use buses or trams.

Hon. W. D. Johnson: Many taxpayers spend more than £15 per annum in travelling.

The PREMIER: Yes, but £15 is the maximum allowance. I am excepting the privileged class.

Hon. W. D. Johnson: Some taxpayers travel to and from their farms.

The PREMIER: That would be a business deduction.

Hon. W. D. Johnson: They are not allowed a greater deduction than £15.

The PREMIER: I think they are.

Hon. W. D. Johnson: No.

Hon. C. G. Latham: The department will not allow more than the £15.

The PREMIER: I do not desire to diverge too far from the Bill, but if a person incurs travelling expenses in his business—

Hon. C. G. Latham: If a farmer travels from Bruce Rock to Katanning to buy sheep, the department does not allow him to deduct the travelling expenses from his income.

The PREMIER: I should say those expenses would be a legitimate deduction from income if the farmer went to Katanning to buy sheep, but not if he travelled there for a few drinks.

Hon. W. D. Johnson: A taxpayer who travels from Perth to Bruce Rock for the purpose of supervising a farm is allowed only £15 for travelling expenses.

The PREMIER: The majority of taxpayers who claim the deduction are wage-earners living within reasonable distance of the city and using trams or trains.

Hon. W. D. Johnson: It is impossible to fix an equitable amount.

The PREMIER: The present allowance is inequitable. At the time the allowance was made, our prosperity was rising and the Government of the day seemed rather anxious to make such concessions. The provision has remained in the Act ever since, but, as I said, it does not obtain in any other State of Australia. It was at that time that an allowance of £62 per annum was made for each child of a taxpayer under the age of 16 years. That was one of the planks of the Labour Party's platform. I am not attempting to make any alteration in that allowance, because I think people who are bringing up children under 16 years of age are deserving of that con-

sideration. Last year I told the House—I quote my actual words—

No one has suggested that we can do with much less taxation than we receive at present. Naturally, if we receive less under the proposed new tax, the deficiency will have to be made up in some way. If the Bills to amend the Administration Act and the probate duties are passed by Parliament, we shall collect between £60,000 and £70,000 extra, and that will go towards making up any shortage experienced as the result of fusing of the two taxes

Probate duties are notoriously difficult to estimate. No one knows when people will die, they do not know themselves. The Treasury does on occasions receive a windfall by way of probate duty from some wealthy estate. Probate duties vary as much as £30,000 or £40,000 a year. Last year we did not get anything like the extra £60,000 or £70,000 we expected to receive. I think the amount collected was about £30,000. As a matter of fact, the amendment to provide for the increased duties was passed rather late in the year, and moreover the extra duties apply only to estates of a fairly high value. We have had only six months experience since the increased charges were levied. What I want hon. members to understand is that the amalgamation of these two taxes will result in our receiving £70,000 less revenue than formerly.

Hon. W. D. Johnson: Your calculation is based on normal conditions?

The PREMIER: Yes. That loss will have to be made up somehow. I expect to obtain £25,000 as a result of the abolition of the £15 allowance for travelling, to which I have already made reference, and another £40,000 from probate duties. If that can be secured, the other £5,000 or £10,000 will not be of so much consequence. The Bill imposes income tax at the rate of 9.01d. at £1, increasing by .01d. for every £1 increase in taxable income, until the maximum rate of 4s. 6d. is reached for an income of £4,500. That is to say, for the first £1 a payment of 9.01d. will be made and that payment will be increased by one-hundredth of a penny for each additional £1 of taxable income. On an income of £100, therefore, the tax would be 10d., on £200 it would be 11d., on £300 a shilling, and on £400 it would be 1s. 1d. and so on. That will simplify the calculation of the tax by individuals. Many people who submit their taxation returns showing the gross income and deductions are able to ascertain the amount of their assessable

income, but do not know how much they will have to pay. Under this system a man will know that if he has a taxable income of £150, he will pay 10½d. I have been comparing this system with that in operation in the other States. Four or five hours were required to work out what would have to be paid by way of taxation in New South Wales having due regard to the many qualifications and modifications and such things as child endowment. On the contrary, this system is a very simple one. Anybody with any idea of arithmetic and who is aware of his assessable income can readily calculate what he will have to pay in tax. I have tried to ascertain what I will have to pay in Commonwealth taxation, but it is too involved. In New South Wales it is an impossibility for people to work out the amount of their tax.

Hon. W. D. Johnson: Can you state in general terms what is the comparison between the tax in this State and that in the other States?

The PREMIER: Yes, I am coming to that. The minimum amount of tax which was previously 2s. 6d. has been fixed at 5s. It is considered that the cost of the issue of an assessment and collection of the tax exceeds half-a-crown. The minimum under the Commonwealth Act is 10s. In other States it is as follows:—New South Wales, 10s.; Victoria, 5s.; South Australia, 10s.; and Queensland, 10s. (if less than 10s.), £1 (if between 10s. and £1). Our rate will still be the lowest in Australia. People will point out that we are making an increase of 100 per cent., but anybody with a taxable income who has to pay a minimum of only 5s. is not likely to suffer any great hardship.

Hon. C. G. Latham: There is a tax at 9d. in the pound in any case.

The PREMIER: Yes. If a man had an income of £3, he would have to pay 2s. 3d. Not many people will be affected by the minimum rate. The average of the other States and the Commonwealth is 10s. It is considered that 5s. is not an unreasonable amount to charge for the trouble involved in making assessments, sending them out and giving receipts for the money.

In dealing with this measure, we should consider the background which made it necessary. Parliament last year agreed with the Government's contention that the financial emergency tax was inequitable in that it

took no account of family and other responsibilities of taxpayers, and was only partially graduated. We recognised then that it was fundamentally unsound and that its abolition was desirable. We realised that the necessary revenue should be collected under the scientific provisions of the income tax. The real purpose was to give relief to people on lower and middle incomes with family responsibilities and to transfer the burden to those in a better position to pay. I made it quite clear last year that two or three classes of people would have to pay more. People on a high range of income will have to pay a lot more. Single persons will have to pay an increased amount, and married people with no dependants will have to do likewise. On the other hand, people with family responsibilities, such as men with four or five children, and particularly if they receive a comparatively low wage, will obtain considerable relief from the new tax.

I have had tables prepared showing the tax payable under these proposals compared with that payable last year on various incomes by people with varying family responsibilities. The tables also show the amount of tax payable last year to the Commonwealth and the various States on similar incomes. The tables have been printed and will be distributed to members. The principle of transferring some of the burden of taxation to the shoulders of those better able to bear it can be illustrated by one or two examples. A man earning £300 a year and having three children last year paid £6 5s. He is the type of man we desire to relieve and under these proposals he will pay nothing. The taxation payable by a single man on £300 a year will be increased from £9 19s. 4d. to £15. Some States and other countries achieve this end in a different way. They impose what they call a bachelor tax. In comparison with a man who has three children and has only £300 a year income, the single man on a similar income and with no dependants is immeasurably better off even if he has to pay £15 in taxation.

Mr. Mann: It will not do him any harm.

The PREMIER: That is so. There are single girls earning £4 or £5 a week and when they go to entertainments a gentleman friend often pays for them. I think those girls are able to pay a little more tax, compared with the people who have been paying

hitherto—married men with two, three or more children. In the case of people earning £2,000 a year a single man will pay about £30 more and a married man with three children about £12 10s. more. While this is the general principle involved, it does not work out in the same manner in all individual cases. This, we must remember, is the fault, not of the present measure, but of the old system. The proposals now before the House are equitable and scientific. The old system was so anomalous that it created many absurdities. In some instances the new measure might appear to create anomalies, but actually this is not so. We shall merely be rectifying anomalies that previously existed. Let me again emphasise that our object is to raise the necessary taxation under accepted scientific principles and that the general aim is to relieve those taxpayers with heavy responsibilities on the lower range, and, to a great extent, transfer the burden to single people, to married people without children, and to taxpayers enjoying large incomes. The maximum of 4s. 6d. will be reached under this measure when the assessed income is £4,500, whereas previously the maximum was not reached until the taxpayer received over £6,000.

I hope the rates set out in the Bill will be passed and will form the basis of income tax for many years. As I have pointed out, to calculate the amount of tax due will be easy. The rate commences at 9.01d. on the first pound of taxable income and increases by .01d. for every pound. Thus a man with a taxable income of £100 will pay 10d. in the pound, on £200 he will pay 11d., on £500 he will pay 1s. 2d., and so forth. Any intermediate figure can be readily calculated from the base rate of 9d. Thus for £350 the rate will be 9d. plus 3½d., and for £575 it will be 9d. plus 5¾d. Thus these rates have the advantage of being simple enough for taxpayers to estimate the amount for which they are liable. I remember the occasion 12 or 13 years ago when we reduced the income tax by 33½ per cent.

Hon. C. G. Latham: You had a fairy Godfather in the Commonwealth Government.

The PREMIER: If these proposals are adopted, the Treasurer will have a formula as the basis of his income taxation. He will know what the base will produce, and he will be able to add or subtract a per-

centage according to his requirements for the year. If he needs more money he will be able to say that these will be the rates, plus 2½ per cent. or 5 per cent. as the case may be. If he can do with less than the money produced on this basis, he will be able to say that these will be the rates less the desired rebate. The simplicity of the system for the Treasurer, the Taxation Department and the taxpayer will thus be retained.

As I have said, we propose that the rates set out in the Bill shall be the rates for this year, without any percentage increase or rebate. I should like to point out in passing that the tables presented to members last year setting out a comparison between taxation payable under the then existing rates and under the proposed amalgamation do not represent a strict comparison of variations between the tax paid last year and the tax payable under this measure. In the first place, when the tables were prepared last year, the income tax rebate was 20 per cent. Under the tax paid last year, it was amended to 12½ per cent. The tables prepared last year provided for—

1. The statutory exemption for persons with dependants to be reduced at the rate of £3 for every £2, instead of £2 for every £1.

2. Deductions for children to be reduced by £1 for every £1 by which the net income exceeded £500.

It is not proposed to proceed with either of these two suggestions, and therefore the tables prepared last year are not strictly applicable to the present position. I realise that we might have made the graduation for cutting out the exemptions less steep, but being short of money, I could not afford to give consideration in that way this year.

It is also necessary to fix by this Bill a rate to apply to companies. The rate on companies generally has been fixed at 2s. 6d. in the pound on the amount of the company's taxable income. Previously companies paid 1s. 5¼d. under the income tax Act and a graduated rate of financial emergency tax from 4d. to 1s. As the majority of taxable companies have incomes exceeding £806, the maximum rate of financial emergency tax of 1s. applied. Instead of having a rate that is difficult to calculate, we have increased company taxation to 2s 6d. in the pound. That represents a rise in the rate of ¾d. in the pound. The rate on companies under the Commonwealth law is

2s. In New South Wales the rate is 2s. 6d., but there is also an unemployed relief tax (on undistributed income) of 11½d.

Hon. C. G. Latham: Companies will now pay 4s. 6d., that is, with the two taxes.

The PREMIER: Yes, the Commonwealth and State taxes. I am at present dealing with the New South Wales tax, where the rate is 2s. 6d. plus 11½d., as I have stated.

Hon. C. G. Latham: That is the position in only some of the States.

The PREMIER: It is the position in New South Wales. In Victoria the rate is 2s. in the pound. In Queensland the minimum rate is 1s. 9d. In that State various methods are employed and different aspects of the types of business carried on are taken into consideration. The maximum taxation for what is known as public utility and monopoly companies is 7s. 3d. in the pound, on ordinary companies 5s. 3d., on banking and film companies 4s., on insurance companies (other than life) 3s. 3d., and on shipping companies 3s. 3d. in the pound. On top of all that, a super-tax of 20 per cent. is imposed, and that lifts the taxation to a high figure. In South Australia the tax is 2s., and in Tasmania it is 1s. 10½d., but there is also a special income tax graduated from 4d. to 1s. in the latter State. The taxation in Tasmania, therefore, is nearly akin to ours. Taking all these figures into consideration, I think we are striking an average of what appertains to all the States. Queensland is immeasurably higher than we are, New South Wales is about 40 per cent. higher, South Australia and Victoria are 15 to 20 per cent. lower than we are, and Tasmania is about on a level with us. Separate rates are imposed in the case of life assurance companies. Up to 1918 such companies paid the same rate as did other companies, but the 15 per cent. increase in that year was not applied to them. Last year they paid 1s. 3d. income tax, plus 1s. financial emergency tax. No increased rate of tax is therefore proposed for life assurance companies, the rate for which will be maintained at 2s. 3d. For companies of this kind the Commonwealth rate is 2s. In New South Wales it is 1s. 6d. for mutual companies, and for other companies it is 1s. 6d. on insurance profits, and 2s. 6d. on property income. In addition there is the unemployment relief tax of 11½d. In Victoria mutual companies pay 1s. on insurance profits and 2s. on property income. Mutual companies in Queensland

pay 1s. 9d., and shareholders companies 3s. 3d. The super-tax of 20 per cent. in Queensland applies to shareholder companies, and to the undistributed income of mutual companies. In South Australia the rate is 2s. and in Tasmania it is 1s. 10½d., also with the special income tax graduated from 4d. to 1s.

