

Trust—which does not control the pilot service—power to recover from the ship the cost of repairing damage done by the vessel although the vessel may have been in the hands of a compulsory pilot. In South Australia legislation is forecast to give the port authority relief by placing the responsibility for damage on the ship owner. As previously stated, in the United Kingdom the British Parliament as far back as 1913 decided that the ship owner should accept the liability for damage to wharves, etc. And even the Commonwealth Parliament in 1912 considered that the ship owner must pay all costs of repairs when the pilot and pilotage part of the Commonwealth Navigation Act is proclaimed. The sections referred to in the schedule are as follows:—

Responsibility for injury to works of harbour: 36. Where any injury is done by a vessel, floating timber or material, or by any person employed about the same, to any part of the works or property of the Commissioners—

- (1) The owner of such vessel, floating timber and materials; and
- (2) In case the injury is caused through the act or negligence of the master of such vessel or of the person having charge of such timber or material, the owner and also such master or person,

shall be answerable in damages to the Commissioners for the injury, but the Commissioners shall not recover twice for the same cause of action.

Under those sections a ship owner is not liable for damage if the ship is under compulsory pilotage at the time. By the Imperial Pilotage Act of 1913 it is enacted in Section 15 as follows:—

Notwithstanding anything in any public or local Act, the owner or master of a vessel navigating under circumstances in which pilotage is compulsory shall be answerable for any loss or damage caused by the vessel or by any fault of the navigation of the vessel in the same manner as he would if pilotage were not compulsory.

The object of the Bill is to extend that provision of the Imperial Act to the harbours and jetties under the Acts referred to in the schedule to the Bill. I move—

That the Bill be now read a second time.

On motion by Hon. G. W. Miles, debate adjourned.

*House adjourned at 6.16 p.m.*

## Legislative Assembly,

Wednesday, 28th November, 1928.

	Page
Questions: Nominated migrants ... ..	2072
Police Court decisions ... ..	2073
Leave of absence ... ..	2073
Bills: Hospital Fund, message ... ..	2073
Lake Grace-Karlgarin Railway, 1R. ... ..	2073
Roads Closure (No. 2), 1R. ... ..	2073
Permanent Reserves, 1R. ... ..	2073
Workers' Homes Act Amendment, 3R. ... ..	2073
Coal Mines Regulation Act Amendment, 2R. ... ..	2073
Licensing Act Amendment, 2R., Com. report ... ..	2074
Stamp Act Amendment, 2R., Com. report ... ..	2082
Hospital Fund, Cont. ... ..	2084

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

### QUESTION—NOMINATED MIGRANTS.

Mr. SLEEMAN asked the Minister for Lands: 1, On what date did nominated migrant, H. Fawcett and his wife and family, arrive in the State? 2, What was the position of the person nominating them? 3, Have the migrants concerned been refused any assistance? 4, Are the nominators in a position to give any assistance to the migrants nominated? 5, If the nominators are destitute, will the department see that the migrants concerned are not allowed to starve? 6, Will the department in future, before allowing anyone to nominate a migrant, see that he or she has a reasonable chance of carrying out the agreement entered into on the nomination form?

The MINISTER FOR AGRICULTURE (for the Minister for Lands) replied: 1, 19th October, 1928. 2, On receipt of the application, on 18th February, 1927, the officer in charge wrote Fawcett, pointing out the responsibility he was undertaking, and inquiring what arrangements had been made for the reception and settlement of the nominees. The nominator replied to the effect that he and his brother, who was on the same group, proposed to divide the party between them, that his father would have some cash from the sale of his business in the Old Country, that employment had been promised for one of the girls, and it was hoped to find employment for the others, and that he himself had a good block and hoped to make a success of it. The application was supported by the Rev. E. A. Hipkin, who stated, "I meet him periodically and can place utmost confidence in him, feeling con-

vinced that when his parents and relatives arrive he will stand loyally by them." 3, We have no record of any request for assistance. 4, In the re-organisation of the groups the nominator, J. G. Fawcett, was transferred to Group 26, Pemberton. He recently left the groups, and his present position is not known to the department. The other son, Henry Fawcett, who actively co-operated with J. G. Fawcett in effecting the nomination, is now a settler on Group 22, Cowaramup. 5, If the nominee is in actual distress and the Child Welfare Department are satisfied his nominator or other relatives are unable to assist him, that department will grant relief. 6, This has always been done.

### QUESTION—POLICE COURT DECISIONS.

Mr. TEESDALE asked the Minister for Justice: Has his attention been drawn to the very inconsistent decisions often given in the Perth Police Court, two of which are as follows:—(a) A man charged with accosting and addressing offensive remarks to women in front of a picture show was arrested. After struggling for ten minutes with the arresting constable he was conveyed to prison in a cab and fined 30s. or three days for causing a disturbance and 40s. or four days for resisting arrest. (b) A woman was found drunk and was taken home by a neighbour but afterwards came out into the street in front of her home and was arrested and sentenced to 20 days' imprisonment?

The MINISTER FOR JUSTICE replied: Alleged inconsistent decisions are occasionally brought under my notice and inquiries made. Magistrates, by statute, are given wide discretionary powers regarding sentences so that the circumstances of each case may be considered and a decision given with cognisance of all the facts. Without a full knowledge of all the circumstances of both cases mentioned, it is not possible to say whether there is any inconsistency.

### LEAVE OF ABSENCE.

On motion by Mr. North, leave of absence for two weeks granted to Mr. J. H. Smith (Nelson) on the ground of urgent private business.

### BILL—HOSPITAL FUND.

Message from the Governor's Deputy received and read recommending appropriations for the purposes of the Bill.

### BILLS (3)—FIRST READING.

1, Lake Grace-Karlgarin Railway.

Introduced by the Minister for Mines (for the Minister for Works).

2, Roads Closure (No. 2).

3, Reserves.

Introduced by the Minister for Agriculture.

### BILL—WORKERS' HOMES ACT AMENDMENT.

Read a third time and transmitted to the Council.

### BILL—COAL MINES REGULATION ACT AMENDMENT.

*Second Reading.*

**THE MINISTER FOR MINES** (Hon. S. W. Munsie—Hannans) [4.40] in moving the second reading, said: This Bill has one object in particular.

Hon. Sir James Mitchell: Is not the member for Collie responsible for this Bill?

The MINISTER FOR MINES: While we are attempting to amend the Act, I have taken advantage of the occasion to make provision for special inspectors.

Hon. G. Taylor: Do you mean workmen's inspectors?

The MINISTER FOR MINES: No. The Bill was being amended to give the coal mines provision for the appointment of workmen's inspectors similar to that enjoyed by the metalliferous mines. Under the Coal Mines Regulation Act there is no provision for the appointment of special inspectors, though there is such provision in the law relating to gold mines. While there is not much gas in our coal mines, a great deal of electricity is used both above and below ground and there is a possibility that later on gas may become prevalent. If there is need for the occasional appointment of special inspectors for the metalliferous mines, there is as great or greater need for the appointment of special inspectors for coal mines. Though the Bill ap-

pears to be fairly long, it really contains nothing new apart from those two provisions. It would have been rather complicated had we attempted to amend the Coal Mines Regulation Act by inserting the words required and deleting other words that were not necessary. The easier and simpler method was to repeal Sections 36 and 37 of the Act dealing with departmental inspectors and the appointment of check inspectors and to insert the necessary clauses for the appointment of special inspectors and workmen's inspectors in lieu of check inspectors. Employees on the coal fields have the right at any time to appoint check inspectors, who would be employees appointed by the union or by arrangement with the union to make an inspection of a mine and report the result of their inspection in a record book. The whole cost of such inspection has to be borne by the union. In 1915 the Act relating to gold mines was amended to give the right to appoint workmen's inspectors. That has led to a smoother working of the industry from an inspection point of view, and I believe this will lead to smoother working on the coal fields.

Hon. Sir James Mitchell: You would pay the workmen's inspectors.

The MINISTER FOR MINES: Yes: the Government would pay them, but I have notified the members of the union through a delegation that met me and also a conference of employers and employees that the workmen's inspectors would not have a full-time job. They could not expect workmen's inspectors to be appointed on full time.

Hon. G. Taylor: I should think not.

The MINISTER FOR MINES: Occasionally, however, they have to appoint check inspectors, and I think it hardly fair they should have to do that when the other provision exists for the gold mines.

Mr. Wilson: And for the timber industry, too.

