

people chose them more or less as they wished. It is true that there was a shortage of good houses in the industrial areas. I would not deny that many premises there were far below standard, but there was no shortage. The present difficulty is definitely the result of the war conditions and of the handling of the labour market by the Commonwealth Government. Those facts cannot be contradicted.

I should like to make one or two observations concerning the Housing Commission. It was originally appointed as the Housing Investigation and Slum Abolition Board. Although I do not agree with all its methods, I admit that its work has been of great value to Victoria, and I have every reason to pay a tribute to it. Its administration has been excellent. On visiting other States, I found that Victoria is better off so far as new houses are concerned than they are. A very important factor in the building trade is the high cost of everything. Surely now, when so many people require houses, those in the trade should not be straining at the leash in an effort to get the last penny of wages. The cost of building is at least 80 per cent. higher than in pre-war days. The result is that few are able to meet the normal interest on the capital outlay. There is something radically wrong if men cannot build houses that can be rented on a normal interest rate.

Criticism is heard that the methods of the building trade are out of date. There may be an element of truth in that comment, but to make it is an easy way to get out of an argument. Then, too, we are told that no man is to carry a hod, but instead bricks are to be expensively lifted by machinery. The hod carrier was a happy fellow. I deprecate the dismissal of such men or other efforts to make them discontented. There should be a good spirit in the building trade. I emphasize that the housing shortage will be overcome by the Government work, but I would be no party to that being a permanent condition in the community. I consider that housing is primarily a matter for the people—builders, architects, and investors. It is not the function of the State to own property everywhere. On the contrary, that is a function of the

people who have been thrifty and who ought to be encouraged in their thrift; they are able to, and will deal with these matters satisfactorily.

Many years ago, when I was a pupil, I was making drawings of workmen's houses intended for the investment of estate moneys. That kind of investment is not in evidence to-day because the investors have lost confidence in industrial housing owing to the operation of moratorium legislation and other impediments. There are many reasons why the provision of working men's cottages and industrial housing has tended to become a responsibility of the State, but I contend that only a small part of that responsibility should, in normal times, be borne by the Government.

In conclusion, I express the hope that the Government will give this matter of housing the consideration it deserves and that it will duly impress the Commonwealth Government with the urgency of bringing men into the line of production and into the line of building when the material has been produced.

Mr. CREAN (*Albert Park*).—I had intended to confine my remarks to two matters only, namely, education and taxation, regarding which I think I can claim to have had some experience. I should like at the outset, however, to express disagreement with one or two of the remarks of the honorable member for Toorak. For instance, he said that before the war there was no shortage of houses. If that was true it was not due to the reason the honorable member adduced; it was attributable to the lack of purchasing power on the part of many who needed homes of their own but were not in a position to buy them. That state of affairs was much in evidence from 1930 to 1937, during which period a large proportion of the man power of Victoria was unemployed. Those unemployed workers were unable to provide themselves with the amenities rightly demanded by people to-day. I disagree with the statement that there was no shortage of houses before the war. There was a shortage, and it was occasioned by the lack of purchasing power. I object also to the implication that the home of one person ought to be the investment

for another. That undesirable principle could not be tolerated by members on this (the Ministerial) side of the House.

I come now to the all-important question of education. Education is a fundamental that underpins our society. It has been inadequate in the past for a large number—I would say the majority—of the people, for the same reason as that which I have already outlined, namely, the lack of purchasing power among parents, with consequent inability to keep their children at school beyond the age of fourteen. To any one who has studied the education statistics relating to the past 40 years it will be clear that the situation is not due to wars; rather is it endemic to our society. It will be discovered that 50 per cent. of pupils left school at the age of fourteen, for the sole reason that they were compelled to receive education until they reached that age. I submit that if the leaving age had been twelve years they would not have remained at school beyond that stage. If it is intended to raise the school-leaving age to sixteen years, many considerations will arise. Education is an end, and there must be the means to promote that end. As I expect to be given an opportunity at a later date to speak at greater length on this subject, I shall content myself by emphasizing that the question is fundamental to our society.

I propose to deal only lightly also—and merely for the purpose of providing a few points for the information of Opposition members—with the question of uniform taxation, concerning the so-called iniquities of which certain of those members have been hammering away at the Government. As I have already indicated, I have had some experience in the field of taxation, and I suggest that, to examine the question of taxation generally, it is necessary to go back to the period before the war. Any one who has a knowledge of the system of income taxation in this State and the Commonwealth realizes that the income tax power is a concurrent power—it can be exercised by the State and it can be exercised by the Commonwealth. Before the operation of uniform taxation, respecting which Opposition members are pleased to employ the word, "imposition," the State had the first bite of the income. In future it may be the

Mr. Crean.

other way round—the Commonwealth getting the first bite and the State the second. I shall quote an example indicative of the taxation system before the uniform plan was adopted. We will assume that in 1939-40 a Victorian taxpayer and a Queensland taxpayer had an income of £1,000 each. The Queensland man was more heavily taxed for State purposes than the Victorian taxpayer.