Another class of taxpayer is specially provided for in the Income Tax Bill and in this Bill. I refer to companies which have to pay dividends to foreign shareholders. Previously the rate was 1s. 5¼d. in the pound plus financial emergency tax, averaging, say, 4¾d., making a total of 1s. 10d. The proposal now is to make the tax 2s., which is a slight increase. The Commonwealth rate is 2s., New South Wales 1s. 6d., Victoria 1s. 4d., Queensland 2s. 4d., and South Australia 2s. Our rate will, therefore, be on a par with the average rate throughout Australia.

For the first time in income taxation this Bill provides for the continuance of the Act after the 30th June, 1941, until next year's Act is passed. The member for Nedlands (Hon. N. Keenan) raised the point on the Land Tax Bill, and the provision to which he referred will remain in this Bill until next year's Act has been passed. We know that taxation Bills will have to be introduced every year. There is an advantage in the Taxation Commissioner being able to charge a known rate until the assessments go out, otherwise he would not be able to assess anyone in any circumstances until the rate had been fixed. Many people who will have paid their income tax for last year find that in August they are due to pay another lot of taxation. They may desire to go to another State or some other part of the world. The Taxation Commissioner has to assess them, and will require to know what rate to charge. We have therefore, laid it down that the Act shall continue in force in these circumstances until an Act has been passed next year. A man may want to leave the State altogether either in August or September. Perhaps no Bill will have been passed imposing the tax on the previous year's income. If that person wants to leave the Commonwealth, the Customs will be unable to give him a clearance or allow his passport to be used because he will not have brought his taxation up to date. It is proposed, however,



that he should be in a position to go to the Taxation Department and ask what his taxation will be. He may have already paid his income tax for the previous year and will be due to pay another lot. The Commissioner will then be able to charge him at the rate pertaining to the previous year.

Hon. C. G. Latham: With this sub-clause in the Bill there is no need for you to bring down a taxing measure next year.

The PREMIER: I suppose not, as a matter of law, but I do not know how this provision could be arrived at in any other way.

Hon. C. G. Latham: It will make the tax a permanent one. The sub-clause says,

“For the financial year beginning on the first day of July, 1940.”

That makes the tax permanent, but that will not matter a great deal if the House is satisfied.

The PREMIER: I do not think any Government would want to make the tax permanent. It could say it would meet Parliament in regard to income tax, but there will be no necessity to bring down a taxing Bill. Unless the tax is altered, it will remain as it was.

Hon. C. G. Latham: We could insert a proviso that this tax shall be dealt with by every subsequent Parliament.

The PREMIER: If it is necessary to insert a modification along those lines, I would have no objection. This is all that the Bill contains. I have endeavoured to give as much information to members as possible. I have also had tables prepared, though not quite such lengthy ones as were prepared last year, making comparison with the income tax payable by single people, by married people without children and married people with three children.

Hon. C. G. Latham: Have you copies of the tables?

The PREMIER: Yes, and will arrange for them to be distributed. They will show the taxation in Western Australia for last year under the financial emergency and income tax legislation, the proposed rate for this year and how it will work, the Commonwealth taxation last year and this year and also the figures of New South Wales, Victoria, Queensland, South Australia and Tasmania. Members will be able to make comparisons between our rates and those of

the Commonwealth and the other States. I move—

That the Bill be now read a second time.

On motion by Hon. C. G. Latham debate adjourned.

## **BILL—INCOME TAX (RATES FOR DEDUCTION) ACT AMENDMENT.**

### *Second Reading.*

**THE PREMIER** (Hon. J. C. Willecock—Geraldton) [5.30] in moving the second reading said: The Income Tax (Rates for Deduction) Act of 1939 fixes the rates of deduction to be made from wages and salaries of taxpayers as instalments towards the liquidation of their income tax, or what is familiarly known as the lay-by system. Members no doubt have heard of the lay-by system which amounts to making provision for a liability it is intended to incur in the future. So much is put aside each week to meet that liability. When the rates were fixed we were guided by the experience of South Australia which had one rate only and Victoria which had a number of rates. The advice of our officers who had been sent over to examine the systems, was that one flat rate of a shilling was the most desirable method. This, however, would have imposed a fairly heavy burden on the lower paid workers, and therefore it was decided to compromise, and two rates were fixed, as follows:—(a) Where the rate of salary or wages does not exceed £8 per week, 6d. in the £1; (b) where the rate of salary or wages exceeds £8 per week, 9d. in the £1.

Calculations show that, with these rates, the amount payable in a lump sum at the end of the year on many income ranges is comparable to the income tax which would be payable if the old method and rates of tax had continued. Numerous requests have been received by the department to permit the whole of the tax to be spread over instalments throughout the year, and for the weekly payments to be increased to enable that to be done.

Hon. C. G. Latham: Do you mean to say the Commissioner told you that?

The PREMIER: Yes. Say a man is in receipt of £20 a week, he would prefer to pay 10s. or £1 from his salary than pay a big wad at the finish. Many have asked whether it would be possible to pay more

than they are actually paying now, and they have said that they would prefer to pay more and have done with it.

Mr. Hughes: It is a lot easier to do it that way than to pay a big amount at the finish.

The PREMIER: Yes. I can produce the file showing that we have had quite a number of requests for permission to pay a bigger amount. I know that many people would sooner meet their liabilities as they occur than allow them to accumulate.

Mr. Hughes: I am sure the Leader of the Opposition would prefer to pay £5 a week than the whole lot at the end of the year.

The PREMIER: Members will agree it is more convenient to meet liabilities as they occur rather than allow them to accumulate. The existing difficulty is that though the employee may wish to have a greater deduction made, the employer can refuse more than the Act provides for. The Government has therefore acceded to the requests that have been made, and the Bill contains provisions for an extension of the deduction rate as follows:—

(a) Where the rate of salary or wages exceeds £10 but does not exceed £12, 1s. in the £1.

(b) Where the rate of salary or wage exceeds £12 per week, 1s. 6d. in the £1.

The extension of the rates has the following three advantages:—

(a) It will enable the taxpayer to spread his liability evenly over the year.

(b) It will prevent a congestion in the Taxation Department late in June when all taxpayers will require to complete their payments.

(c) It will bring in more revenue earlier in the year.

Provision is also made for the Commissioner to fix a higher rate which will be adequate for application to very high rates of remuneration. This provision is in accordance with the Victorian Act which has been found to be of benefit to the employee. Having explained the provisions of the Bill, I do not think the Leader of the Opposition will now be quite so apprehensive as he was at the outset. The effect will be that people will be able to make payments at a little higher rate than that laid down by the Act in existence. That is all the Bill contains. I am sure the Bill will appeal to a considerable section of the community which has

asked for it, and the Government considers it was justified in acceding to the request. I move—

That the Bill be now read a second time.

On motion by Hon. C. G. Latham, debate adjourned.

## BILL—INCOME TAX ASSESSMENT ACT AMENDMENT.

### *Second Reading.*

**THE PREMIER** (Hon. J. C. Willcock—Geraldton) [5.40] in moving the second reading said: This Bill co-relates the other Bills. I considered it desirable to make all Bills dealing with taxation available jointly, for the convenience of hon. members. The purpose of this measure is, firstly, to make provision for certain amendments to the Assessment Act which have resulted from an agreement arrived at between the Commonwealth and the various States at a Premiers' Conference held last year; secondly, to make provision for allowances as deductions of certain payments as a result of correspondence subsequent to the Premiers' Conference; thirdly, to eliminate the allowance—on which I have dilated already—as a deduction for the amount spent on travelling expenses—I made a reference to this when introducing the Bill imposing rates; and, fourthly, to provide for a number of amendments which are necessary in order to clarify the law and bring it into line with what it was supposed to be when the Act was passed in 1937. The Bill also endeavours to keep in line with the corresponding Commonwealth legislation. Whenever amendments are made by the Federal Parliament which we consider desirable, we submit them to this Parliament. Federal amendments which are considered not to be agreeable to members of this State Parliament would not be submitted. However, our desire is to achieve as much uniformity with Commonwealth legislation in this respect as may be possible.

At the Premiers' Conference to which I have already referred, it was agreed that the Commonwealth and the States would exempt from taxation the pay of sailors, soldiers, and airmen who proceed overseas. The Bill provides that though the pay of members of the fighting forces is exempt, exemption does not apply to any

other income which they might enjoy. Whether they receive soldiers' pay, or naval pay, or air force pay, such pay is not subject to taxation; but a soldier who in private life followed a profession might have, in addition, a large private income, and that would be taxable. As a result of correspondence between the Commonwealth and the States subsequent to the Premiers' Conference it was agreed that gifts to a war patriotic fund, and also gifts to the Commonwealth for war purposes, should be allowed as deductions from income before assessment for income tax. As members know from what has appeared in the daily Press, many persons make absolute gifts of money to the Commonwealth, or lend the Commonwealth money free of interest—I think the amount under the latter heading now totals about £12,000,000. Suppose an hon. member gave the Commonwealth £10,000 to purchase a Spitfire—as we would all like to do—he would not, if the Bill passes, be liable to State taxation on the amount of his gift.

Hon. N. Keenan: I am considering the statement about money lent free of interest.

The PREMIER: I only mentioned that, in passing, as an instance. Such lenders will retain their capital. However, the people who give money toward patriotic funds are liable to taxation upon such amounts, as the law stands.

Mr. Hughes: Does the Bill mean that if a State taxpayer gave sufficient money to the Commonwealth, he might not pay any State tax?

The PREMIER: If a man had an income of £1,000, and made a gift of £1,000 to the Commonwealth, he would not have to pay any taxation.

Mr. Watts: Does that refer to amounts given out of capital?

The PREMIER: If a man made £1,000 a year and gave £1,000 to the Commonwealth for war purposes, he would not be taxable.

Mr. J. Hegney: If he gives money to the Commonwealth, we will not charge him taxation on it.

The PREMIER: But as the law stands at present, such a man would be taxable. By this Bill we propose to give him a rebate in respect of contributions to war patriotic funds. Since the Premiers' Conference, the Commonwealth Government has intimated

that it may decide to collect tax by instalments at the source from wage and salary earners, and if the Commonwealth Government puts this system into operation, it will be necessary for the Commonwealth and the States to enter into an agreement in regard to the use of a joint taxation stamp in order to avoid confusion amongst employers and employees. In anticipation of such an agreement being necessary, provision is made in this assessment Bill for the State to have the power to make such an agreement. If the Commonwealth takes no such action, then the provision will be inoperative.

Another amendment, which arises out of correspondence between the Commonwealth and the States, is one affecting the assessment of freight earned by shipping companies where freight rebates are allowed. At the request of the Commonwealth Government, various shipping companies agreed to allow freight rebates on the carriage of certain primary products. The assessment Act provides that the tax shall be imposed on the freight payable. The freight proposed is the gross freight, the rebate being allowed as a cash payment later. Until recently it was understood by the Commissioner of Taxation that the tax would be imposed on the net freight. Early in the year, however, the Commonwealth Crown Solicitor queried the validity of this interpretation, and, in order to place the matter beyond all doubt, it is proposed to amend the applicable section in the assessment Act to make it clear that the tax will be on the net freight retained by the ship owner. The clause, it is proposed to insert, is worded similarly to an amendment made to the Commonwealth Income Tax Assessment Act, and we will thereby secure uniformity in that regard.

Another provision in the Bill relates to the elimination, as a deduction, of the amount up to £15 per annum spent by a taxpayer in travelling from home to work. I have already mentioned this matter once or twice this afternoon and I shall not enlarge upon it beyond saying that the allowance is permitted only in Western Australia. Experience shows that it is claimed by all taxpayers, but it is impossible for the Commissioner of Taxation to satisfy himself that the amount has been spent legitimately. In our opinion it is not a deduction that should be continued

and by its elimination it is expected that extra taxation, amounting to approximately £25,000, will be collected during this financial year.

The only other amendment of which it is perhaps necessary to make special mention, is that affecting the assessment of taxation of re-insurance premiums. As the law stands at present, the Commissioner of Taxation is forced to tax all companies that share in the insurance and re-insurance business effected in this State. This necessitates the Commissioner ascertaining from re-insurers in all parts of the world the amount of re-insurance premium paid to them, from which they were entitled to deduct any claims and expenses paid by them. The provision has been found to be unworkable and, at the request of the insurance companies, we now propose to tax the companies in Western Australia on the full amount of the insurance premium without allowing any deductions for re-insurance effected outside the State. The local companies will, of course, be allowed to deduct claims met by these re-insurers and any expenses paid by the local companies to them. This will be more convenient for the insurance companies. They will pay the tax on the premiums and will allocate the cost among the various other insurance companies with which re-insurances are effected. Revenue will not be affected in any way, but the administration will be considerably simplified. If the amendment is agreed to, our Act will be brought into conformity with the Commonwealth taxation laws and the taxing Acts of the other States.

The other amendments are for the purpose of clarifying the law. Experience has shown that some doubt exists in regard to various sections, and, in order that the original purpose may be achieved, a number of amendments have been embodied in the Bill. What I propose to do is to explain the necessity for the amendments as we deal with the clauses in Committee. The Bill is essentially one for discussion in Committee, and many of the amendments are of comparatively minor importance, but are necessary to bring our Act into conformity with the Commonwealth legislation. I move—

That the Bill be now read a second time.