The MINISTER FOR MINES: Yes, legislation recently passed to regulate the timber industry gave the right to appoint workmen's inspectors. It is necessary in the interests of those employed in the industry that there should be workmen's inspectors in coal mining, even more necessary than in the case of the timber industry. I need not say much more on the Bill. The workmen's inspectors are to be given the same powers as are given to

workmen's inspectors in metalliferous mines, and if necessary there are also to be special instructors. In Collie there is one departmental inspector, and there will be one part-time workmen's inspector. I hope the necessity for appointing a special inspector will never arise. There did once, but only once, arise in gold mining the need for the appointment of a special inspector. I think that was in 1906. If the necessity does arise in connection with coal mining, there should be the right under the Act to appoint special inspectors. I move—

That the Bill be now read a second time.

On motion by Hon. G. Taylor debate adjourned.

## BILL—LICENSING ACT AMENDMENT.

### *Second Reading.*

**THE PREMIER** (Hon. P. Collier—Boulder) [4.49] in moving the second reading said: The object of the Bill is to continue the operation of Part V. of the Licensing Act for another two years. Part 5, as hon. members know, deals with reduction of licenses and the work of the Licenses Reduction Board. Under the Act that part will cease to operate as from the end of December of this year. The Bill proposes to continue the part for another two years, and no longer.

Hon. G. Taylor: Why two years?

The PREMIER: It is considered that little more remains to be done by the Licenses Reduction Board. The board having been in operation for five years or more, practically all hotels requiring to be closed have been closed already. There is, however, a sum of £13,700 still in the compensation fund; and it is considered that if Part 5 be continued as proposed, the further time will permit the working-off of the amount of money remaining. It is proposed at the same time to discontinue, as from now, any further contributions to the compensation fund. The present contribution is two per cent. of the net purchases of liquor in the State. The Bill proposes to discontinue that payment as from the end of the year. The two years period, it is believed, will suffice to allow the Licenses Reduction Board to use the £13,700 remaining for the closing of any hotels it may be considered necessary to close. By

the end of that time there should be no further need for the closing of hotels or for the operation of Part 5 of the Act. I may put it this way, that the total contribution of the trade has been seven per cent., five per cent. being by way of license fee and two per cent. by way of contribution to the compensation fund. The two per cent. contribution being discontinued, the Bill seeks to increase the license fee from five per cent. to six per cent.

Hon. Sir James Mitchell: What did the five per cent. produce last year?

The PREMIER: The total contribution to revenue last year amounted to £66,678, but that was not all represented by the five per cent. The contribution is, in fact, five per cent. less the payment representing the annual license fee. The fee is deducted from the five per cent.

Hon. Sir James Mitchell: Really, five per cent. is the total payment.

The PREMIER: Yes. The proposal is to increase the five per cent. to six per cent. The net result will be that the trade as a whole will pay one per cent. less from now on than has been paid in the past.

Hon. G. Taylor: And the Treasury will gain one per cent.

The PREMIER: Yes. It is interesting to note the work of the board during their existence. The total amount contributed to the compensation fund for the whole of the five years, including this year, is £114,479. In the same period 110 licensed premises have been closed. The Act came into operation in 1923.

Mr. Thomson: But some of those licenses have been transferred to other districts.

The PREMIER: There have been such transfers, but they would not come under the heading of reduction. The greatest number of hotels closed in any one year was 50; that was in 1924.

Mr. Teesdale: You got a good whack of them, did you not?

The PREMIER: Most of those licensed premises were on the goldfields. In 1925 the number closed was 22, in 1926 it was seven, in 1927 it was 19, and this year it is 11. The total amount of compensation paid for the whole of those hotels and other licensed premises is £83,804. That leaves a balance of approximately £13,000, which difference is accounted for by the contribution from the compensation fund towards the cost of the board. Under the Act two-thirds of the expenses and costs of the

board are paid by the compensation fund. The contribution amounts to a substantial figure. Last year it was £3,162.

Hon. Sir James Mitchell: That is for the whole of the staff.

The PREMIER: Yes.

Hon. G. Taylor: And the whole cost is how much?

The PREMIER: Last year the whole cost was £4,744, and the amount contributed from the compensation fund was £3,162, as I have mentioned.

Hon. G. Taylor: Did the State pay the balance?

The PREMIER: It came out of the Treasury. The license fees are paid into the Treasury. I am asking for an additional one per cent. to go into general revenue now that the contribution to the compensation fund is to cease and the revenue will have to bear the whole cost of the board.

Hon. Sir James Mitchell: The cost will not be great.

The PREMIER: That remains to be seen. It depends on whether it will be necessary to maintain the board at the same strength and at the same cost when their work will be confined to the licensing side, as against licensing combined with reduction.

Mr. Latham: The board will deal with all applications for new licenses.

The PREMIER: Yes; and all existing licenses come up for consideration annually. In the past there has always been a court of three, although not composed in the same manner as the present board. The court consisted of a police magistrate and two justices. The licensing bench have a great deal to do besides merely granting licenses once a year. They have to do inspection work, and travel all over the country to see that the Act is generally being observed.

Hon. Sir James Mitchell: See or not see?

The PREMIER: Generally to see that the Act is being complied with; and I consider that the general standard of hotels in Western Australia, especially as to accommodation, has been improved considerably while the Act has been in operation.

Mr. Angelo: As far as country hotels are concerned, the position here is better than in any other State.

The PREMIER: My experience of the Eastern States confirms that view. One can get better accommodation outside the metropolitan area in Western Australia than in any other State.

Mr. Latham: And more cheaply, too.

The PREMIER: Only a few months ago, arriving in a fairly important town of New South Wales at ten minutes past 2 p.m., we were told that we could not get lunch because it was after 2 o'clock. That was after a journey of about 120 miles.

Hon. G. Taylor: It is a common thing in Western Australia to be refused a meal if one arrives after 7 p.m.

The PREMIER: That is a different thing from arriving at a little after 2 o'clock in the afternoon.

Hon. Sir James Mitchell: Not if you are hungry.

The PREMIER: I do not know whether that is a common occurrence in Western Australia, although it may happen occasionally. Under our law, licensees are compelled to make provision for travellers, and it is one of the conditions attached to their licenses. That is one phase of the Act that the court has been particularly keen upon enforcing.

Mr. Teesdale: That, and the provision of baths.

The PREMIER: That is so.

Hon. G. Taylor: Is it on that account, or is it because of the Arbitration Court awards?

The PREMIER: But those awards cannot relieve licensees from the obligations resting upon them to comply with the provisions of the Act. If meeting the requirements of the travelling public entails extra hours of labour, that is the affair of the licensee; the Act compels him to provide the necessary accommodation. Should any complaints arise in that direction, the court takes action at once. I have dealt with the Bill briefly. It consists of two clauses embodying two points. The first relates to the continuation of Part V. of the Act for another two years, without contributions to the compensation fund. The other point is the increase of the 5 per cent. contribution to 6 per cent.

Hon. G. Taylor: As Treasurer, you come out of it all right!

The PREMIER: I do not know that I will. It cannot be said that 6 per cent. is an extortionate charge.

Mr. Latham: The licensee is relieved.

The PREMIER: Yes; he gets a reduction of 1 per cent., and the Treasurer an increase of 1 per cent.

Mr. Stubbs: Then it is a case of fifty-fifty.

The PREMIER: Yes, as between the licensees and the Treasurer.

Mr. Chesson: I think they ought to meet you half-way!

The PREMIER: They ought to do so.

Mr. Stubbs: But what about the petition on the Table of the House?

The PREMIER: I have not had time to look into it; I am not sure it contains anything affecting the Bill. I move—

That the Bill be now read a second time.

**HON. SIR JAMES MITCHELL** (Northam) [5.3]: It is true that the Bill contains two points, but they can be stated in a totally different way from that in which the Premier has placed them before the House. One point refers to the 2 per cent. contribution. It is obvious that the Licenses Reduction Board will operate on the £13,000 that is now in the fund. Up to the present, £114,000 has been collected for the purpose of paying compensation to owners and licensees of hotels that are closed. The fact that the board have already closed 110 hotels is highly satisfactory. Under the old system of local option we should never have closed that number of hotels, and any hotels closed would probably be those that were required. The general experience in connection with local option is that where many hotels were not required, as on the goldfields, reduction was never carried; it would be carried only at centres such as Bunbury and Northam.

The Premier: Local option has been a total failure in Victoria, where they found that the hotels closed were usually those that should not be closed, whereas hotels that ought to have been closed, were never closed.