If the figures per head for Federal taxation before uniform taxation are examined, it will be found that in Victoria the average tax per head of the population was £4 10s., whereas in Queensland it was £3. The difference was largely due to the fact that Queensland taxed more heavily for State purposes than did Victoria, and the effect was that the taxpayers in Victoria contributed—before the operation of uniform taxation—more per head than Queensland taxpayers. In other words, ever since there have been two income taxes in the Commonwealth, a State that levied a higher rate of taxation than another for State purposes was taxed lower for Federal purposes. That is to say, higher taxed States were being sheltered by the lower taxed States, but no complaint was made on that score in past years. I submit that approximately £2,000,000 was paid in 1939 by the taxpayers of Victoria to subsidize—as is now claimed—the "extravagant" social services of other States. That is, however, something which cannot be avoided under the Federal system of finance. When State Governments and the Commonwealth Government are levying taxation on the same income the condition of affairs in question must exist.

Let me revert again to the Victorian and the Queensland taxpayer, each having an income of £1,000. In the low-taxed State of Victoria the taxpayer might have paid £50 or £60 tax, and for Federal purposes he was taxed on his total income, less State tax paid. Deducting, say, £60 for State tax, the Victorian income earner would be taxed for Federal purposes on £940. The Queensland income earner paid possibly £300 in State taxation, and for Federal purposes was taxed on the residue of £700. The Federal tax was of a progressive character—the higher one's income the more taxation did every £1 bear. No complaint was heard in past years on the ground that Victoria paid

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an additional amount of Federal taxation. I do not think any one has been sufficiently interested in this matter, but lately it has been made a political issue.

Statements have been made to the effect that Victoria has been robbed as the result of the war. That would have been unavoidable, more particularly if the Commonwealth Government had increased the rate of its tax—as would have been necessary if the war had continued much longer than it did. Obviously, higher taxation was needed to finance the war. It is realized, also, that in wartime it becomes necessary to reduce the spending of the community. That is done by means of taxation, loans, or other methods. The Federal Government would have imposed higher taxes on the same residue. Regarding the figures that I mentioned of 90s. for the State of Victoria and 60s. for the State of Queensland, a certain amount of the discrepancy is accounted for by the difference in the economic capacity of the two States; but not the whole of it. If the figures of the Commonwealth Grants Commission, which makes estimates of the relative taxable capacities of the States, are examined, that will be seen to be so. The term "taxable capacity" is a vague one on which to base estimates, but it is possible to make some degree of comparison. The taxable capacity of Victoria, which is the wealthiest State, is given as 125, and that of Queensland as 100. The equivalent of a Victorian figure of 90s. would be a Queensland figure of 75s., but the figure for Queensland was about 60s. These figures are related to the whole population of the community. The population of Victoria is about 1,750,000, and Victoria was paying up to £2,000,000 to finance what were called the "social extravagances" of the other States. With uniform taxation there is power through the Commonwealth to impose a uniform standard of social services, so that what exists in the northern parts of the Commonwealth will exist also in Tasmania.

We need to get away from parochial ideas, although there must be local issues. Decentralization has been much talked about in this Chamber, but even if uniform taxation really means some centralization of control, it does not

mean that the individual must be tied hand and foot to a body vaguely and rudely known as bureaucracy. Uniform taxation has nothing against it, from an administrative point of view, or from the point of view of the welfare of the community as a whole. It gives the Commonwealth power to impose on the community a uniform system of social services and social benefits. I leave it to members on the other side of the House to examine their ideas on the subject. Legislation should be designed for the benefit of the community as a whole, and there should be no difference between the Commonwealth Government, which represents the people as a whole, and the State Governments, which represent sections of the people, any more than there should be differences between the State Governments and municipal bodies. There should be one united people, and political capital should not be made out of imagined differences that really do not exist. If we are a democracy, government should be carried out for the benefit of all the people.

Mr. EDMUNDS (*Hawthorn*).—In supporting the adoption of the Address-in-Reply, may I express my appreciation, which I am sure is shared by every member on the Opposition side of the House, of the unsolicited testimonial given by the honorable member for Albert Park to the outstanding prosperity achieved by Victoria under non-Labour Governments. His review of financial figures can be interpreted in no other way. I hope that when he comes to speak further about education he will not repeat the statement that education is an end in itself. Education is no more an end than the proceedings in this House are. The one is a means of equipping the individual, and the other of organizing the community for a full and satisfactory life. I wish to submit a few facts prepared by a sub-committee of servicemen on the question of housing. They may add point to some of the remarks made on this most urgent question. An imposing factory at Holmesglen is to be used for preparing housing materials, and it was hoped that it would go into production next month. That prospect is now unlikely, owing to strikes and industrial disturbances.