On motion by Hon. C. G. Latham, debate adjourned.

## BILL—OPTOMETRISTS.

### *Second Reading.*

**THE MINISTER FOR HEALTH** (Hon. A. H. Panton—Leederville) [5.58] in moving the second reading said: The Bill is expressly designed to control the practice of optometry and to ensure the competence of optometrists who will be registered under this legislation, the object of which is, in effect, to provide a safeguard for the eyes of the public of Western Australia. The necessity for the Bill must be apparent when it is realised that any person, without any training or knowledge in the complex science of optometry, may set himself up as an optometrist. Endless trouble has been caused by such people, as they are unable to detect conditions of the eyes that demand medical attention, conditions that a qualified optometrist would immediately observe and refer to the oculist.

Hon. C. G. Latham: Why do not you call them opticians?

**THE MINISTER FOR HEALTH:** I am referring to them by the name by which they are known throughout the rest of the world. Surely we ought to be up to date!

Hon. C. G. Latham: Why introduce foreign names?

The Premier: There is a difference between an optician and an optometrist.

The Minister for Works: A vast difference.

Hon. C. G. Latham: They are exactly the same.

The Premier: No.

Hon. C. G. Latham: The words are synonymous.

The DEPUTY SPEAKER: Order! The Minister may use his own language.

**THE MINISTER FOR HEALTH:** A competent optometrist would, if he found that his patient was suffering from an eye complaint, immediately send him to an oculist. An incompetent optometrist, on the other hand, would not act in that way, with the result that it might be too late for the oculist to treat the disease.

Member: Did you say oculist?

The DEPUTY SPEAKER: The Minister had better address the Chair. I remind hon. members that they must not interject.

**THE MINISTER FOR HEALTH:** The temptation to answer such an interjection is great, but I will let it go this time. An incompetent optometrist might also supply

spectacles to a person suffering from eye disease; the person may find that his sight is improved, but in the meantime the disease may make such progress as to defy treatment when he consults an oculist.

Mr. Sampson: Will Woolworths be allowed to sell cheap glasses?

The MINISTER FOR HEALTH: I have already been told that I am not to answer interjections. The sale of cheap glasses at chain stores does contribute in a similar way to eye risks. These glasses may provide relief from obvious symptoms, such as reading difficulties, but the real trouble may be something much more serious. In answer to the member for Swan, this legislation would not prevent the sale of glasses by a firm like Woolworths. While on this point, I am reminded of a story told to me by the Premier. A friend of his went to an optometrist, who examined his eyes and supplied him with glasses. On the Premier inquiring the name of his friend's optometrist, he received the answer, "Woolworths"! That will give members an idea how much some people understand about their eyes. The incompetent or unqualified optometrist often starts as a canvasser for some other equally unreliable optometrist. The canvasser, from door to door visiting to obtain business for his employer, learns some rudiments of the procedure and decides that he can earn more money by being an optometrist himself. He then starts up in business and himself employs a canvasser, who in turn gets the same idea, and so the number of so-called optometrists is constantly increased. Lack of registration of optometrists in this State allows that kind of thing to take place without hindrance. The eye is a delicate organ, and if it becomes in any way diseased, only a competent oculist should be allowed to treat it. The fitting of spectacles to oculists' prescriptions is of great importance, because incorrect fitting can so alter the effectiveness of spectacles as to undo the good work accomplished by means of a careful and thorough examination. To fit spectacles carefully, comfortably and accurately, one must have a thorough knowledge of the science of optometry; in fact, one must be a thoroughly competent optometrist. If I consider that my glasses require alteration I consult an oculist and pay him £1 ls. to prescribe for me. I then take his prescription to an optometrist, who makes the spec-

tales according to it. If the optometrist does not do so, then I am not getting that for which I paid the oculist a fee. Registration is now in force in every State in America, in most of the Provinces of Canada and in all the States of Australia, with the exception of Western Australia.

Member: Where does the term "optometrist" come from?

The MINISTER FOR HEALTH: I do not know. It is an up-to-date term. Some people, after cultivating and improving a flower, will change its name. At one time an aquilegia was known as columbine. We shall probably in course of time refer to politicians as statesmen. Another disability is suffered by competent optometrists in this State. Should they desire to leave Western Australia and set up business in another State, they cannot do so because of the lack of reciprocity between Western Australia and the other States, owing to the fact that optometrists are not registered here. On the other hand, an optometrist from the Eastern States can, whether or not he is competent, set up in business in this State. If an optometrist desires to follow his profession in the Eastern States the first thing he is asked is whether he is registered. Of course his answer must be in the negative because there is no provision in this State for the registration of optometrists. Consequently he has to go through the process of working for somebody else and pass an examination before he can become established on his own account. The passing of the Bill will mean that optometrists in Western Australia will have to submit to a number of restrictions in their professional activities, but it will also result in organised training and control of optometrists, with the result that in years to come the public will have the assurance that all registered men will be capable of giving reliable and complete optical services. Moreover, the fact that the profession is given a legal status will be an inducement to a particularly good class of man to present himself for training with the knowledge that once having been registered in this State he will be able to travel through practically any part of the British Dominions and establish himself as a registered optometrist. Optometrists in this State have been particularly patient, because they have waited for years for this legislation. As a matter of fact, I had the

Bill ready last year but was unable to introduce it through lack of time.

Mr. Sampson: Your party opposed such a measure in 1923.

The MINISTER FOR HEALTH: In 1920 when I was a member of the Legislative Council I served on a select committee that dealt with this subject.

Mr. Sampson: A Bill reached this House in 1923.

The MINISTER FOR HEALTH: Unlike the hon. member, my party has now seen the light. Until the hon. member goes to a good optometrist he will never see it.

Mr. Sampson: Do not be too sure about that.

The MINISTER FOR HEALTH: I was saying, when I was so rudely interrupted, that as far back as 1923 a select committee was appointed from the Legislative Council to inquire into this matter, and I had the pleasure of serving on that committee under the chairmanship of the late Dr. Saw. At that time there was considerable opposition from the medical profession, though I could never see any real reason for it. An oculist who is a member of the medical profession tests eyes and prescribes necessary glasses, which are then made by optometrists. Under this measure the optometrists will continue to do that work. At present, however, there is nothing to prevent anybody setting up business as an optometrist, though there is a lot to prevent a man from establishing himself as an oculist.

Mr. Sampson: Do you think the public is suffering?

The MINISTER FOR HEALTH: I think the measure will be for the benefit of the public. The hon. member can say what he likes when I have finished speaking. If he makes as good a speech as he did last night he will do well, but I doubt whether he can do so, because I do not think he knows as much about this matter as he does about piggeries. Surely it is preferable to have some control over optometrists to ensure that those dealing with such a delicate organ as the eye shall be competent to do so? If the Bill becomes law we will have men who are in every way fitted to carry out the duties of their profession.

Provision is made in the Bill to ensure that there will be no interference with the rights and privileges of any medical practitioner. Nor does the Bill affect any person solely engaged in the craft of lens

grinding or spectacle making, such as is carried out in wholesale and jobbing houses. For the purposes of this Act a board will be appointed consisting of seven members. The first board will be appointed by the Governor in Council and will hold office for three years. In the case of the initial appointments, five members shall be persons deemed to be competent optometrists, and of the two remaining members one shall be a medical practitioner and the other a member of the teaching staff of the Physics Branch of the University of Western Australia. Future boards are to consist of two optometrists nominated by the Minister for Health, three nominated by the registered optometrists, together with a medical practitioner and a member of the University.

Provision is also made that where any person, within six months after the commencement of the Act, produces satisfactory evidence either as a principal or an employee that he was continuously and bona fide engaged in the practice of optometry in Western Australia for not less than five years, that person shall be registered, or if he has practised for not less than three years he will be registered provided he can pass a reasonable practical test to prove his competency. Registration under the Act will entitle any person to practise optometry and to dispense medical practitioners' prescriptions for spectacles, but after the expiration of six months from the commencement of the Act, a person who is not registered will not be allowed to practise.

The method of registration and the fees to be paid are provided for in the Bill. Precautions have been taken to prevent anyone using drugs for the measurement of the powers of vision or the treatment of any affection of the eyes, as this would be an infringement of the Medical Act.

*Sitting suspended from 6.15 to 7.30 p.m.*

The MINISTER FOR HEALTH: The Bill provides that, after the expiration of six months from the commencement of the Act, any firm desiring to carry on the practice of optometry must have a registered optometrist continuously in charge of the premises or the portion of the premises used for the purpose. Provision is made for suspension from the privileges of registration for certain specified reasons and the

methods to be adopted by any person who has been suspended. An appeal may be made to a judge of the Supreme Court against any ruling of the board in the event of a person considering himself aggrieved by the decision of the board. The funds of the board shall be subject to audit by the Auditor General's department and the board will be responsible for payment of the cost. The Bill also describes various ways in which infringements of the Act may be committed, and sets out penalties for them. Legislation of this kind has been desired for a considerable time. There should be power to control people who deal with such a delicate organ as the eye. In my opinion far too many people are wearing glasses and I am inclined to think that there are too many quacks playing with people's eyes. The point might be taken that this Bill will lead to the establishment of another board, but I think optometry is the only profession in Western Australia over which there is no legal control. I regret that it has had to wait so long for legislation. I move—

That the Bill be now read a second time.

On motion by Mr. Sampson, debate adjourned.

### **BILL—KALGOORLIE HEALTH AUTHORITY LOAN.**

#### *Second Reading.*

Debate resumed from the 5th September.

**MR. SAMPSON** (Swan) [7.34]: I have examined the Bill, which discloses a very satisfactory state of affairs. The Minister pointed out that a saving had been made on the loan raised to carry out the sewerage work at Kalgoorlie and that there had been no profit to private enterprise. Such a saving is no real proof of profit. More money might have been available to spend in other ways had tenders been called for the work. Many contractors find it impossible to make a profit, but the Minister has an idea that so long as tenders are not called, the job is done cheaply. When the Minister for Works, on Friday last, gave his very interesting address at the unveiling of the plaque at Canning Dam, he did not attach any special importance to the fact that the work had been completed for less than the estimated cost, the implication being that Government departments some-

times add to the estimate of costs in order to avoid the possibility of complaint if expenditure exceeds the estimate.

The Minister for Lands: The Canning Dam is connected with Kalgoorlie!

Hon. C. G. Latham: It will be very soon.

The DEPUTY SPEAKER: Order!

Mr. SAMPSON: There seems to be an attempt by the Minister for Lands to interfere in your duty, Mr. Deputy Speaker.

The DEPUTY SPEAKER: I will attend to that. Will the hon. member proceed with his address.

Mr. SAMPSON: I am sure you will not allow any interference with your work. When the Minister for Works made that remark, it left an impression on my mind and I recalled the statement about the sewerage work at Kalgoorlie. No doubt the ratepayers of Kalgoorlie will be well protected because the Bill provides that before the balance of the loan can be expended, the approval of the ratepayers and of a majority of the council must be secured. I congratulate the Kalgoorlie people upon the success that has attended the special work for which the loan was raised and have no doubt that the Bill will be passed without amendment.

Question put and passed.

Bill read a second time.

#### *In Committee.*

Mr. Withers in the Chair; the Minister for Health in charge of the Bill.

Clauses 1, 2—agreed to.

Clause 3—Provision for use of surplus moneys in loan raised by the council for Health Act purposes:

Hon. N. KEENAN: Sub-paragraph (i) provides that the expenditure must be approved by a resolution of the council and such resolution must be confirmed by a meeting of ratepayers. Does that mean any number of ratepayers or only one or two? No specific number is prescribed. Everyone knows that ratepayers' meetings as a rule are attended by two persons, one of them accompanied by a dog.

The Minister for Health: The proposal has to be advertised.

Hon. N. KEENAN: The provision is farcical. If confirmation by a hundred rate payers was required, I could understand it. I move an amendment—

That in subparagraph (i) the words “and such resolution has been confirmed by a meeting of ratepayers in the Kalgoorlie municipal district and” be struck out.

Hon. C. G. LATHAM: Those words constitute a safeguard for the ratepayers. In this instance the money was borrowed under the Health Act, and probably as the result of a vote by the ratepayers.

The Minister for Health: Yes.

Hon. C. G. LATHAM: And some of that money still remains.

Mr. Styants: About £6,900.

Hon. C. G. LATHAM: The retention of the words will ensure that the ratepayers will have some control over the expenditure of that money.

Mr. STYANTS: I hope the amendment will not be agreed to. The point raised by the member for Nedlands is hardly important. In the City of Perth very few people attend half-yearly or yearly meetings of ratepayers, but that does not invalidate the business done. The paragraph as worded will give the ratepayers an opportunity to attend their own meetings and voice their wishes concerning the manner in which the money should be expended. The loan was raised for a particular purpose, and before it could be used for any other the ratepayers should be able to express their views. When the first referendum was taken, it was taken over the whole municipality and the majority of ratepayers voted against the loan. The second referendum was taken under a section of the Health Act in the particular area to be served by the sewerage, and a majority of those ratepayers voted in favour of the loan.