Hon. Sir JAMES MITCHELL: When we appointed the Licenses Reduction Board the effect was to clean up the hotels that ought to have been closed, and the Licensing Act was put on a proper basis. In my opinion, the results have been highly satisfactory. The Premier is wrong when he states that the hotels will no longer pay 2 per cent. Hotels benefited by the cancellation of the licenses of other hotels, and so when they paid 2 per cent. into the compensation fund, the hotelkeepers benefited because of the additional turnover due to the closing-down of the de-licensed hotels that represented so much opposition in the trade.

In view of that fact, we have no right to take that position into account when we consider what contributions they should make. All we should consider is what should be paid to the Treasury on account of licensing fees. The one has nothing to do with the other phase. At the outset we laid it down that compensation had to come from the trade when a hotel was closed down. We said that position of affairs would last until the 1st January, 1929. We have now sufficient money in the compensation fund to enable us to go ahead for two years without collecting any more money from the licensees. In closing up 110 hotels I presume the board closed up all that should have been delicensed. At the same time, we must provide sufficient accommodation for the travelling public, and the only means of providing that accommodation is through licensed hotels. When we deal with the licenses reduction fund, we should consider that matter separately; when we come to discuss the license fees, we should deal with that matter quite apart from other considerations.

The Premier: The one thing has a bearing on the other.

Hon. Sir JAMES MITCHELL: It has no bearing whatever.

The Minister for Justice: If you were running a pub, you would not adopt that attitude.

Hon. Sir JAMES MITCHELL: The trade is on a fair basis now; we have a good Act and it has worked wonderfully well. The hotels throughout the State are indeed splendidly run. Wherever I have been, I have always been able to secure comfortable quarters with a decent water supply and effective sanitary arrangements. It has to be recognised that the Licensing Court has done its work very well. The members of that body could have made the lot of hotel-keepers very irksome. Instead of doing that, they went about their work quietly and showed consideration for those whose interests were affected. The members of the Licenses Reduction Board are all experienced men, who are not in a hurry but are determined to see that the Act is administered properly. There is not much that can be said by way of complaint from that standpoint. It is only just that people who conduct their businesses reasonably well, should not be bothered by unnecessary taxation. The Premier has told us that the Act sets out that two-thirds of the cost of

the board shall be debited to the compensation fund. I take it that for the next two years the expenses of the board will go on, and will be a debit against the fund. The Premier will not have to pay £3,300 from revenue as he did last year. It looks as if the position will go on until the fund is absorbed.

Hon. G. Taylor: If that is the only justification for the board, it is not much.

Hon. Sir JAMES MITCHELL: The board is not only a licenses reduction board, but is the Licensing Court as well. As a board, the three gentlemen reduce licenses, but as a court, they can renew licenses or grant new ones.

The Premier: The members have a dual duty under the Act.

Hon. Sir JAMES MITCHELL: Yes, to decrease licenses and to increase licenses.

The Minister for Works: At any rate, the one body does both; it would be worse if there were were two separate bodies, one closing down and the other opening up.

Hon. Sir JAMES MITCHELL: That is true. In my opinion 5 per cent. represents a sufficient licensing fee. Of course, we never miss an opportunity to increase taxation on any single day we sit.

The Premier: That is not reflected in the Treasury.

Hon. Sir JAMES MITCHELL: There is the increase from £8,000,000 to £10,000,000.

The Premier: But in the main the increases are for public utilities!

Hon. Sir JAMES MITCHELL: The increase may have come from the State hotels.

Hon. G. Taylor: At any rate, the Licenses Reduction Board did not close down any State hotels.

Hon. Sir JAMES MITCHELL: We have got into the bad habit of increasing taxation at every opportunity. Our job should be to take as little as we possibly can from the people. We must have money with which to provide for the education of our children, for the erection of hospitals, and so on, but we should not impose more taxation than is absolutely necessary. We seem to have an idea that we can tax to the advantage of the people, but we cannot do anything of the sort. People cannot afford to have anything they cannot pay for.

Hon. G. Taylor: If that were so, there would not be so many motor cars about.

Hon. Sir JAMES MITCHELL: This is not a joking matter. We should all become serious when we consider taxation matters.

It is obvious that in a city of 1,000,000 inhabitants, conveniences and facilities can be made available that are not possible in a city inhabited by 150,000 people. Similarly, in a township of 5,000, the inhabitants cannot expect what is obtainable in a city of 150,000 inhabitants. I do not think there should be any objection to paying a reasonable licensing fee.

Mr. Teesdale: You do not drink beer or you would be more sympathetic.

Hon. Sir JAMES MITCHELL: I do not know that.

Mr. Teesdale: This one per cent. will not close them up while people can afford to pay 1s. 2d. for a whisky and soda.

Hon. Sir JAMES MITCHELL: I think 5 per cent. is a fair amount to take as a license fee. Some of the hotels, no doubt, do very well, but many hotels are not doing quite as well as we imagine. We must remember that under this Act people have to run their hotels really well. The buildings have to be maintained in proper order, have to be painted and kept clean.

Mr. Teesdale: It is a great change for some of them, too.

Hon. Sir JAMES MITCHELL: But we are talking about what is happening. Even if it is a change, it costs the hotelkeepers money. The buildings are very much improved, and every detail of the work about the hotel has to be satisfactory. The Premier has admitted, and we all admit, that we are now getting the accommodation that travellers are entitled to expect. One can go from Pemberton to Kalgoorlie and all along the line he will find the same thing obtaining; and we all know that in many instances we did not get that satisfactory condition of affairs before this board was appointed. This board has meant a great deal of added cost to the people running hotels, and I do not see why we should expect to collect more than 5 per cent. by way of a license fee, a permit to run the hotel, which incidentally insists that travellers shall be fed at all hours. It should be published broadcast that people are entitled to get a meal at an hotel at any time, not necessarily an elaborate meal, but at all events one sufficient to satisfy the requirements. People ought to know that. I think 5 per cent. is a fair thing for a license fee and ought not to be increased. In Committee I will move to strike out "six" and leave the Act as it stands.

Hon. G. Taylor: You have no chance.

Hon. Sir JAMES MITCHELL: No, I am afraid I have not much chance when I seek to prevent an increase in taxation on those people.

Hon. G. Taylor: That sort of thing always sounds well from the Opposition.

Hon. Sir JAMES MITCHELL: I think the Government should be perfectly honest and tell the people they are going to tax them to the last cent. and not leave them a feather to fly with. One other point I wish to mention is this: When the hotels are applied for we charge a premium and tenders are called. Again that is a cost against the travelling public or the people who use the hotels. In one case at Morawa £2,000 was paid.

The Premier: At Morawa and at Mullewa too.

The Minister for Works: Previously quite as much as that was paid.

Hon. Sir JAMES MITCHELL: Oh no. Of course the hon. member has a better knowledge of what goes on at Fremantle than I have.

The Premier: Under the old Act very often a man secured a license in order that he might sell it at a premium.

Hon. Sir JAMES MITCHELL: Not in every case. To-day they sell hotels at a premium in respect of the building. If the hotel is well run, naturally the value of the premises with a license is very much greater than it would be with an ordinary business. At any rate we license these people only in order that they may fulfil a want. We do not license them because we want the individual to have the license, but because we want him to provide the convenience.

The Minister for Justice interjected.

Hon. Sir JAMES MITCHELL: Yes. We got £2,000 at Morawa and only £4,000 in William-street, Perth.

The Minister for Justice: But in the one case the man had a monopoly, whereas in the other there was competition among 60.

Hon. Sir JAMES MITCHELL: That may be. But we must remember that a thousand people pass the William-street hotel for every one passing that at Morawa.

The Minister for Works: That was done by tender was it not?

Hon. Sir JAMES MITCHELL: That is so. I am not quite clear that the chairman of the board ought not to have been

a police magistrate or a resident magistrate. Nor am I sure that it is so with the deputy chairman. But if we read Sections 14 and 16, we are perfectly certain that the chairman must be a police magistrate or a resident magistrate. Then when we turn to Section 21 we find that anybody, without any qualification at all, can be appointed to the Licenses Reduction Board. Then it is provided that the board may be the court. It was intended that the board should be the court. When the board was appointed we did not intend to have two sets of people; nor do we intend it to-day. But it is not clear that a layman can be appointed to this board and to this court.

The Premier: I understand that Sections 14 and 16 were provided only for the continuation of the Act until the new Act came into force. When that happened Section 21 applied.

Hon. Sir JAMES MITCHELL: Yes, probably that was the intention, but I doubt if it is the reading of the Act, for Section 21 applies to the board. We made it apply to the court as well. At any rate, it can be read that the chairman must be a police magistrate or a resident magistrate, and under Section 21 it can be read that he may be anybody whom the Government choose to appoint.

The Premier: At all events, Section 21 is the only one that applies now.

Hon. Sir JAMES MITCHELL: You had that advice from the Crown Law Department.

The Premier: I am told it is perfectly clear.

Hon. G. Taylor: They can clarify things very easily down there at the waterside.

Hon. Sir JAMES MITCHELL: Well, it is all right, I am satisfied with that explanation that the Crown Law says it is as set out in Section 21. Section 21 by its self is quite clear.

The Premier: And so, too, are Sections 14 and 16, taken by themselves. But they were intended only to carry on until the new Act came into operation.

Hon. Sir JAMES MITCHELL: I do not think we need bother any more about that.

Mr. Teesdale: Or about the one per cent.

Hon. Sir JAMES MITCHELL: Yes, we can bother a bit more about the one per cent. Frequently I find myself looking on at some legislation passed in my time and which has been of considerable benefit, but which was opposed by the Premier when he

was over here. I am not sure, but I think that when the Bill was going through I did propose we should take more than 5 per cent. and the present Premier strenuously opposed it.

The Premier: I think you very reluctantly came down from 10 per cent.

Hon. Sir JAMES MITCHELL: No, but when I listened to the case put up by the Premier against the 7 per cent., I was convinced. He declared it would be unjust to impose that burden on the people using the hotels, the travelling public. I was convinced. He put up a really good case. And, of course, as I was persuaded then that the Premier was right in seeking to reduce the charge I had proposed, I am still convinced by the argument of that day.

The Premier: You have not looked up my speech.

Hon. Sir JAMES MITCHELL: I remember it very well. I could not forget it. The argument was a very good one and it holds to-day. The more the licensee pays, the more the general public have to pay. This wretched Government made a profit of £12,000 out of the State hotels last year and then put up the charges all round. The Government take the money with both hands whenever they get an opportunity. By increasing the charges in the State hotels they actually put up the charges in every other hotel in the State.

Mr. Chesson: It was only a reduction in the size of the glass.

Hon. Sir JAMES MITCHELL: In hotels we get something besides the glasses. I do not know very much about the bars and the glasses in hotels, but you can see that I do know something about the tables in the dining-room. It was in the dining-room that the Government put up the charge by about 20 per cent., and of course all those people running privately-owned hotels followed them. The Government made a profit of £12,000 on the State hotels last year, and on top of that up went the cost of board at those hotels. I do not think we should take more than we are taking from the hotels already. The Premier had no option to bringing down this Bill, for in January next the Licenses Reduction Board will cease to exist. I am perfectly agreeable that their function should continue for another two years. If at the end of that time we find that some districts have gone down, and the local hotels are no longer wanted.



we can reinstate Part V. I do think the old resident magistrates might have been appointed to one or two of the positions on the board. And I do think the chairman of the board ought to have some legal knowledge. He should be an experienced barrister, or at any rate have a knowledge of the law.

The Premier: There has not been any retirement from the magisterial bench for a good many years.

Hon. Sir JAMES MITCHELL: But the licensing magistrates are paid very much more than are the other magistrates, and those other magistrates could have been transferred. I appointed to the board two of them and one from outside, but now we have all three members appointed from outside. Each draws more money than 90 per cent. of the magistrates. They live a more comfortable life. I would rather deal with hotel licenses than be engaged in sentencing people. I hope the Premier will, when opportunity comes, appoint one of the older magistrates on the board. Of course, we ought to be careful in making these appointments. Except for the objection I have already raised, I support the Bill.

**MR. LATHAM** (York) [5.31]: I do not oppose the Bill, but think it would have been well if the Treasurer had asked for a higher percentage. Probably in the near future he will require more money to pay into the compensation fund. When rates are reduced, it is always difficult to put them up again. If that is done a certain amount of complication occurs, especially when the matter affects the licensing trade. I cannot understand the objection of the Leader of the Opposition. When he originally brought down this proposal he asked for 8 per cent.

The Premier: It was 10 per cent.

Mr. LATHAM: And 2 per cent. for the compensation fund.

The Premier: No, 10 and 2.

Hon. Sir James Mitchell: It was 8 and 2.

Mr. LATHAM: Now that the hon. member is in opposition, I am afraid he thinks this is not necessary. We can well afford to take a little revenue out of the trade. We protect license holders to a certain extent, for it is difficult to get new licenses, and when people are successful in this they have to pay a high premium. The Premier did not say anything about the premiums

he received from new licenses. I understand that a fair amount of revenue comes from that source. Sometimes the premiums reach as high as £5,000.

The Premier: The highest amounts paid have been £4,000 and £3,000. There have been two or three at £2,000.

Mr. LATHAM: Is that shown as part of the licensing fees, or is it paid into the Treasury?

The Premier: It is paid direct.

Mr. LATHAM: In addition to the license fees we also get this other money. The liquor revenue for last year was £66,677. In addition there is perhaps another £12,000 or £15,000 paid in premiums.

The Premier: That includes the 2 per cent. The revenue to the Treasury last year was £51,000.

Mr. LATHAM: I cannot see where this was paid out in compensation.

The Premier: The revenue was £51,000.

Mr. LATHAM: The Premier will eventually have to ask for additional sums for the compensation fund. It would therefore be advisable that he should ask the House for the right to pay this other 2 per cent. into revenue. The hotels in this State compare more than favourably with those in other places. While it seems there is reason to complain about the State hotels putting up their tariff, I must admit that the accommodation generally is cheaper in Western Australia than elsewhere in the Commonwealth. A good deal of the loss that is made in running a house is recouped from the bar trade. The licensing bench is doing good work in keeping hotels up to the required standard. They certainly have made mistakes by insisting upon the installation of sewerage where no water supplies have existed, and have erred in other directions. On the other hand, they have been able to force licenses to bring their establishments up to the required standard of accommodation. It would have been wiser if the Bill had asked for 7 per cent. instead of 6 per cent.

**MR. THOMSON** (Katanning) [5.36]: I cannot understand why the Premier did not take the 2 per cent. into general revenue. If desired at a later date, he could ask Parliament to make provision for a certain sum for the compensation fund. The revenue derived by the Commonwealth from excise is £714,504.

The Premier: From the whole of Australia?

Mr. THOMSON: From Western Australia. That was the collection last year.

Mr. Latham: The State does not get much revenue.

Mr. THOMSON: This is excise only. A proportion of the money would be represented by tobacco and other items, but the great bulk of it is for liquor. With all the protection and assistance the State gives to the trade, we are not receiving as much return as we are entitled to. Because of the licensing law, and the bench having power to inspect premises and to insist upon certain additions being made, our hotels generally compare most favourably with those in other parts of the world. That statement has been backed up by other people who have travelled. We must congratulate the trade on the excellent manner in which these establishments are conducted. I fail to see that the public can derive much benefit from the 1 per cent. which the Premier is foregoing. It cannot affect the price of liquor sold to consumers.

The Premier: I am willing to take 2 per cent.

Mr. Teesdale: You are being blamed for not doing so.

Mr. THOMSON: If I thought the public would derive any benefit from the reduction of 1 per cent., I would support it.

The Premier: I am quite willing to fall in with the wishes of the House.

Mr. Chesson: I would advise the Treasurer not to be too covetous.

Mr. THOMSON: Those connected with the liquor trade are, generally speaking, quite satisfied. If the Treasurer had transferred the amount as suggested by the member for York, no complaints would have been forthcoming.

Mr. Teesdale: It is throwing money away.

Question put and passed.

Bill read a second time.

#### *In Committee.*

Mr. Lutey in the Chair; the Premier in charge of the Bill.

Clause 1—agreed to.

Clause 2—Continuance of Part 5; subject to amendment of Section 97:

Hon. Sir JAMES MITCHELL: I move an amendment—

That Subclause 2 be struck out.

This will have the effect of returning to the 5 per cent. The Bill is of a non-party nature. When I was Leader of the House and dealt with the original measure, I asked for a certain rate of tax, but was knocked over.

The Premier: And how angry you were at the time.

Hon. Sir JAMES MITCHELL: I accepted the wishes of the majority of members, and as I found it was right to do so, I am not now going to agree that I was in the wrong. When the Act was being discussed I did not know then it was proposed to charge ingoing to anything at all like the extent the Government have been receiving. Altogether we are getting far more revenue than I ever thought we would receive.

Mr. Latham: If the amendment is carried, shall we have the right to amend Section 97?