Hon. N. KEENAN: In view of the remarks of the member for Kalgoorlie I ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause put and passed.

Clause 4, Schedule, Preamble, Title—agreed to.

Bill reported without amendment, and the report adopted.

## BILL—PETROLEUM ACT AMENDMENT.

### *Second Reading.*

Order of the day read for the resumption from the 3rd September of the debate on the second reading.

Question put and passed.

Bill read a second time.

### *In Committee.*

Mr. Withers in the Chair; the Minister for Mines in charge of the Bill.

Clause 1—agreed to.

Clause 2—Repeal of certain sections and the Schedule.

Hon. C. G. LATHAM: Does this clause deal with the section relating to licenses? Certain companies have spent money in anticipation of finding oil.

The Minister for Mines: We will come to that point later.

Clause put and passed.

Clauses 3 to 15—agreed to.

Clause 16—Amendment of Section 34:

The MINISTER FOR MINES: On the second reading the member for West Perth made a suggestion regarding fees; and, in accordance, I move an amendment—

That all the words after “fee,” in line 3, be struck out, and the following inserted in lieu:—“of one hundred pounds.”

Amendment put and passed; the clause, as amended, agreed to.

Clause 17—Amendment of Section 25; Repeal and new section; Provision where application for permit approved:

The MINISTER FOR MINES: At present there is no provision whereby the holder of a permit to explore may at any time surrender the whole or any part of an area. Therefore I move an amendment—

That the following be inserted to stand as proposed Subsection (5):—“The holder of a permit to explore may at any time, with the consent of the Minister, surrender his power to explore either in respect of the whole or of any part of the area of the land mentioned in the permit.”

Amendment put and passed; the clause, as amended, agreed to.

Clauses 18 to 21—agreed to.

Clause 22—Amendment of Section 45:

The MINISTER FOR MINES: We now reach the subject of licenses to prospect,



and in this clause I desire to move an amendment corresponding to that made in Clause 17—

That the following be added to paragraph (b), to stand as proposed Subsection (4):—  
“The holder of a license to prospect may at any time, with the consent of the Minister, surrender his power to prospect either in respect of the whole or of any part of the area of the land mentioned in the license.”

Amendment put and passed; the clause, as amended, agreed to.

Clause 23—agreed to.

Clause 24—Amendment of Section 48; Repeal and new section; Fees for license to prospect:

The MINISTER FOR MINES: To correct clerical errors, I move an amendment—

That in lines 5 and 8 respectively of proposed Section 48 the word “minimum” be struck out, and “maximum” inserted in lieu. These are obvious errors.

Amendment put and passed; the clause, as amended, agreed to.

Clause 25—Amendment of Section 55:

The MINISTER FOR MINES: This clause, to which attention was drawn by the Leader of the Opposition and the member for West Perth on second reading, deals with the question of a reward lease for the first person to discover oil in Western Australia. It is right to point out that some leases have already been granted practically under that provision. At present there exist reward leases with areas of 50, 100, 225, again 225, 70, 18, and 12 square miles. I move an amendment—

That the following proviso be added to the clause:—Provided that in the event of the first discovery of payable petroleum in this State being made by a licensee of a license to prospect existing at the time of the commencement of this proviso in the name of such licensee, such licensee upon such discovery shall have the right to apply for and be granted a petroleum lease not exceeding the whole of the area of land mentioned in his license to prospect.

The effect of the proviso will be that should anyone of the holders of the eight leases I have referred to find oil, he will be able to apply for a reward lease of an area equivalent to that to which his license applies. For instance, Freney's area consists of 225 square miles. If that company should be the first to strike oil, and I sincerely hope it is—its bore is down over 3,000 feet now—it will have the right to apply for a reward lease of 225 square miles. That was the actual area

provided for in the original Act. With such a proviso, the interests of present holders of leases will be protected.

Hon. C. G. LATHAM: I regret the Minister's amendments have not been placed on the notice paper. We are in the dark regarding their purport. I am anxious that we shall not interfere with contracts entered into under the parent legislation, and, without having the full text of the amendments before us, difficulty is experienced in knowing exactly what their effect will be. I shall be satisfied if the proviso will extend the necessary protection to existing leaseholders.

The Minister for Mines: That is what it will accomplish.

Hon. C. G. LATHAM: I am prepared to accept the Minister's assurance. If necessary, should we not be satisfied after a perusal of the amendments, we can have the matter dealt with in another place.

Amendment put and passed; the clause, as amended, agreed to.

Clauses 26 to 44, Title—agreed to.

Bill reported with amendments.

## ANNUAL ESTIMATES, 1940-41.

### *In Committee of Supply.*

Resumed from the 10th September: Mr. Withers in the Chair.

#### *Vote—Workers' Homes Board, £5:*

Mr. TONKIN: The Workers' Homes Board is doing excellent work, but I would like steps taken to make it possible for that work to be expedited. There is a long waiting list of applicants, and last year the Premier said that additional funds would be made available so that applications could be dealt with more expeditiously. Unfortunately, that has not been the experience, and there are hundreds on the waiting list now.

The Premier: A large amount was made available.

Mr. TONKIN: I admit that, but the board requires even more money.

Hon. N. Keenan: What amount of money was made available for the board during the last financial year?

Mr. TONKIN: I cannot say, but whatever the amount, it was not enough.

The Premier: The board received £100,000 from the superannuation fund.

Mr. TONKIN: Money invested in workers' homes is absolutely safe, for it represents the best possible form of investment. No better project could be launched than the provision of homes for the people. I believe the applications on the waiting list total between 600 and 700, and some persons have had their applications before the board for much in excess of 12 months. People should not be required to wait so long, particularly as it is almost impossible for them to secure homes by any other means. The board offers wonderful facilities in that respect, but, unfortunately, progress is too slow. Some years ago the Commonwealth Government made quite a show about dealing with this question, and the Federal Housing Act was passed. It appeared that the work of the State would be considerably augmented by the prospective activities of the Commonwealth Government. But it proved to be only a gesture. The Act was not passed as a serious enactment and practically nothing has been done in consequence. I asked a question with a view to ascertaining how much money the State had received from the Commonwealth Government under the Housing Act, and I was informed that one amount only had been paid. If the Commonwealth Government would enter this field and spend money on the erection of homes, we could possibly clear up the present accumulation of applications, but it would appear that the Federal authorities do not intend to do so. I urge the Premier to make application to the Commonwealth Government for additional funds under the Housing Act. The Premier should point out to the Commonwealth Government that our Government is desirous of enlarging the board's activities, but is hampered owing to lack of money. Hon. members who advocate the provision of interest-free money will have plenty of scope on this vote. I feel persuaded that no disadvantage would ensue to the State or to the nation if such money were used in the way I suggest. The Commonwealth Government might well make use of the Commonwealth Bank to provide money for the purpose. I hope a determined effort will be made to expedite the building of these homes, so that genuine applicants will not have to wait for any period up to two years to secure a home. I am not blaming the board in any way. I have nothing but commendation for its efforts. The staff

of the board does everything in its power to assist applicants, but—as I have said—the board is hampered in its operations by lack of funds. People frequently ask me to get the board to expedite their applications. That should not be necessary. Applicants become very discouraged when they learn that their names are placed on a list containing hundreds of other names and that they will have to wait 18 months or two years before they can secure a home. After reading the report of the Royal Commission on Banking in Australia, one is forced to the conclusion that it is possible for the Commonwealth Bank to issue money or credit without cost to the Government. To what better purpose could such free money be applied than the building of workers' homes? The Commonwealth Government should be reminded that when it introduced the Housing Act it made many promises that it has failed to keep. The war has accentuated the difficulty, because private lenders, who before the war were curtailing their help in home building, are doing so now to a greater extent. They will not take the risk, so little assistance can be expected from them now. Unless the Workers' Homes Board can provide homes we shall soon have a serious housing shortage.

Mr. North: And workers in the building trade are now available.

Mr. TONKIN: That is so. One is astonished to learn, on making inquiries of house agents, that at the present time it is almost impossible to rent a house.

Hon. W. D. Johnson: Does that remark apply to flats?

Mr. TONKIN: I do not know. There may be empty flats, but I do not advocate that workers should be encouraged to live in flats. I do not like flats and am not concerned about them. My desire is to see hundreds of workers' homes built. I am pleased that already so many have been built; they are excellent homes and well within the reach of working people. I defy anyone to prove that the houses are not being well looked after; they are, almost without exception, a credit to their owners. Now that people realise that these homes can be obtained, the demand for them is great, but unfortunately it cannot be satisfied.

Mr. Berry: Many of them are for sale.

Mr. TONKIN: Not in the metropolitan area. The member for Brownhill-Ivanhoe informs me that the houses referred to by

the hon. member are war service homes. There seems to be some restriction upon the occupancy of those homes. I should be surprised to learn that many workers' homes are empty for any length of time. It is not my purpose to labour the point. I hope the Premier will do his utmost to provide the money for additional homes, the need for which is self-evident.

Hon. N. KEENAN: It would be interesting to know the exact amount—we were told that it was £100,000 in round figures—that has been spent by the Workers' Homes Board and the way in which it has been allocated between the goldfields and the coastal areas. Could the Treasurer supply the Committee with that information?

The Premier: I could not say offhand.

Mr. Styants: In Kalgoorlie and Boulder 24 houses a year are built.

Hon. N. KEENAN: I was wondering what the proportion was. It is a fact beyond question that applicants in the metropolitan area in some cases have been on the list for over a year. I know of one applicant who has been waiting for considerably over a year. He is unwilling to accept a home in a spot not chosen by him; he prefers a home in some locality where he desires to live. In my electorate a number of blocks have been reserved for workers' homes, but they are vacant.

The Premier: Twelve houses have been built on that block.

Hon. N. KEENAN: I think the number is seven or eight at the outside.

The Premier: I think I saw a dozen when I was there.

Hon. N. KEENAN: I think the Premier's eyes must require the services of an optometrist.

Mr. F. C. L. Smith: Quite a dozen houses have been built there.

Hon. N. KEENAN: When I was passing the land the other day I noticed a number of vacant blocks. It is not within the power of the board to grant every application but I should like to be assured that there is no favouritism in the compiling of the list. It seems extraordinary that a man should be an applicant for over a year. Possibly all those who have had the luck to obtain houses in the last 12 months were applicants of over a year's standing, but I should require some convincing about that. The fact remains that there are some people

in the community whose claims appear to receive very little consideration and they are kept waiting without any prospect of obtaining satisfaction.

Mr. J. Hegney: As fast as the applications are dealt with, twice as many are received. That is the explanation given by the Chairman of the board.

Hon. N. KEENAN: No doubt that is so. But is it possible for a year to elapse without a man's application receiving consideration? I do not know whether the member for North-East Fremantle (Mr. Tonkin) is on very sound ground in asking the Treasurer to require the Commonwealth to supply funds for this work.

Mr. Tonkin: The Commonwealth Government said it would.

Hon. N. KEENAN: I know; but I am afraid that at present every penny we can possibly lay our hands on has to be used for a purpose far removed from that of building.

Mr. Tonkin: Do you not think the Commonwealth Bank could provide the credit?

Hon. N. KEENAN: Apparently the hon. member believes that the Commonwealth Bank can finance the whole of the war and still have money to spare. I would like the Treasurer to assure us that in the event of one applicant submitting his claim to-day and another in three months' time, there will be no possibility of prior consideration being given to the claim last received.

The Premier: Oh, no!

Mr. Tonkin: I think the Board is fair in that way.

Hon. N. KEENAN: I quite accept that.

Mr. McLARTY: I agree with the member for North-East Fremantle (Mr. Tonkin) that there can be no better way of spending money than in providing homes for people. In my own district there is an acute housing shortage. From inquiries I have made I should think that from £12,000 to £15,000 would be required to meet that shortage, and that is a conservative figure. Moreover, my district is not the only one that is experiencing a shortage of houses. The hon. member spoke about methods of financing the erection of these homes. Finance ought not to cause much concern in this connection because we have our own timber mills and brickworks. Probably at the present time we are stacking bricks and we certainly have plenty of timber.

Mr. Needham: I thought you were opposed to State instrumentalities.

Mr. McLARTY: We have the materials necessary for the construction of houses, and finance should not present any great difficulty. We are playing safe in carrying out a policy of this description. During the last war, as the Premier pointed out the other evening, our timber mills and brickworks closed down.

Mr. J. H. Smith: The State mills did not close.

Mr. McLARTY: The State brickworks were closed and so were those conducted by private enterprise and the employees had to be absorbed on public works. As a matter of fact, I think it was during the depression that the closure took place. If we provided homes for the people we would create work in other directions. It has been pointed out previously that no trade creates more work in other spheres than does the building trade. I hope more money will be made available for this purpose.