The CHAIRMAN: The question is that the words proposed to be struck out stand part of the question. If the amendment is defeated, the words will remain and the hon. member will not be able to move in the direction he desires.

The PREMIER: The only thing I am concerned about is not that the seven per cent. is too high, but that I have not asked for the other one per cent. I am quite sure that no words of mine, when the original Act was going through, convinced the Leader of the Opposition. What did convince him was the compelling power of the vote. I doubt whether I used any arguments in favour of the five per cent.; I did oppose the eight per cent. My recollection is that the discussion got down to the question of six per cent. The member for Perth considered six per cent. quite fair and equitable, but those who were on this side of the House at that time did not accept it, and on the motion of Mr. Underwood the amount was brought down to five per cent. I did not support the five per cent., and now I am sticking to just where I was then, what the member for Perth thought was fair and equitable. The point taken by the member for York is that if we continue to collect seven per cent. at any time, two per cent. of it could be paid towards the compensation

fund, but no Treasurer, once having secured seven per cent., would give up any part of it to any compensation fund unless, of course, he was compelled to do so by the Act.

Hon. Sir James Mitchell: Will you reduce the land tax if we give you the extra one per cent.?

The PREMIER: I cannot bargain like that. The amount will be only £6,000. The total amount received in the five years was £286,000, although the sum of only £158,000 was the percentage contribution to the revenue. The difference between the £158,000 and £286,000 is made up by the licensing fees. Last year the amount paid to revenue from the percentage contribution was £30,000, whilst the total amount received was £50,000. So that £20,000 was received in licensing fees.

Mr. Latham: Tell us what was paid into the compensation fund.

The PREMIER: We do not get one per cent. of the total received. We get one per cent. on the difference between the two amounts. Thus one per cent. will mean about £6,000 and not £10,000.

Hon. Sir JAMES MITCHELL: We get £51,000 including the fees. Take five per cent. on the purchase of liquor and that gives £51,000. Add one per cent. to that and you get £61,000. From that you deduct the payments in advance for license fees, £20,000 and you get £40,000 at six per cent., instead of £30,000 as in the past.

The Premier: I only hope I do.

Amendment put and negatived.

Clause put and passed.

Title—agreed to.

Bill reported without amendment and the report adopted.

## **BILL—STAMP ACT AMENDMENT.**

### *Second Reading.*

**THE PREMIER** (Hon. P. Collier—Boulder) [6.0] in moving the second reading said: In this Bill we are not actually asking for any additional revenue.

Hon. Sir James Mitchell: This is a war measure.

The PREMIER: But something of the aftermath of war remains.

Hon. Sir James Mitchell: No.

The PREMIER: I regret to say that prices and charges occasioned by the war are still ruling.

Hon. G. Taylor: And will continue so long as such Bills are introduced.

The PREMIER: The cost of everything has remained at the war level.

Mr. Teesdale: Even the twopenny newspapers.

The PREMIER: Excise duties which were so small before the war but were put up during the war still remain, and the same applies to other duties. Prices in every department of life increased during the war and have remained at war level ever since. While costs are so high and expenditure continues to be equally high, we cannot reduce taxes or charges of any kind.

Hon. G. Taylor: The daily newspaper that was 1d. is still 2d.

The PREMIER: Yes; although the price of paper was about £80 per ton during the war and is only £20 now, the increased price for advertisements and for the paper is maintained, so members cannot expect an unfortunate Treasurer to be the odd man out to reduce his charges.

Hon. G. Taylor: The Sydney "Bulletin" has come down from 9d. to the pre-war price of 6d.

The PREMIER: We cannot do better than follow the lead of the Press.

Hon. G. Taylor: Then follow the lead of the "Bulletin."

The PREMIER: This is a small Bill introduced annually to continue the higher rate of stamp duty. It is true that higher rate was imposed during the war and has been continued from year to year. If the Bill is not passed, the stamp duty will be reduced by one-half.

Hon. Sir James Mitchell: Only on certain transactions.

The PREMIER: Yes, only on certain transactions, but we are not in a position to give up any revenue. I do not know that we shall be able to get through the year with the revenue we are receiving because of the increased costs in every direction.

Hon. Sir James Mitchell: Then you had better come over here.

The PREMIER: Let me quote one instance. In the last four years the cost of the police force has increased by £50,000.

Hon. Sir James Mitchell: You must have more police.

The PREMIER: The increase is due, not to more police, but to wages and salaries alone. Two awards have been made in the past four years and the result has been to increase the cost of the police by £50,000. The award delivered a couple of months ago involved us in an additional £20,000 and the award that was delivered two years ago cost us more than £30,000. Consequently there is £50,000 in one hit, and that is being paid to fewer than 600 men.

Hon. G. Taylor: And there are the railway figures, too.

The PREMIER: There have not been so many increases to railway men in recent years. When we talk of taxation we have to remember the increased burdens imposed on the State. There is £50,000 of extra expenditure, to say nothing of the increased cost of the additions to the force.

Hon. Sir James Mitchell: That only wipes out the sandalwood revenue.

The PREMIER: I am sorry I cannot make any reduction in taxation this year. It is contended in some quarters that the high stamp duty drives business from this State to other States, but even at the higher rate it is only at about the average of the Eastern States and of other parts of the world. Our stamp duty is not higher than that of most of the other States. We charge £1 per £100; in Victoria and South Australia it is £1 per £100 also, while in New South Wales it is 15s.

Hon. Sir James Mitchell: It is something for nothing; no service at all is rendered for it.

The PREMIER: That may be so. Anyhow, I have to ask for a continuance of this Act for another 12 months. I move—

That the Bill be now read a second time.

HON. SIR JAMES MITCHELL (Northam) [6.5]: I suppose the House will pass the Bill. The Premier argues that the cost of living has gone up and so he must have a little more money. I wish to put it the other way; the cost of living has gone up and the people from whom the Premier collects this tax ought to be relieved. This was a war measure and it has been in active operation since 1918. It is a fairly stiff tax upon the sales of land.

The Premier: I agree, but there it is.

Hon. Sir JAMES MITCHELL: I believe the Premier has been a victim in the last

few months, and so he ought to be sympathetic.

The Premier: I am not likely to become a victim again. I cannot make it retrospective and get a refund. I paid my £60.

Hon. Sir JAMES MITCHELL: I suggest that the Premier try to do without the increased tax next year because, if he does not, we shall certainly not renew it.

MR. THOMSON (Katanning) [6.7]: Judging by the Premier's own experience, as mentioned by him just now, one could have hoped for a reduction of stamp duty.

Mr. Panton: You might have got it before he had the experience.

Mr. THOMSON: Perhaps we might pass a special measure with retrospective effect so that the Premier can get a refund. The Act has been renewed from year to year. In 1923 the present Leader of the Opposition stated that the duty had been increased only temporarily, but these temporarily increased taxes somehow or other become a permanency. This tax has been operating for twelve years. It is estimated that the Treasurer will receive an increase of £17,264 in stamp duty this year. That is no doubt due to the increase of land settlement, but it seems to me this tax could well have been reduced. When the present Leader of the Opposition was Treasurer he was apparently a little more amenable to reason than is the present Premier. On various occasions he did accept a reduction, such as the reduction under the Licensing Act.

Mr. Chesson: That was a matter of Hobson's choice.

Mr. THOMSON: To show his sincerity Sir James Mitchell, instead of making the increase permanent, as was desired by the then Deputy Leader of the Opposition, Mr. Angwin, provided for its continuance annually, so that when the State reached a position to reduce taxation, this would afford an easy means to make a reduction. I am afraid that the Government, with their brutal majority, will be able to carry the Bill, but it is time steps were taken to reduce charges and taxation. The more money the Government take from the people who are developing the country, the greater hindrance they are offering to additional development. The Premier himself can speak feelingly about the amount of money—£60 or more—taken from him by way of stamp duty, an amount that he might have

expended to greater advantage for extra clearing, water supplies or purchase of stock. That argument applies right through the country. The Leader of the Opposition made a threat that unless economy was effected during the coming year, this tax would not be renewed. The hon. gentleman is certainly an optimist, and I am afraid that next year a similar statement will be made by the Premier in support of continuing the tax. He will again regret the impossibility of reducing the tax and so it will be continued. I hope that some day we shall be able to effect a reduction in stamp duty, because it is a little too high.

The Premier: Be careful and do not promise too much.

Question put and passed.

Bill read a second time.

#### *In Committee.*

Bill passed through Committee without debate, reported without amendment and the report adopted.

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

### **BILL—HOSPITAL FUND.**

#### *In Committee.*

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

Clause 1—agreed to.

Clause 2—Interpretation:

Hon. Sir JAMES MITCHELL: It is proposed in this Bill to tax incomes derived from public securities. I do not think the Government can do that.

The Premier: I think so.

Hon. Sir JAMES MITCHELL: The Government are really taxing themselves when they do this.

Mr. SAMPSON: I move an amendment—

That in the definition of "income" all the words after "1907-1924," in line 3 down to "1902," in line 6, be struck out.

The profits of a company are subject to the incidence of taxation when they are distributed to the shareholders, and at that time the dividends would become liable to this hospital tax. The imposition of a tax on the company as well would represent a dual tax.

The MINISTER FOR HEALTH: I am opposed to the amendment. It is possible that some profits may not be distributed. The Dividend Duties Act imposes a tax on profits and not on the money distributed. I cannot see why we should be so considerate towards companies.

Mr. SAMPSON: I have no desire to protect companies as against individuals, but when the profits are distributed is the time to oppose the hospital tax.

Amendment put and negatived.

Mr. SAMPSON: I move an amendment—

That the words "and income derived from the Government securities and other investments exempt from taxation under the first-mentioned Act" be struck out.

I believe a tax on Government securities would be ultra vires. Interest secured from certain Government securities has always been exempt from State tax. Those who invested their money on that understanding have a right to expect the undertaking to be honoured.

The MINISTER FOR HEALTH: I do not know what revenue would be involved if the amendment were carried, but I do know that the Crown Law Department assured me that the words proposed to be struck out were not ultra vires. This particular paragraph was inserted by Mr. Sayer himself.

Hon. Sir JAMES MITCHELL: I do not think we should wreck a bargain that we have made.

The Premier: If we have made such a contract we shall have to abide by it.

Hon. Sir JAMES MITCHELL: Then this paragraph should not be embodied in the Bill. We should treat properly those from whom we have borrowed money.

Mr. Davy: An Act of Parliament can override a contract.

Hon. Sir JAMES MITCHELL: Would the Premier think of imposing a tax on income that is derived from Government securities?

The Premier: I think it is a fair thing to tax such income.

Hon. Sir JAMES MITCHELL: But it would be necessary to tell the investors first.

The Premier: If we gave an undertaking that the money would be free from taxation, we ought not to pass this.

Hon. Sir JAMES MITCHELL: I am sure that is the position, and we should not break faith.

The MINISTER FOR HEALTH: This clause can be postponed. Meanwhile I will get the opinion of the Crown Solicitor upon the points that have been raised. When I spoke to the Crown Solicitor about the matter he was positive in the opinion he gave.

Mr. DAVY: It is not a question of illegality or otherwise. If we like to pass an Act which alters the right of a person under contract with the Government, that Act will prevail, and the law will legalise our action. Bonds were issued free of income tax. This hospital tax is not income tax, although it is a tax on income. I suggest that it would not be honest now to pass an Act of Parliament taxing, under this hospital tax, loans issued free of income tax. The holder of such bonds might reasonably consider himself swindled. Once the law is enacted, it passes out of the region of the immediate notice of the Government into the hands of officials who do not know what our intention was but merely see the cold Act of Parliament which it is their duty and their inclination to administer according to the strict letter. We aim at all times to act in such a way as not to give anyone a genuine feeling of grievance. Anyone who invested money in a belief that he would not have to pay income tax on it, would feel thoroughly well aggrieved if he subsequently found he had to pay "taxation on income" upon it.

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

[*Mr. Panton took the Chair.*]

### Clause 3—Hospital fund:

Mr. THOMSON: I move an amendment:  
That Subclause 1 be struck out.

I object to a trust. The Medical Department are quite capable of handling affairs in the future as they have done in the past. With the present secretary and with the department's experience of hospital matters, there is no necessity for creating another hospital body. As a country representative I have every reason to be satisfied with the treatment accorded by the department to country districts.

Hon. Sir JAMES MITCHELL: Are only moneys collected under the Bill to be paid into a trust?

The Minister for Health: That is so.

Hon. Sir JAMES MITCHELL: Where will the £90,000 go?

The Minister for Health: To the medical fund, to which it goes now.

Hon. Sir JAMES MITCHELL: But there will be no law to provide that. It may only be spent if this fund is not sufficient.

The Minister for Health: You need not worry as to that amount not being spent.

Hon. Sir JAMES MITCHELL: There is no guarantee that the £90,000 will be spent or even that it will be needed. I do not know that it is a good idea to have a trust in charge of the fund; the Minister, with the departmental officials, ought to suffice. Apparently the Minister is to be one trust, the Treasurer another trust, and the trust under this clause a third trust. I object to special taxation for special purposes, and certainly double-banking; it is going too far. Will the £90,000 which the Minister says must be spent from revenue be paid to the trustees?

The MINISTER FOR HEALTH: I hope the amendment will not be carried. If it is, the Bill might as well not be passed. The trust will form an insignificant part in the administration of the measure, but I wish the trust to be retained so that the trustees may have the same right as a private individual to sue and be sued. That cannot be so in the case of the Medical Department. The trust will represent a corporate body which can sue and be sued.

Mr. Thomson: What can they sue for?

The MINISTER FOR HEALTH: For fees owing to a hospital, if necessary.

Mr. Thomson: But there will not be any fees.

The MINISTER FOR HEALTH: What about the private wards? Patients in private wards will have to pay something over and above the allowance of 6s. The present charge in private wards is 7s. 6d. There will be fees galore—maternity fees, for example.

Mr. Latham: Why cannot the department sue as now?

The MINISTER FOR HEALTH: Because they are not a body corporate.

Mr. Davy: Under what clause can a trust sue for fees due, we will say, to the Perth Hospital?

**The MINISTER FOR HEALTH:** At present there can be no fees due to the Perth Hospital, which has no private ward. It will have no private ward until the cancer ward is established. Patients in the cancer ward will not receive free treatment. It will be a special private ward, patients in which will have to pay.

**Mr. Davy:** Under what clause can the trust sue for money owing to anybody?

**The MINISTER FOR HEALTH:** Under the Hospitals Act passed two years ago. There is a hospitals trust under that measure.

**Mr. Davy:** But you seem to be talking about the trust under this clause.

**The MINISTER FOR HEALTH:** When it was first proposed, in connection with the measure of two years ago, that the Minister should have control of the funds, there was an uproar, especially from the Leader of the Opposition, who said that the money should be paid into the Treasury and that the Minister should have no control whatever over it. The Leader of the Opposition suggested that the Minister should have no control over the funds at all. Now when I introduce another Bill giving the trust control of the funds, the Leader of the Opposition complains that we anticipate getting £217,000 as against the £38,000 that would have been obtained under his Bill, and says that we should not have a trust but that the Minister should accept his full responsibility. I am prepared to do that, and there is no question about my shirking my responsibilities at all. In the interests of the people and of all concerned, members should agree to the establishment of the trust.

**Mr. Angelo:** Can you give us any idea as to the personnel of the trust?

**The MINISTER FOR HEALTH:** The chairman will probably be the Under Treasurer or the Assistant Under Treasurer, and the other members will be departmental officers as well.

**Mr. Kenneally:** Will you not be placing the trust above the Minister?

**The MINISTER FOR HEALTH:** No, the hon. member need make no mistake about that. If the provision for the trust is deleted from the Bill, there will be many consequent amendments to be made, and an important part of the Bill will have to go by the board.

**Mr. LATHAM:** What we desire to avoid is the possibility of dual control. Under the provisions of the Hospitals Act, 1927, we made provision for boards, and I cannot understand how these hospitals will come under the control of the trust.

**The MINISTER FOR HEALTH:** They will not come under the control of the trust.

**Mr. LATHAM:** Then how can the trust sue on behalf of the hospitals? I have every confidence in the department, and I would prefer the department to administer the fund. The provision of a trust seems unnecessary. I do not think the Minister is altogether anxious to retain the trust.

**Mr. GRIFFITHS:** The Minister has pointed out that he desires to have a trust that will be a corporate body, having power to sue and be sued. Other Government departments already exercise that power and sue people for the recovery of rates and taxes. That being so, why should not the Medical Department have the same right?

**Mr. DAVY:** As I understand the position, the trust is to have one function only. Money is to be collected and paid into a separate account at the Treasury. From that account the board will have to pay 6s. per patient per day to the various hospitals throughout the State. That constitutes the whole of the duty of the trust. Should there be any surplus after those payments are made, discretionary power is provided regarding the disposal of the extra money. I do not suppose the Minister thinks there will be any great surplus.