Mr. W. HEGNEY: I desire to take this opportunity to appeal to the responsible Minister to give serious consideration to the extension of the activities of the Workers' Homes Board. Previous speakers have mentioned the shortage of houses in the metropolitan area. Unfortunately that shortage does exist. It is also true that at Port Hedland, which is over 1,000 miles from Perth, there is a distinct housing shortage and so far as I can gather, the Workers' Homes Board declines to build homes in any part of the North-West. There was a time when the board's activities were confined to the metropolitan area and the South-West land division. But after repeated appeals and altered circumstances the ramifications of the board were extended to the eastern goldfields area. Port Hedland is the port for the whole of the Pilbara district. Pastoral and mining activities have been proceeding in that area and a number of young men employed in the district have recently been married and are living in houses for which they have to pay comparatively high rents. A few are living in single rooms in Port Hedland and the rent is as high as would have to be paid for a house in the metropolitan area. The argument may be raised that on account of the isolation of the district, it would not be wise for the board to extend its activities to that area. I am not, however, asking for an expenditure of

£12,000, like the member for Murray-Wellington, but I appeal to the Minister to have inquiries made as to the wisdom of extending the operations of the board to the Port Hedland district to some extent at least and thus encouraging young men in that part of the country to settle down. For a considerable time there has been a distinct shortage of housing accommodation at Port Hedland. I am not at present asking that building operations be extended to other parts of my district, but I am conversant with the peculiar conditions at Port Hedland. I appeal to the Minister to endeavour to have the activities of the board extended to that port, and hope that if applications are submitted to the board, the applicants will not be told that on no account will homes be built there.

Mr. ABBOTT: I think the Government wishes to extend the activities of the board as much as possible and that the difficulty of finding sufficient money is all that is preventing the Government from doing so. I suggest that the Government empower the board to guarantee loans to private individuals for the erection of homes similar to those being erected by the board at present, and at the same time amend the trustee Act to provide that loans so guaranteed by the board shall be a trust investment. Then there would be no difficulty in obtaining all the money necessary to build such homes.

Mr. CROSS: I feel that I must speak on this vote because there are probably more people in my electorate desirous of getting cheap homes than there are residents in the whole of the North-West, which has four members, including two Ministers, to represent it. In certain parts of the metropolitan area the board is experiencing difficulty in erecting cheap wooden houses. I do not know why the board does not extend its activities to the Canning area. The board did acquire some 40 or 50 acres near Canning Bridge in an area where wooden houses could be built—the Canning Road Board district—but I was informed that the board intended to retain the land, on account of its being valuable, for a brick area. In Queen's Park and Cannington a scheme is being formulated for submission to the board. Quite a number of applications will be received from those districts. I attended a

meeting at which about 20 persons were present, and 17 of them signified that they intended to apply for workers' homes. They are going to explain to the board what they want, and are prepared to put up a reasonably good business proposition. The board has been asked to secure land there, but it does not like the district. This is the only district where cheap land is available and one of the few districts where wooden houses may be built.

Mr. J. Hegney: What rot! There is any amount of cheap land in my district.

Mr. CROSS: I frequently receive complaints from applicants whose names have been on the waiting list for a long time.

Hon. C. G. Latham: Well, you frame the policy of the Government; why not get them homes?

Mr. CROSS: We have State Sawmills which are not doing as much work as they were a few months ago. Steps should be taken to erect more homes and make them available to people at a price they can afford to pay. During the war period it might be in the interests of the State to give preference to people who want houses of a cheaper type. Such orders would help to keep the State Sawmills working. The Government and the board should get busy with the preparation of a plan so that, when the war is over, we shall be able to launch a big housing scheme, not only to provide homes for the people but also to re-absorb men into industry. To wait until the war is over will be of no use: we should get busy now and make the necessary arrangements. A start could even be made with preparing the timber, instead of putting men off from the State Sawmills.

The Premier: Who is putting them off?

Mr. CROSS: The mills are not getting as much work now as they were.

Mr. Sampson: What about local cement?

Mr. CROSS: We have State Sawmills operating on some of the best timber in the world and this timber will build some of the best houses in the world, and there are people who want them. I think it should be possible to provide homes for everybody, including the poorer sections of the people, at prices they can afford to pay. It is our job to do this, and if we cannot do it, we should get out and make room for someone who can.

Mr. Sampson: Are you threatening the Government?

Mr. CROSS: Big housing schemes were undertaken in European countries, including Great Britain, and members may rest assured that when the war is over all these countries will resume their housing schemes. Our part is not to wait until the war is over, but to prepare a scheme now so that when our men return from the war, they will be able to get homes. Otherwise our experience will be the same as it was after the 1914-18 war: when our men returned there was a great shortage of houses. In addition to this, the population of the State is bound to increase. I hope the Premier will do all in his power to extend credit so that the State Sawmills may be able to supply timber for workers' homes. People have to pay rent, and it would be better for the State if they occupied homes of their own, under which conditions they would be better able to live on their wages.

Hon. W. D. JOHNSON: In spite of all that has been said, we must appreciate the good work being done by the board and realise that the question is one not altogether of investing money but of the capacity of our 470,000 people to provide all that is required in the way of workers' homes. I submit that if we go too far we might dangerously disorganise the building trade. We have a standard of workmanship in this State and we maintain the efficiency of our tradesmen. We see that improvers are not permitted in industry. That is the difference between the conditions in Western Australia and, say Victoria. That State permits the employment of improvers. The standard that we maintain here is not maintained in that State. True, Victoria encourages apprentices, but the man who has some little knowledge of building practices may do things in Victoria that he is not permitted to do here. The Workers' Homes Board has maintained a very happy balance between the capital available and the number of artisans capable of maintaining our building standards. If we were to rush a lot of money into the coffers of the board, and the Government were to encourage it to spread up, our industrial standards would soon come down. We cannot protect the State against jerry-builders if we attempt to go too fast. Whilst I subscribe to a good deal of what has been said, and agree

it would be glorious if we could supply every applicant with a home and give it to him within a reasonable time; and whilst I agree that the money so invested would be reproductive immediately the building was commenced, I appreciate the limitations of the board with respect to the number of tradesmen available and its difficulties in maintaining the requisite balance between them and the capital at command. Instead of speeding up and bringing about disorganisation in one month and having unemployment in the following month, the board tries to maintain a reasonable standard between what is required, and the possibility of supplying these requirements without the introduction of jerry-building methods. I take a keen interest in this matter, and have followed closely the operations of the board. A good many of the homes in my electorate I have visited during the course of construction, and at times have assisted in designing them. When I see that some small improvement can be made, I bring the matter under the notice of the board, and very often my suggestions are adopted. Only recently I played some part in a home that was built by the board. It was a cheap wooden place, and the cost was originally about £360. It had a barn-like appearance, and was based largely on the design of residences on the Peel Estate. I went into the matter personally, and was of the opinion that it should be possible to make the building more attractive and use it as a basis for future designs. I influenced the board in the first place to make the front more presentable by putting a gable in the centre and doing a little more work to the verandahs. This was carried out quite cheaply. I induced the board to erect cupboards inside, and to remove the washhouse from the bathroom and put up a small structure outside to provide for that facility. Inside the bathroom I had half the wall space devoted to a linen cupboard, and had an opening put in the other half leading to the kitchen, thus providing for a pantry. I thought the alterations could be made to fit in with what the basic wage earner could pay. I found, however, that the total cost of the building, when finished, would be £428. The board estimated the rent at 14s. a week, but my object was to get that down to 13s. I then tried to cut out something, and thought the tenant himself might do the fencing. After the whole thing was sized

up it was found that the fencing would be cheaper if included in the contract. The timber would be more cheaply bought, and although there might have been a saving in labour, in the long run the job would have proved more expensive. The building was finished for £428, including a sleep-out. I should like members to visit that place. The home is a nice one, and no complaints have come from the road board because of any shoddiness in appearance, compared with other buildings in the street.

The Minister for Justice: Where is that home?

Hon. W. D. JOHNSON: In Bassendean.

Mr. J. Hegney: Has it an iron roof?

Hon. W. D. JOHNSON: Yes.

Mr. J. Hegney: Could you arrange for members to visit the place?

Hon. W. D. JOHNSON: I advise members to see it. The design is new, and as I have said the building is only two or three months old. The rent is a little over 13s. a week. The owner is referred to as a key man in sustenance employment.

Mr. Cross: There are hundreds of workers who want homes at that price.

Hon. W. D. JOHNSON: Jobs of that kind can be done well so long as there are not too many of them. If we try to erect these homes out of all proportion to the tradesmen available, the whole business will be disorganised and quality will go by the board. This work can be done to-day, because the Workers' Homes Board is scientifically investigating the possibility of maintaining standards of quality without disorganising the building trade generally.

Mr. Tonkin: Do you think we have reached the limit in that direction?

Hon. W. D. JOHNSON: Most definitely I believe we have, because the number of tradesmen available is actually decreasing. I am associated with building operations, more particularly in connection with bulk handling activities. I know it is not easy to secure tradesmen. The men engaged on the work to which I have referred are carpenters. If we look round we find a certain number of tradesmen, but very few carpenters required for jobs of this description are available. I should like to see more done in this direction, but in fairness to the board I think we must appreciate that it is obliged to maintain the balance between the capital and tradesmen available, so that it may maintain a standard of construction and

may not be obliged to speed up unduly, and so increase the cost of building. To-day this work is being done with a reasonable amount of competition. If it were done at unreasonable speeds the competition would be poor, and the very fact that it was being speeded up would mean that the boards' inspectors would be unable to maintain the standards they are able to maintain to-day. The efficiency of the Workers' Homes Board should earn the commendation of members. Not only is it trying to spend wisely and well, but it is doing so in proportion to the capacity of the State to provide tradesmen qualified to carry out the work according to the required standard.

Mr. SEWARD: Last session I commended to the Government the extension of the Workers' Homes Board activities to the rural areas. I do not know whether anything has yet been done in that respect, but action is urgently needed. One result of the extension would be greatly to improve many Agricultural Bank assets. The houses should not be expensive or elaborate, but comfortable. Instead of bricks, use could be made of sand and cement to erect a good home on a farm for £600, of which amount the farmer should be able to provide, say, £200, the balance of £400 being advanced by the Agricultural Bank. This year the New Zealand Government is making available £4,000,000 for the erection of rural homes, though I do not suggest that scale for Western Australia. The provisions of the Agricultural Bank Act should be liberalised in the required direction.

Mr. STYANTS: Eastern Goldfields residents are thankful for the programme recently initiated there by the Workers' Homes Board; but great need exists for further extension, as the acute shortage of houses persists. A few weeks ago I learnt that the waiting list at the Workers' Homes Board numbered between 112 and 120 applicants, and that this has been the case for the last few years. As homes are built, other applicants come in and so keep the list full. With a maximum annual building programme on the Eastern Goldfields of 24 houses, there is a lag, not of 12 months as in the metropolitan area, but of five years. The goldfields applicant who put his name down three years ago has to wait a further two years for his worker's home if priority of applications is adhered to. The housing position may be bad in the metropolitan

area, but it is considerably worse on the goldfields. I agree that the operations of the board should extend to the rural areas. Provided the outback applicant is regularly employed in a permanent industry, he should receive favourable consideration. Private enterprise shies at building houses in outback areas. The board could be financed better if the repayment period were shortened, especially in the metropolitan area. For brick homes the repayment period is 34 or 35 years. To a person getting a brick home costing about £800, that repayment period means much less than the cost of rent over a similar term of years. The monthly payment should be something more than the rent of a house of the same standard. The period could be reduced to a maximum of 25 years, without any hardship to the tenant-purchaser.

Mr. North: Especially for the goldfields, or everywhere?

Mr. STYANTS: Not everywhere. On the fields the repayment period, also covering rates and taxes, is 10 years, which goldfields people willingly accept. If the Government made it known that 50 workers' homes would be built on the goldfields during the next 12 months, scores of applicants would be prepared to put down deposits of £50. From a national and social point of view the possession of a worker's home gives the occupier a stake in the country. Probably no industry provides employment over so wide an area as the building trade does—from the feller of the tree and the mill worker to the transport and railway man and artisans such as plumbers, bricklayers, carpenters and so forth. The board should, if possible, further extend its programme on the Eastern Goldfields. Twenty-four homes annually is certainly better than the 16 of three or four years ago. Apart from a block of 40 homes built upon the initiation of the scheme on the Eastern Goldfields, it was not any Government's policy to build homes there at all.

Mr. J. HEGNEY: The Vote under discussion is important and no doubt in both country and metropolitan areas there is great need for an increase in building activities in the interests of the people. It is not necessary to go very far from the General Post Office to gain an appreciation of the rotten homes in which people are rearing the future citizens of the State. There is ample evidence of the necessity

for an improvement in housing conditions. The Workers' Homes Board has undoubtedly done good work. It sifts the applications received in order to select the persons who are eligible to secure homes and who are in a position to meet their commitments. For those that are put in hand, twice as many applications for homes are received. That is the reason why the board is so far behind in dealing with applications. The member for North Perth suggested that the board should advance money to prospective home builders who were prepared to erect their own homes. The board is limited regarding finance, and cannot borrow more than £100,000, because of Loan Council restrictions.

Mr. Abbott: My suggestion was that the board should guarantee the applicants.

Mr. J. HEGNEY: The board used its funds last year and has plenty of applications to absorb the money available this year, so the suggestion of the hon. member would not relieve the position one iota. In addition to the funds made available, the repayments are used to augment the work. The whole trouble centres in the necessity for further funds being made available. The member for Guildford-Midland mentioned a phase that enters into the problem.

Hon. W. D. Johnson: It is most important from my standpoint.