**The Minister for Health:** For the first 18 months the trust will have to borrow money.

**Mr. DAVY:** If certain diseases increase in the future as they have in the past, it will be found that the expenditure necessary will be increased and that the contributions made will not keep pace with that expenditure. In view of the limited powers vested in the trust, it seems unreasonable to create a body to carry out such a small task. Then each member of the trust will receive not less than £1 ls. per sitting.

**The Minister for Health:** And the whole of the money expended under that heading must not exceed £250 a year, to be distributed among the three members of the trust.

**Mr. DAVY:** At any rate, the cost will be appreciable, despite the fact that I do

not think any but a junior clerk is necessary to do the work the trust will be called upon to undertake. I cannot see where provision is made for the trust to have power to sue for fees due to hospitals.

The Minister for Health: Not due to hospitals, but to the fund.

Mr. DAVY: It is interesting to note that the Commissioner of Taxation will also have power to sue

The Minister for Health: Because he collects funds.

Mr. DAVY: But why not allow the Commissioner of Taxation to do all that work?

The Minister for Health: Because he cannot sue in respect of the contribution under various headings.

Mr. DAVY: Why not? Why should not the Commissioner of Taxation be empowered to collect all the taxes under the Bill?

The Minister for Health: We could not agree to that because if the matter were left in the hands of the Commissioner of Taxation it would mean that the collections would be made annually, and the average man would not be able to meet the demand made upon him.

Mr. DAVY: It seems to me that the Bill provides a sledge hammer to crack an egg. I think the Premier should use his influence with the Minister to simplify the whole procedure, and leave the matter in the hands of the Commissioner of Taxation. If we have a trust, it will mean building up a staff with consequent increased expenditure for salaries.

The CHAIRMAN: The amendment would preclude the setting up of a fund. We must have a fund if we are to administer it. An amendment that would meet the hon. member's views would be to strike out the words "to be administered by a trust."

Mr. DAVY: I suggest that the hon. member strike out the words "a trust through" and so leave the fund to be administered by the department.

Mr. Thomson: I will accept that suggestion.

Amendment, by leave, withdrawn.

Mr. THOMSON: I move an amendment—

That in line 2 of Subclause 1 the words "a trust through" be struck out.

Mr. KENNEALLY: I am not very much concerned as to whether a trust be appointed to administer the fund or whether it be administered direct by the department, especially if the trust is to consist of officers of the department. But I am concerned about the method of appointment and change of the personnel of the trust.

The CHAIRMAN: The hon. member cannot discuss that on this amendment.

Mr. KENNEALLY: There is no provision anywhere in the Bill for this, and before I can vote on the question of whether or not a trust shall be appointed, I want from the Minister information as to whether there is in the Bill any power for superseding the members of the trust.

The CHAIRMAN: I cannot allow the hon. member to discuss that question on this amendment.

Mr. KENNEALLY: The words proposed to be struck out deal with the appointment of the trust.

The CHAIRMAN: No, they deal with the administration of the fund.

Mr. KENNEALLY: You will pardon me if I repeat that the words proposed to be struck out deal with the question whether a trust is to be appointed or whether the fund is to be administered direct by the department. If we agree to the amendment it will mean that the fund will be administered directly by the department. I am not particular as to whether it is administered by the trust or by the department, but before I vote on the amendment I am anxious to know what power there will be to see that the interests of the people are safeguarded by taking authority to say that if the trust is not doing its work it shall cease to exist and another shall be appointed in its place.

Mr. LAMBERT: I am inclined to support the amendment. We have not heard sufficiently good reasons why we should create another department of State for this purpose. It has been our experience that the moment we get the semblance of a department, that embryo department gets its own office and begins to function as a separate concern. I do not agree that we require a separate trust to deal with this fund. It is a perfectly good idea to have a separate fund, but I think we should hesitate before creating another department of State to handle it.



Mr. ANGELO: The Bill authorises the raising of money for a special purpose. Consequently a special trust is necessary. We have the assurance of the Minister that the trust will be composed of three of his officers, one of whom shall be the permanent head of the department. So in either event the fund will be administered by the department.

Mr. Lambert: Is there not an objection to paying public servants from different funds in order to make up their salaries?

Mr. ANGELO: Perhaps the hon. member will move that the trust be paid no fees at all. But I want to see that there is a trust of three responsible officers appointed so as to keep the funds raised under the Bill out of the political arena. We know that not long ago the Premier of another State took £2,000,000 out of a somewhat similar fund to use for other purposes. Had that fund been under a trust he would not have been able to do that. I hope the Minister will not agree to the amendment.

The MINISTER FOR HEALTH: I have no objection to the amendment. I am pleased with the discussion so far and the confidence members have displayed in the Medical Department. I believe that no other department in the State could administer the fund as successfully as could the Medical Department. The principal reason for including in the Bill the provision for the appointment of a trust was the desire to get the Bill through. Now I find that it was not necessary. I am very pleased at the confidence shown in the Medical Department. I will accept the amendment and let the trust go.

Amendment put and passed.

Mr. SAMPSON: Subclause 2 provides that all money belonging to the fund shall be paid into a separate account to be kept at the Treasury. I hope the Minister will agree to the addition of the words "and bear interest." It is not at all unlikely that the Treasurer on occasion will be disposed to draw upon the fund for the time being. And we must remember that the hospital fund will require all the money the Minister can secure.

The Premier: It is a fund collected by the Government for Government purposes, and to require it to pay interest to another fund would be absurd.

The CHAIRMAN: I could not accept the proposed amendment, for it would mean a charge against Consolidated Revenue, which the hon. member is not at liberty to move.

Clause, as amended, put and passed.

The CHAIRMAN: That means that Clauses 4, 5, 6, 7 and 8 are consequentially deleted.

Clause 9—Contribution to funds:

Mr. STUBBS: I wish to give the Minister notice that at the end of the Bill I shall move the addition of a new clause. In some country towns, including the town I represent in Parliament, there has been established a friendly society which levies upon its members a certain tax every week. I wish to insert a clause to protect those people under the Bill. That proposed new clause has come from the friendly society and it reads as follows:—

When the Minister is satisfied that any firm or company, association or scheme in any district is operating a hospital system giving the same benefits at least to its contributors, and subsidising the local or district hospital to the same extent as provided in this Act, the Minister may certify that contributors to the system should be exempt from contributions or taxation under this Act.

Every member of this society in Wagin pays 8s. 8d. each half-year to the Medical Department to cover all hospital attention in any Government hospital, and also an extra 6d. per half-year for lodge money. I am bringing it under notice on this clause and I should like your ruling, Sir, as to whether it could be inserted among the exemptions in the clause. Alternatively, I will have to move it as a new clause.

The CHAIRMAN: Do you propose to move it as a proviso to Clause 9?

Mr. STUBBS: Either that or as a new clause at the end of the Bill, if the Minister has no objection.

The CHAIRMAN: I will deal with that presently.

Mr. DAVY: The first proviso stipulates that every person (c) in receipt of salary or wages under £1 a week and having no other source of income, or (d) whose income including salary or wages is under £52 a year shall be exempt from liability. When will it be worked out? A man who is receiving wages or salary in effect will pay every time he receives his wages, weekly or

monthly as the case may be. If a man works for a few weeks, is then out of work for a few weeks, and later gets employment for a few weeks more and at the end of the year has not earned £52, what happens? Does paragraph (c) mean that in any part of a week when a man earns less than £1 he does not pay, and that if in the next week he earns more than £1, he does pay?

The Minister for Health: Yes.

Mr. DAVY: But paragraph (d) provides exemption if the income is less than £52 a year. I cannot understand how it can be determined from week to week whether a man's wages are going to pan out at less than £52 a year. I see a prospect of earning an honest penny out of the proviso unless it is altered.

The Premier: Perhaps at the end of the year he would be entitled to a refund of 3d. or 4d.

Mr. DAVY: If he received less than £1 a week for 51 weeks, at 1½d. it would amount to 6s. 8d. and people have approached the Privy Council in respect of less than 6s. 8d. I am sure the Minister does not desire to see an obvious absurdity in his Bill and he would do well to consider the point.

Mr. STUBBS: I move an amendment—

That the following proviso be added:—  
“Provided also that where the Minister is satisfied that any firm or company, association or scheme, in any district is operating a hospital fund giving the same benefits at least to its contributors and subsidising the local or district hospital to the same extent as provided in this Act, the Minister may certify that contributors to such fund shall be exempt from contributions or taxation under this Act.