Mr. J. HEGNEY: It applies equally to the electorates represented by other members. I understand from representations I have made to the Workers' Homes Board, that lack of finance restricts its activities. I realise that tradesmen may be engaged upon work that is not half so essential as the building of homes for the people. As a Parliament, we should see to it that human beings are housed decently.

Mr. Tonkin: Forty carpenters are sufficient to handle the work of the board.

Mr. J. HEGNEY: I know that the board adopts a system of allocation of work under which it is assured that the prices charged for building operations will not be too high. The board takes into consideration the number of tradesmen available at the time, and I think that at a time when many artisans in the building trade are out of work, the board's activities should be given a fillip. Good work has been done, but there is need for extension, especially as it represents a reproductive investment. I doubt whether

there is a better investment in the State than the erection of homes. The member for Kalgoorlie has drawn attention to the ramifications of the building trade. The Bruce-Page Government inaugurated a Commonwealth housing scheme, and £10,000,000 was set aside for the erection of homes. Not one home has been built under that Act.

Hon. C. G. Latham: There are a lot in this State.

Mr. J. HEGNEY: Not one home has been built under the Commonwealth Housing Act.

Hon. C. G. Latham: I know they have, and they are idle now. I shall call for a return.

Mr. J. HEGNEY: The Scaddan Labour Government introduced the Workers' Homes Act, which has afforded many people an opportunity to secure a home.

Mr. McLarty: The Wilson Government introduced that legislation.

The Premier: Oh dear!

Mr. J. HEGNEY: The legislation was the product of a Labour Government. So favourably has the scheme been regarded that many people have desired to participate in its benefits. I disagree with the contention of the member for Kalgoorlie that the repayment period should be shortened. The ability of a worker to repay his loan depends upon his income and its continuity. Naturally the board endeavours to meet the requirements of applicants who have good jobs, but in many instances the men lose their employment and have to battle along till they can secure further work. Under such conditions the maintenance of repayments would become difficult. Of course if it suits the workers, they can repay their loans more quickly. For three or four miles in practically every direction, except in toney districts such as South Perth, there is ample space for building activities. Everywhere the housing problem is regarded as of importance. The New Zealand Government tackled the question some years ago and has carried out excellent work. A housing policy has been pursued in England for years.

Mr. Cross: Nearly 3,000,000 houses were built there.

Mr. J. HEGNEY: In both South Australia and New South Wales, housing policies have also been adopted. I am glad that the Premier has been able to provide additional funds for the Workers' Homes Board in this State, and I am sure that if he can still further increase the Vote, he will do so.



The PREMIER: I appreciate the manner in which members have addressed themselves to the Vote. There has been no criticism of the administration of the board but only on the score of the insufficiency of the capital made available for the activities of the board. The Workers' Homes Board, like many other State activities, desires to secure an increase of capital, but the demands of other State activities have sometimes left very little money available for the board. The board's capital has risen to about £728,000. Members may be interested to know how the capital has increased during the last ten years. The following figures show the position:—

| Year.   | Amount.<br>£ |
|---|--------------|
| 1924-29 .. .. .   | 25,000       |
| During the years 1930-32, when<br>the Labour Government<br>was temporarily out of<br>office .. .. . | Nil          |
| 1932-33 .. .. .   | 35,000       |
| 1933-34 .. .. .   | 35,000       |
| 1934-35 .. .. .   | 35,000       |
| 1935-36 .. .. .   | Nil          |
| 1936-37 .. .. .   | 35,000       |
| 1937-38 .. .. .   | 25,000       |
| 1938-39 .. .. .   | Nil          |
| 1939-40 .. .. .   | 10,000       |

The Government was dissatisfied with the amount available for increase of the board's capital: so the year before last it asked Parliament to pass an Act giving the board self-borrowing powers. Members have suggested that the Government should approach the Loan Council for funds, but that council up to the present has not considered applications for funds for particular purposes. No State will allow the Loan Council or anybody else to dictate to it how or when it shall spend its money.

Hon. C. G. Latham: I hope no State ever will. Let us retain some of our sovereign powers.

The PREMIER: There is a tendency, however, in that direction, because co-ordinators of works have been appointed.

Hon. C. G. Latham: I think you agreed to that course.

The PREMIER: Yes, we did, for war purposes. But it is the thin end of the wedge.

Hon. C. G. Latham: I cannot believe that, because you put up some war measures. It would not be the thin end of the wedge.

The PREMIER: It is the thin end of the wedge. The Commonwealth will get control over all State expenditure and will be able to dictate how the State is to spend its money. There is a co-ordinator of works representing the Commonwealth Government and a co-ordinator representing the State. They will arrive at decisions which will be submitted to the Loan Council. Everything they agree to will be passed, but not necessarily only what they agree to.

Mr. Seward: The co-ordinators are appointed only for the period of the war.

The PREMIER: Yes, but it will be found awkward to discard them when the war is over. We shall then have more difficulty over finance than we are now experiencing. We shall have to solve tremendous problems of post-war reconstruction and find employment for hundreds of thousands of men, as we did after the last war. We shall not have very much to spend in that direction, so possibly this system of the States' agreeing upon expenditure will be pushed further. But that is by the way. Members have requested that a case should be put to the Loan Council, as I have said, but that council has never dictated to any of the States how they shall spend Loan moneys. All that the Premiers are concerned about when they attend the Loan Council meetings is the amount of money that each State can obtain. This State has been short of Loan money for the past few years. During the five or six years that the Labour Government was in power between 1924 and 1930, the average loan expenditure per annum was about  $4\frac{1}{4}$  million pounds; one year it reached £4,600,000. During the last few years loan expenditure has been down to an average of £2,000,000 or less per annum. We are spending only half the amount that was spent some ten years ago. That has made a tremendous difference in our expenditure on capital works. We have always regarded with a sympathetic eye the provision of capital for the Workers' Homes Board. We considered the board was receiving increases far short of its requirements and therefore, after the board was granted self-borrowing powers by Act of Parliament, we arranged for it to borrow from the Superannuation Board about £90,000 per year. All the money which the board advances is repaid and used again to build homes. By the aid of the amount of approximately £100,000 to which I have re-

ferred, in conjunction with the repayments, the board should be able to provide £150,000 a year for additional homes. I am of the opinion that that sum will not be nearly sufficient to cater for the demands of the people of this great State of ours, but it is a considerable improvement on the rate of progress for the past few years. That progress was admittedly too slow and proved inadequate to cater for the housing needs of the community. The member for Nedlands made some remark about favouritism, or rather, he inquired whether applicants got their homes in turn. That is so; as a general rule. But the dominating factor in dealing with applications is the number in a family. A man with four or five children has preference over a man with no children, particularly if he requires a cheaper class of home. Notwithstanding that a married man with children may have had his application lodged for only six months, he would get preference over a married man with no children, or a man about to be married, whose application may have been registered for a couple of years.

Mr. Styants: That does not always work out fairly.

The PREMIER: No, but generally speaking there is much to be said in favour of providing housing accommodation for a man with three or four children. When such a man applies to a landlord for a house, the landlord asks, "How many children have you?" On being told that the applicant has four or five children, the landlord replies, "I am sorry, but I have let the house to somebody else." People with children are discouraged in almost every direction. Not all landlords take up that attitude, but many do so. Some applicants for workers' homes apply for brick houses of a value of about £800; other applicants require cheaper houses. The board tries to keep a balance between these two sections of the community, and grant the applications in proportion to the number of people requiring the different classes of houses. A point was raised to which the board has given serious consideration. The board tries to conserve its capital resources when the building trade is busy and when there is competition for tradesmen. During such periods the board contracts its building programme, so that employment will be available for the tradesmen when the building trade is slack. In that respect the

board is doing useful work. It would not be wise to push forward a comprehensive building programme and spend a quarter of a million pounds in one year, as was done in New Zealand and in the other States of Australia, and then find it necessary, when building operations are restricted, to provide employment for 10,000 or 15,000 men. Such a course is poor economics. The board does endeavour to maintain a balance in that direction. A couple of years ago when there was employment in the building trade for almost every tradesman the board began to contract its activities; now when there is a limit to the amount of work which is being done by private enterprise, the board can very well extend its activities. I think that £175,000 capital has been repaid. But for the activities of the board we would have been faced with a tremendous problem in relation to the absorption of unemployed tradesmen. We have been helped in overcoming that difficulty by the Federal Government which has erected military camps in Northam and in other parts of the State. Further employment will also be found through the erection of a new military hospital. I understand £50,000 is to be spent in that connection this year, and there is a proposal for building military hospitals in other parts of the State. That has helped to solve a problem which would otherwise have become very acute.

The member for Pilbara (Mr. W. Hegney) referred to the erection of workers' homes in the Port Hedland district. There is no bar to the building of houses in that area or anywhere on the North-West coast. If the hon. member can persuade some desirable client to make application for a home he may meet with some success, though not in the first week or so.

Mr. Doney: The board can build in any part of the State if the security is satisfactory, can it not?

The PREMIER: For a long time it did not erect houses in the North-West or on the goldfields.

Mr. Doney: But there was nothing to stop it.

The PREMIER: Only its policy.

Mr. Doney: The nature of the security, I suppose?

The PREMIER: Yes. The building of homes on the North-West coast is a much more expensive proposition than the build-

ing of homes down here because of the isolation of the North-West and the high wages which have to be paid there. Some time ago we were trying to build a house for a Government official somewhere in the North-West, either at Port Hedland or Broome. The cost of that building was estimated to be over £1,000. It had three rooms, but differed from the usual type of three-roomed house, in that it contained spacious verandahs enclosed with fly-proof wire. It had ample sleeping accommodation, but I remember that I recoiled when I saw that the estimated cost of a three-roomed wooden house in that locality was £1,050. Building costs are higher in the North-West, and there is a limit to the amount of money the board can spend. Aside from that there is no bar to its building in Port Hedland or any other part of the North-West coast.

The member for Middle Swan (Mr. J. Hegney) referred to the Commonwealth's proposal to build homes for the people. I had great hopes that the Commonwealth would undertake its responsibility in that regard. An Act was passed and people were led to believe that the Commonwealth intended to embark upon a big housing scheme. Unfortunately it did not materialise and we were left to our own resources. The average expenditure on workers' homes in the five or six years prior to last year was about £70,000 or £80,000, but that will be more than doubled. I hope there will be many more applications and that there will be a tremendous improvement in the rate of progress in the erection of these homes. Almost each week there is a proposal for the purchase of land for this purpose. Frequently the Minister for Lands is asked to grant endowment land for the use of the board. He has been very generous in that regard and Crown Land has been dedicated to the board. In addition many blocks have been bought in various suburbs. I was in Charles-street on Sunday. Twelve months ago that area was absolute bush. I think there are now 43 homes erected near the junction of Walcott-street and Charles-street on the left-hand side going out from the city.

Member: And they are very nice homes.

The PREMIER: Yes. In the lower part of that big estate there are no building restrictions and a number of wooden houses may be built there. The board recently made arrangements with the Subiaco Municipal Council for the use of

some endowment land near the Wembley hotel on the left hand side of Cambridge-street and Salvado-road. The idea is to erect a hundred houses in that locality, the council to provide for the maintenance of the roads constructed to open up the estate. The board is acquiring more land so that its activities can be continued for many years. Anything the Government can do to encourage the erection of an increased number of workers' homes will be done.

Mr. SAMPSON: Everyone welcomes the work of the board. There is one phase I think should be emphasised and that is the importance of having brick houses. There is not such a very big difference between the cost of construction of wooden houses and brick houses, but the maintenance cost of a weatherboard structure is very much greater than that of a brick house. The same difference in cost applies to insurance. It is not long before a weatherboard house begins to look shabby but the life of a brick house is much longer. Further, there is a market overseas—

Mr. Cross: On a point of order, is the hon. member in order in starting a general discussion again? If so, I would like to say something.

Mr. SAMPSON: It would be a pity to deprive the hon. member—

The CHAIRMAN: Order! The member for Canning has raised a point of order. I have allowed a general discussion because it has taken place on Item No. 1. The Estimates for this department were not introduced by a Minister. I did not regard the Premier's remarks as being in the nature of a reply to a debate. Consequently the member for Swan is quite in order in dealing with Item No. 1.

Mr. SAMPSON: I trust that the member for Canning will not be deprived of the opportunity of speaking again, because I am sure he will have something very important to tell the Committee. I was saying that there is a market overseas for Western Australian timber. That is to say, there will be when things return to normal.

The CHAIRMAN: I would point out to the hon. member that that is not relevant to the discussion. The export of timber is not being considered. We are dealing with workers' homes.

Mr. SAMPSON: Brick buildings are preferable, and the board should give greater consideration to this type of construction.

The Premier made some remarks about married couples with families. There are many married couples without families, but I believe that married couples with families are the better tenants. Where there is a family, greater harmony usually prevails in the home, but where there is none the tenants sometimes spend at least part of their time in throwing furniture at each other. I should like to see greater consideration given to brick buildings because they are the better proposition for the State.

Vote put and passed.

*Vote—Superannuation Board, £2,135:*

Hon. C. G. LATHAM: Is this amount provided from Consolidated Revenue or is it derived from profits on investments?

The Premier: From revenue.

Hon. C. G. LATHAM: Did we make an appropriation for the measure?

The Premier: This is not expenditure on superannuation.

Hon. C. G. LATHAM: Surely it should be a charge against the fund.

The Premier: Yes, it should be.

Vote put and passed.

*Vote—Miscellaneous Services, £653,205:*

Item, Agricultural Bank Commissioners, £3,450.

Hon. C. G. LATHAM: The vote last year was £3,450 and the expenditure £3,439, but this year the estimate is again £3,450. I understand that one of the commissioners is absent on active service and that another commissioner has been appointed to fill his place as manager of the bank. Is it proposed to fill the vacancy temporarily? Evidently it is, because of the amount provided for this year. Are we justified in appointing another man at present? I am aware that the Act provides for three commissioners.

The PREMIER: The Act provides for three commissioners, one of whom shall be a Treasury representative. The gentleman on active service was the Treasury representative, and when he left another representative was appointed. Mr. Byfield, the Assistant Under-Treasurer, is the commissioner representing the Treasury. The Treasury will not forego its right to a representative on the board because the scheme of revaluation is not quite finished and the Treasury must have the representa-

tion when business of that sort is being dealt with. Previously, our representative was the Under Treasurer, but he has more than enough to do; he is one of the hardest worked officers in the State. Mr. Clarke, one of the commissioners, does not receive the manager's salary but is doing the work. The three commissioners are the chairman, Mr. Donovan; the representative of the dairying industry, Mr. Clarke, now acting as manager in collaboration with the chairman; and the Treasury representative.

Hon. C. G. LATHAM: That makes the position worse. The Premier says Mr. Byfield is doing the work, and he has to be paid not less than £1,000 a year. I understand the chairman receives £2,000.

The Premier: No, £1,800.

Hon. C. G. LATHAM: It was £2,000.

The Premier: And it was reduced to £1,800.

Hon. C. G. LATHAM: What do the others get? Mr. Byfield is doing Treasury work and is paid as a Treasury officer. Is he to be paid out of this vote as well?

The Premier: Not both salaries.

Hon. C. G. LATHAM: I know that Mr. Byfield is fairly fully engaged in the Treasury. I repeat what I have previously stated, that Treasurers select men for work and overload them. This position is a very responsible one. The Treasury representative is the finance man of the bank. While I know that Mr. Clarke is a practical farmer, I do not know what qualifications he has as manager of the bank.

The Premier: He acts in collaboration with the chairman.

Hon. C. G. LATHAM: As acting manager he is in charge of the whole organisation and staff of the bank and, if I have any knowledge of him, has very little qualification for the position. Evidently the Government is satisfied and this is its responsibility. The Treasury representative should be paid either under this vote or under the Treasury vote. I want an assurance that he is not being paid both salaries. A salary of £1,000 a year is very reasonable pay. In this morning's newspaper somebody is reported to have said that no man was worth more than £500 a year. I would not say that. The previous chairman received £2,070 a year and we need a fairly good man to justify the payment of that salary. At the moment I have no fault to find with the management of the bank.

The Premier: I find that the chairman receives £1,700, Mr. Clarke £1,500 and the Treasury representative an allowance of £250.

Hon. C. G. LATHAM: So the Assistant Under Treasurer receives £250 in addition to his salary under the Treasury vote. I have no objection to that, but I warn the Premier not to do what his predecessors have done, that is overload some of our already overworked civil servants. Because a man is a capable officer he should not be overworked. In this State Ministers have got into the habit of picking out a particular officer, and making him chairman of this or that body when the volume of work is really too much for him. The Under Treasurer himself has more than he can do. The officer who was General Manager of the State Insurance Office had too much to do, and probably had he been more directly in charge the defalcations we know of would not have taken place.

The Premier: The manager is directly in charge now.

Hon. C. G. LATHAM: I am not lecturing the Premier, but putting up a plea that our officers should not be overloaded with work.

Item, Exchange on Overseas Interest, Payments and Remittances, exclusive of Exchange on Expenses of converting Overseas Loans or Specific Remittances to pay for Plant and Material, £493,000.

Mr. NORTH: During the war period could not some of these expenses be reduced? Already reductions have occurred in the cost of services and so forth.

The Premier: The amount has to be paid.

Item, Unforeseen Expenditure as may be necessary to meet War Precautions Measures, £24,100.

Mr. NEEDHAM: Will the Premier give the Committee some information on this item? If the money is to be expended on matters appertaining to national security and the defence of Australia it should be forthcoming from the Commonwealth Government.

Hon. N. KEENAN: In what work were special constables employed last year? A certain sum seems to have been set down for expenditure in that direction. Were they employed on defence work, such as the protection of the bridge at Fremantle?

The Premier: The Military Department looks after that.

Hon. N. KEENAN: On what work were those men engaged?

The PREMIER: At the Premiers' Conference some five or six weeks ago it was decided that the States should to an extent be responsible for civil defence, for preventing local disorders, and putting down subversive activities, etc. The major portion of the money spent on special constables was spent with the object of protecting certain places from sabotage.

Hon. N. Keenan: Where?

The PREMIER: I refer to such points as the Mundaring Weir, the Canning Weir, the railway tunnel through the hills, and other places at which men were not ordinarily engaged throughout the 24 hours and which might therefore require special protection. During the first weeks of the war many applications were made for the stationing of special constables here and there, but to-day only about 50 are being so employed. The money has been spent in safeguarding places that might be seriously damaged as the result of sabotage. The matter is really in the hands of the Commissioner of Police in collaboration with the defence authorities. Wherever special care had to be taken of some works, a special constable was put in charge.

Hon. N. Keenan: Is there a special constable stationed on the Causeway?

The PREMIER: No. The railway tunnel through the hills could have been blown up by one stick of dynamite, and all the transport between Perth and Northam deranged.

Hon. N. Keenan: Is that not a military matter?

The PREMIER: It is a matter for civil defence.

Hon. N. Keenan: Why is the Fremantle bridge a military matter?

The PREMIER: Because of its proximity to the port. The cost of civil defence has been borne by the State, and the cost of military protection by the Defence Department. This money is provided to meet any emergency that may arise because of the war. I only hope it will not be exceeded, and that because of some air raid we may not have to spend £200,000. The member for Perth thinks this work should be a charge on Commonwealth funds. The position has not been as satisfactory as it might have been, and just now the Commissioner of Police is in Melbourne attending a conference to deal

with all these activities and the expenditure involved in them. I understand from the Prime Minister, with whom I discussed this question recently, that the Commonwealth Government would meet the expenditure for special protection of anything that came under the heading of national security, or had to do with the subversive operations of people who might act detrimentally to the interests of the Commonwealth. I do not know what the decision will be; the conference is sitting now. This item appears in order to settle many matters of outstanding expenditure. Presumably upon the return of the Commissioner of Police we shall know clearly where we stand in relation to expenditure of this type on behalf of the Commonwealth.

Mr. NEEDHAM: After the Premier's explanation I am all the more convinced that we should not agree to this item in this way. It is the Commonwealth's duty to pay for the State's co-operation.

The Premier: If the Commonwealth refused to place military guards where required, what would we do?

Mr. NEEDHAM: I realise that this State must do all it can in co-operation with the Commonwealth to protect this portion of Australia; but that does not do away with the Commonwealth's liability to pay the cost. In the course of another debate it was said that an arrangement had been made between the States and the Commonwealth in that regard. That is wrong. I feel strongly on the matter, though I shall not go so far as to move the deletion of the item by way of testing the feeling of the Committee. This expenditure would not be required were it not for the war, and therefore the Commonwealth should meet it.

The Premier: There are many activities for which the Commonwealth will not pay.

Mr. NEEDHAM: There is a very narrow line between protecting civil liberties and taking war-time precautions. Local authorities cannot be asked to pay the cost. We ought not to pass the item without a protest and without making strong representations to the Commonwealth that it is a Federal duty, and nowise a State duty, to pay the cost. I realise the need for full co-operation with the Commonwealth to prevent, for instance, sabotage; but I still hold that the expenditure should not be met by the State Government or by local authorities.

Mr. CROSS: The State Government would have been in a serious quandary had it not taken action as it did. Just imagine what damage a man with a few plugs of gelignite could do to the Collie Weir, the Collie Power Station, the Mundaring Weir, the Canning Dam, or the East Perth Power House, apart from the explosives magazine on the Eastern Goldfields. Those are State properties. We might later send the Commonwealth a bill for the expenditure, but the expenditure had to be incurred. Otherwise, if something serious had happened, what protests there would have been from every city, town and settlement in Western Australia!

Mr. DONEY: In this respect absolutely no responsibility whatever rests on the Commonwealth. We are doing this work of our own free will. The Commonwealth's troubles who pays for it! The Premier gave his word that this expenditure would be undertaken.

The Premier: It is five or six years since the undertaking was given.

Mr. DONEY: The Premier was explaining this expenditure of £6,672. There is also an estimate of £24,000 to be expended. Is that expenditure connected in any way with charges likely to arise under the Civil Defence (Emergency Powers) Bill when it comes into operation?

Hon. C. G. Latham: We may possibly have to meet some expenditure of that type too.

Mr. DONEY: Is the amount specifically there for that purpose?

The Premier: No.

Mr. TONKIN: I am with the member for Perth all along the line in his protest. I fail to see any line of demarcation when it comes to a question whether the State should meet expenditure under war precautions measures. Defence is entirely the duty of the Federal Government, and that Government dodges enough responsibilities without being permitted to dodge this one. For instance, the safety of the Canning Dam is a matter of grave importance to the Commonwealth Defence Department, and not to the State alone. At some time the Commonwealth might see fit to establish large forces in Western Australia, and if the water supply was destroyed, or even seriously threatened, the lives of the soldiers would be endan-

gered, and it would be the Federal Government's responsibility to take all necessary steps to provide an adequate supply.

The Premier: The Federal Government would do it.

Mr. TONKIN: It should be made to do it. We will not pay the expenditure under this item; we will send the bill to the Federal Government. Is the argument that that Government will not pay and that therefore we must?

The Premier: We must.

Mr. TONKIN: I would tear the Federal Parliament down rather than give way in that matter. The first question to decide is whether this is a State responsibility or a Federal responsibility. If the latter, we must see that the Commonwealth meets it.

Hon. C. G. Latham: Some of this expenditure is a State responsibility.

Mr. TONKIN: Show me how it is. Take, for example, the railways. The Premier said it was necessary to place a guard at the Swan View tunnel to ensure that it was not destroyed. Decidedly, there is the necessity for the Defence Department to assure the keeping intact of our communications.

The Premier: It is more vital in that instance to us.

Mr. TONKIN: It is equally, not more, vital.

The Premier: We could not derive revenue from our railways if the tunnel were destroyed, so it is of vital importance to us.

Mr. TONKIN: Naturally it is vital, but I will not agree with the Premier that it is more vital to us than the Commonwealth. We cannot go beyond the superlative; if a bucket is full, it cannot contain any more.

The Premier: There is "vital," "more vital" and "most vital."

Mr. TONKIN: And in this instance, the communication is equally vital to both the State and the Commonwealth. It is vital to the defence of the country. I suggest that as soon as this State is satisfied that the safety of a place or undertaking is vitally necessary and that it is of great importance from the standpoint of defence, the Government should point out to the Commonwealth that the position is such, and it should be the responsibility of the Commonwealth Government to make the necessary provision.

The Premier: But the Commonwealth authority would decide the responsibility.

Mr. TONKIN: I may be obtuse but I cannot regard that as a sound argument to jus-

tify State action in a matter of war precautions. Everything in connection with the defence of the country is entirely a matter for the Federal Government.

Mr. Lambert: You were arguing just the other way round the other day, with regard to soldiers?

Mr. TONKIN: Did I?

Mr. Lambert: There is no doubt about it; I was astounded.

Mr. TONKIN: It would not be difficult to astound the hon. member. I believe the member for Perth was absolutely right in his contention. He could be proved wrong only if it could be shown that the protection of any part of Western Australia was a State responsibility and that it had nothing to do with the defence of the country. If it is associated in any way with the defence of Australia, then surely the responsibility must attach to the Federal Government. I suggest that if the destruction of the General Post Office were in question, it would be a Federal responsibility, even though the continuance of that institution is of vital importance to the people of Western Australia. Even if it is a matter of providing for war precaution measures—the reference in the Estimates is very plain—then undoubtedly it is a Federal responsibility. If the State is simply to say, "We know the Federal Government will not do it, so we shall not ask," we must be supine. It is not the attitude we should adopt. If the other States are similarly situated and are expected to make like provisions, the sooner a joint protest is lodged the better. I am not prepared, simply because we fear the Federal Government will endeavour to evade its responsibility, to regard the matter lightly.

Hon. C. G. LATHAM: Probably, in a general way, I can agree with the argument that has been advanced, but at the same time we must recognise there is a similarity between the individual and the State on the one hand, and between the State and the Commonwealth on the other. The police are appointed by the State to protect the citizens. If we have valuable property, we do not leave it to be guarded by the police only. We take steps to provide our own protection. Nearly all the business firms in the city employ night watchmen and pay for their services. The Premier says that where the Federal Government does not regard it as its function—in some respects some are more peculiarly the function of the State—

he will look after the interests of the people. He is perfectly right. The matter affects not only the tunnel at Swan View or our water supplies. If any extensive damage were done to the pipeline between Mundaring and the Goldfields, the lives of the people at Kalgoorlie would be endangered, and one of our largest industries might be stopped.

Mr. Tonkin: What is the State's responsibility?

Hon. C. G. LATHAM: If the Commonwealth does not, or cannot, make provision, it is our responsibility to see that what is necessary is done. I would inform the member for North-East Fremantle that nearly every bridge in and around Sydney is guarded by policemen, not by soldiers. Generally speaking, I think Western Australia has done very well when we consider the protection that has been provided elsewhere by the Commonwealth Government.

Mr. Tonkin: Soldiers should have undertaken that work, not policemen.

Hon. C. G. LATHAM: Furthermore, in some instances railway men have undertaken the work. However I hope none of the money voted will be used. For my part, I stand solidly behind the Government in making the money available for us if necessary.

Mr. Cross: To look after the people's property, if necessary.

Hon. C. G. LATHAM: Our responsibility is to do everything we can. I think the Country Party is 100 per cent. behind the Premier in this respect. We must give the Government latitude, but the money should not be used unless it is essential to do so. At the same time no risks should be taken. Money does not count where lives are the issue.

Mr. Tonkin: That is no argument.

Hon. C. G. LATHAM: The argument is that we should not provide this money, which should be the responsibility of a Federal Government functioning 3,000 miles away! Without doubt the Premier is doing what is right, despite which I recognise that, in a general way, the member for North-East Fremantle is correct in his contention. After all, this is a paltry sum when we measure it by the responsibility that attaches to us to look after the interests of the people's property. Members should be reasonable.

Mr. DONEY: I do not think the hon. member can be quite as deeply concerned over this item as he would have us believe. He will recall that he supported a Bill intro-

duced by the Minister for Health which might possibly involve this State in expenditure amounting to hundreds of thousands of pounds, depending entirely upon how war conditions shape themselves. The second reading of that measure passed without a dissentient voice.

Mr. NEEDHAM: The argument advanced by the member for Williams-Narrogin reminds me of an old story. Because the item is small, it does not matter. The argument of the Leader of the Opposition is on the same lines as that of his colleague. I remind the Committee that I do not object to the expenditure of money to ensure the safety of the people of the State. I am in favour of co-operation with the Federal Government, but this work should be carried out by that Government. If the State does it, then the State should debit the Commonwealth Government with the expenditure.

Mr. Doney: The Commonwealth Government would ignore the debit.

Mr. NEEDHAM: What is the difference between protecting the Fremantle bridge and a bridge in any other part of the Commonwealth? The other bridge may be of even greater military importance, from a strategic point of view, than is the Fremantle bridge. It is ridiculous to suggest that while the Commonwealth Government posts a soldier to guard the Fremantle bridge and pays for the cost, that we also must put a policeman or a civilian on guard at some other place of equal strategic importance.

Member: There is no other spot of equal strategic importance.

Mr. NEEDHAM: If we allow the Commonwealth Government to fall down on its job, we might as well accept responsibility for the Customs Department and the Post Office. I sincerely hope that the Government will get in touch with the Commonwealth Government and insist upon the latter paying for the services.

Mr. MARSHALL: I hesitated for some time before deciding to participate in the discussion on this item. The opposition to the contention of the member for Perth, however, aroused my interest in the debate. Whatever argument the Commonwealth Government advanced on the outbreak of war implying that the States should take immediate action in the event of a sudden interference with a national asset could be excused; but the point is that we have now been at war for a little over 12 months and the Common-



wealth Government has actively organised our military forces, some of which are now billeted in various centres of this State. Why are soldiers not being employed on this duty as they should be under the Commonwealth Constitution? I am prepared to excuse the Treasurer for obliging the Federal Government by rendering it service of a temporary nature, in order to save the situation until Federal Government could take action.

Mr. Doney: Are not the other States doing the same thing?

The Premier: Yes.

Mr. MARSHALL: I ask the hon. member whether two wrongs make a right. It would be utterly impossible for the member for Toodyay to solve that problem.

Mr. Thorn: No.

Mr. MARSHALL: Because the Constitution is ignored by other States, are we to ignore it?

Mr. Doney: No one said that.

Mr. MARSHALL: Why is not the Federal Government doing its job by protecting these particular assets, which are of just as much importance to it as they are to the State? Suppose this State decided no longer to continue its railway service and said to the Commonwealth Government, "You can arrange for the transport of your troops in the best way possible in the circumstances." Would the Commonwealth Government take over the railways? Of course it would not.

Member: The Commonwealth Government would, but it would not pay for them.

Mr. MARSHALL: The Commonwealth would pay for them, more particularly during a period of international conflict. Why is the Commonwealth Government not posting sentries in these important places? Since when has it become necessary for Western Australia to guard these important centres?

The Premier: Since the war broke out.

Mr. Cross: It is necessary to guard them from internal enemies.

Mr. Doney: We are with you.

Mr. MARSHALL: We realise the necessity for protecting these points now, but whose responsibility is it? It is definitely a Commonwealth responsibility. The Premier should not accept the position as complacently as he is doing. I respectfully suggest he very much favours this expense.

Mr. Thorn: He is doing his duty to the State.

Mr. MARSHALL: I agree that it is important to protect these vital spots while we are in conflict with other nations whose subjects in this State might take advantage of the war to cause damage. But is not the responsibility a Commonwealth one?

Mr. Watts: No.

Mr. MARSHALL: Let me tell members opposite that this £20,000 or more that will be spent would go towards feeding some of their hungry farmers.

Mr. Warner: Or some of the unemployed.

Mr. MARSHALL: Every pound we spend in undertaking what is a Federal responsibility we deny to the subjects of this State, because of the limited amount of money at the disposal of the Treasurer. He has no facilities at his disposal such as are available to the Commonwealth Government. The Commonwealth Government has the Commonwealth Bank which functions in accordance with Federal policy. The State has not that privilege and our capital is limited. We cannot pay for two different functions with the one sum of money. With the member for Perth (Mr. Needham) and the member for North-East Fremantle (Mr. Tonkin), I contend that this Parliament should strongly protest against the shuffling of Commonwealth expenditure on to the Treasurer of this State.

Mr. TONKIN: It would be interesting to know what responsibility the Commonwealth Government has for the safety of Australia. If hon. members are satisfied that it is the State's job to protect the railways and water supplies of Western Australia, then the same responsibility must devolve upon the other State Governments so that it is the job of all the States to protect the railways and water supplies of the Commonwealth. In that case where does the responsibility of the Commonwealth Government begin?

Mr. Cross: Do not you think we should co-operate in war time?

Mr. TONKIN: What has the Commonwealth Government to protect? Surely it is vital for the defence of the Commonwealth that the railway communications and water supplies should be maintained; but if this maintenance is the responsibility of the individual States then it means that a matter which is of vital importance to the defence of the country has to be paid for by those

States and not by the Commonwealth Government. I cannot see the force of that argument. I agree that it is essential for this work to be done and that somebody must find the money. But surely the expenditure should be incurred by the body whose responsibility it is. The State has enough to do. Our opportunity to obtain revenue is distinctly limited compared with that of the Commonwealth Government which has open to it avenues that are denied to us. If the Commonwealth continues to shirk its responsibility, where will we be? I cannot see that the protection of a tunnel on our railway system or the protection of our water supplies is of more vital importance to the State than to the Commonwealth. To me it seems absolutely clear that the maintenance of railway and road communications, of bridges and of water supplies is of the utmost importance to the defence of Australia and the Commonwealth Government should be expected to pay the cost. The member for Williams-Narrogin (Mr. Doney) twitted me on my silence during the debate on the Civil Defence (Emergency Powers) Bill, but that measure provides for the cleaning up of debris after an air raid and the decontamination of people who have been gassed.

The Premier: All caused by the war.

Mr. TONKIN: Certainly; but would anyone suggest that the destruction of a building in a city is comparable to the destruction of a State's water supply? The Commonwealth has to maintain troops in Australia. It has to ensure that water supplies are available for those troops, never mind the civil population. It has to see that troops can be transported, watered and fed. If it allows the railways to be destroyed, how can those troops be transported, and if it allows reservoirs to be blown up, how can water be provided for the soldiers? To tell me that the cleaning away of debris after an air raid or the decontamination of an unfortunate individual is in the same category as the things I have mentioned, is to make too big a draw upon my imagination. I cannot understand members wishing to jump into this liability. It is not ours. Why should we be called upon to shoulder it? If it were our responsibility I would be the first to say we should accept it and pay for it. We would soon be put in our place if we asked the Federal Government to pay for

education in this State. The Federal Government would tell us it was a State responsibility. From time to time we supply police protection for certain institutions. We send police constables to banks when cash is to be removed, but do we call upon those individuals to pay the wages of the policemen sent down?

Mr. Cross: Yes.

Mr. TONKIN: Do the police receive payment?

Mr. Cross: Yes.

Mr. TONKIN: Who pays?

Mr. Cross: The parties concerned.

Mr. TONKIN: If the State Government details constables to go to the Commonwealth Bank when bullion is being removed who pays for that? Does the Commonwealth Bank or the State?

Mr. Cross: It is a special service and has to be paid for.

Mr. TONKIN: I think I shall have to call for a return to see how much the State receives from that source.

The Premier: We do receive payment for any special service.

Mr. TONKIN: From the Commonwealth Bank?

The Premier: Yes.

Mr. TONKIN: That is news to me and I am glad to hear it. This money must be supplied by somebody, but surely our burdens are great enough without our quite readily assuming additional responsibilities which are not ours.

Mr. MANN: I have been surprised to hear the remarks made by members on the cross benches. Surely the Premier knows the position better than any member in this House. Surely we have sufficient faith in him to believe that he will take the proper course for the protection of property in Western Australia. I commend him for what he has already done. It is extraordinary to hear members in this House challenge this proposed expenditure. Are we to sacrifice our rights in Western Australia? The Premier has pointed out that we are at war. While such conditions prevail, we must accept our responsibilities. The member for North-East Fremantle raised the question of transporting the

troops. Surely the safeguarding of the railways is equally necessary in the interests of the State.

Vote put and passed.

*Vote—Forests, £29,325:*

Mr. J. H. SMITH: I congratulate the Minister upon the work being done by this department. There are occasions when I disagree with the conservator and his assistants, but the work of reforestation in the South-West part of the State particularly, as well as other activities, has my full approval. There are points on which I disagree with the conservator's policy. He has adopted a long-range policy to extend over 50 or 60 years, and in the Nelson electorate three large sawmills have been established that will provide employment for 25 years for 400 or 500 men. In giving effect to that policy, however, the conservator is inflicting hardship upon other people who have been operating small mills employing 12 to 15 men. In my district several of those mills have been closed in consequence of the conservator's policy. There is plenty of timber available, but the conservator has been very definite that these small mills must close or seek pastures new.

I am also opposed to the conservator's attitude to the hewing industry. He has definitely closed the forests against that industry, and the State is not deriving the wealth that it should from its timber. Forests along existing railways have matured timber that is being wasted, and so a large amount of revenue is being lost to the State that would be available if the conservator allowed the hewers to follow in the wake of the sawmills when they have cut over the bush. On many occasions we have had conclusive proof that men can go into such forests and hew sleepers at a cost 10 to 15 per cent. less than that of sawing. Members not acquainted with the industry will hardly credit that statement, but the explanation is that the hewer carries his tools of trade on his shoulder. The Minister should use his influence—if he has any—with the conservator to permit of cutters operating along existing railways and highways in order to gain revenue for the State. A hundred or two of hewers would go into that bush and cut 500 or 600 loads of timber, and from it the conservator would receive at least £1 a load royalty. There might be a thousand loads in that bush. By not adopting this policy, stagnation is cre-

ated and matured timber on which the mills are not operating is being wasted. Such timber is exposed to damage by fires, borers and other pests, storms, etc., and much wealth is being lost for all time.

Generally speaking, I am in accord with 90 per cent. or more of what the conservator is doing. He has a network of roads running through the whole of the forests of the South-West. He has built towers and has an officer travelling through the country—a man who knows his job—keeping in touch with local authorities who assist the department to control fires that otherwise would cause great devastation. Only a few years ago a serious forest fire raged from Manjimup to Nornalup and destroyed a million pounds' worth of timber, possibly more. Under the existing policy of the department, and with the assistance of the local authorities, no such fire, I trust, will occur in future. The conservator and I are good friends though at one time we could not agree. He has fallen in with many of the views expressed by me in this Chamber, particularly with regard to the wisdom of using small creeping fires in the forests. At one time he would not hear of having a fire in the forests. Now, however, small creeping fires are passed through the forests in November, which alleviate the danger of fierce fires occurring in the hotter months of February and March. I am satisfied with the Estimates for this department and have no complaint other than the one I have voiced on behalf of the hewers.

Vote put and passed.

Progress reported.

#### ADJOURNMENT—SPECIAL.

**THE PREMIER** (Hon. J. C. Willcock—Geraldton) [10.37]: I move—

That the House at its rising adjourn till Tuesday, the 24th September.

Question put and passed.

*House adjourned at 10.38 p.m.*