The MINISTER FOR HEALTH: I cannot accept the amendment. Last night I pointed out that there were upwards of 30,000 people in this State contributing to funds to provide for hospital accommodation for themselves and in some instances also for their wives and families. The Bill will merely make that scheme State-wide.

Mr. Stubbs: Does it include the Home of Peace?

The MINISTER FOR HEALTH: Not definitely, but that has nothing to do with the amendment. The Railway Hospital Fund has about 4,000 members and, if this Bill becomes law, the fund will not be necessary.

Hon. G. Taylor: That fund has done good work.

The MINISTER FOR HEALTH: Yes. We have encouraged people to co-operate to protect themselves in sickness. If I accepted the amendment, I should have to exempt all other organisations including the timber workers, miners and group settlers, and it would cost anything up to £5,000 a year for clerical assistance to determine who was exempt and who was not. It is better to make the measure uniform and let organisations with funds discontinue their payments, as their members will get the same benefit.

Mr. MARSHALL: I see some virtue in the amendment, particularly as it will apply to Meekatharra. In spite of the Minister's statement, the Bill will not give the same benefit. The Bill will provide for hospital attention, but members under the scheme to which I refer get medicine.

The Minister for Health: What do you pay for it?

Mr. MARSHALL: The weekly contribution is less than under this Bill. Members are paying 1s. 6d. a week.

Mr. Latham: It will be a lot less under this Bill.

Mr. MARSHALL: But for 1s. 6d. members get medical attention and hospital treatment. It is suggested that 6d. of the 1s. 6d. paid might be knocked off. The average wage in Meekatharra is £5 a week, which amount at 1½d. in the pound would yield 7½d.

Mr. Latham: It is not worth worrying about.

Mr. MARSHALL: If I had a good farm and an assured income, I should not worry about it.

The Premier: You could get it down to 6d. by reducing wages £1 a week.

Mr. MARSHALL: I think I would be wise to retain the bird in the hand rather than chance catching two in the bush. The amendment would protect my electors who have assured themselves, and I intend to vote for it.

Amendment put and negatived.

Mr. MARSHALL: I cannot allow the clause to pass without protesting against the principle that exempts from taxation investments in Government securities while an individual in receipt of a paltry £1 a week is taxed.

Mr. Sleeman: Dropping pounds to pick up pennies.

Mr. MARSHALL: Yes. The money required for hospitals should be provided out of Consolidated Revenue. I protest against the principle of exempting people wealthy enough to invest in war loans and Government securities, while urchins selling newspapers in the streets are to be taxed.

Mr. THOMSON: I shall oppose the clause because I object to a special tax for a special purpose. I have already used the arguments employed by the Premier and his colleagues when they opposed a special tax of 1d. in 1922. The Government have power under existing taxation measures to raise sufficient money to provide for hospitals. Seeing that members of the present Government once strongly opposed the imposition of a special hospital tax, I am justified in voicing my opposition to this clause for the same reason. If the Bill becomes law, we shall be establishing a principle that is not in the best interests of the people. The Minister anticipates a surplus of £58,000. The Government could lend out that money at interest, and obtain some return from it. It is proposed under the Bill to raise £217,000.

The Minister for Health: And get in return by direct benefit £159,000. That does not leave very much.

Mr. THOMSON: It is fresh taxation upon the people. Whatever the gain to the hospitals may be there must be a relief to the Treasury. By the imposition of this tax we are practically re-imposing upon the people the benefits that are derived from the special Federal grant.

Mr. SLEEMAN: The worst part of this clause is that which deals with the board and lodging supplied by the employer. A little nurse girl who is in receipt of 5s. per week and her food will be brought under this Bill. Some proviso should be inserted ensuring that the employees shall receive at least £1 per week in cash in addition to his or her board and lodging.

The MINISTER FOR HEALTH: I can see no hardship likely to be inflicted by the clause. The position would be far more difficult for the man who had a wife or a wife and children but was only earning the minimum wage. He would be charged on every shilling he earned. The single man or girl receiving £3 a week and keep, would, after paying the tax, have far more left than would the

married man. It would not be fair to let off those who received keep in lieu of wages. By allowing a minimum of £1 a week for board and lodging I may be doing something that is contrary to the ruling of the Arbitration Court. The lowest amount allowed by the court for board and lodging is 24s. 9d. I am letting off the employees by fixing a rate of only £1. In the case of the Medical Department, if an employee lives in, he receives £1 7s. 9d. less in wages than if he lives out. If a person is in receipt of a wage as well as board and lodging, he should not be let off the allowance for his board and lodging.

Mr. KENNEALLY: By an earlier decision we have agreed that income derived from Government securities or other securities that are exempt from taxation shall also be exempt from this hospital tax.

The Minister for Health: We have not decided that.

Mr. Marshall: I should like to get the Chairman's ruling on that.

Mr. KENNEALLY: If my interpretation of that is correct, the position is a serious one. It means that we are exempting incomes derived from these investments by persons who do not actually work for their dividends, whereas we propose to charge the full rate against those who are working for their living, but may be in receipt of certain board and lodging in lieu of portion of their wages. It is fair to make this tax applicable to all salaries. It is difficult to do that if certain persons are to be exempt merely because they receive their incomes from Government securities. I should like to see the clause postponed, so that it may be further inquired into.

Mr. SLEEMAN: I have no desire to exempt girls receiving £3 a week and their keep. I was merely drawing attention to children who might be receiving 5s. or 10s. a week and food that is possibly not equal to £1 a week. Those children may be the offspring of a man who is earning only the basic wage himself. The Minister should provide that anyone who is drawing less than £1 a week in cash, in addition to keep, should be exempt from the provisions of the Bill.

[Mr. Lutey took the Chair.]

Mr. BROWN: I favour the retention of the whole clause. Everyone should contribute to the fund. In the case of a small

salary, 1½d. in the pound represents a very small tax; and it is well-known that the people to be benefited by the Bill are people with small incomes.

Mr. SLEEMAN: I am compelled to move an amendment—

That paragraph (ii) of the second proviso be struck out.

My intention is not to let off people who get £2 or £3 per week and keep.

The CHAIRMAN: The hon. member cannot go back in the clause to move that amendment.

Mr. SLEEMAN: Later I shall move to recommit the clause.

Mr. CHESSON: The Minister should give consideration to the case which has been mentioned. A girl in such a financial position should not be taxed. The Bill will not produce what the Minister expects. Probably it will be the end of medical and hospital funds in the back country, and also the end of voluntary effort on behalf of hospitals. Again, more use will be made of hospitals under the Bill.

Clause put, and a division taken with the following result:—

Ayes	..	..	..	..	30
Noes	..	..	..	..	5

Majority for .. .. . 25

#### AYES.

Mr. Angelo	Mr. Marshall
Mr. Brown	Mr. McCallum
Mr. Chesson	Mr. Millington
Mr. Clydesdale	Sir James Mitchell
Mr. Collier	Mr. Munro
Mr. Coverley	Mr. North
Mr. Cowan	Mr. Fanton
Mr. Cunningham	Mr. Rowe
Mr. Davy	Mr. Sampson
Mr. Kenneally	Mr. Sleeman
Mr. Kennedy	Mr. Teesdale
Mr. Lambert	Mr. A. Wansbrough
Mr. Lamond	Mr. Willcock
Mr. Latham	Mr. Withers
Mr. Lindesay	Mr. Wilson

(Teller.)

#### NOES.

Mr. Barnard	Mr. C. P. Wansbrough
Mr. Doney	Mr. Thomson
Mr. Griffiths	

(Teller.)

#### PAIRS.

AYES.	NOES.
Miss Holman	Mr. Maley
Mr. J. M. Smith	Mr. J. H. Smith

Clause thus passed.

Clauses 10, 11—agreed to.

Clause 12—Contributions in respect of income exempt from taxation:

The MINISTER FOR HEALTH: I move an amendment—

That in Subclause 1 the word "July" be struck out, and "August" inserted in lieu.

This is in accordance with income tax legislation.

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

Clause 13—Contributions by companies:

Mr. DAVY: How does the Minister reconcile the taxation of companies with the scheme of the Bill? How does he arrive at the amount of £3 2s. 6d. mentioned in the last two lines of the first paragraph of the clause? No one imagines that the premium income of a company is profit. It is mere y the basis of profit. To provide that insurance companies shall be charged on one-third of the premium income implies that one-third of the premium income is profit.

The MINISTER FOR HEALTH: As regards ordinary companies the Dividend Duties Act provides that they shall be assessed on their profits at the rate of 1s. 3d. in the pound. Returns are furnished at various dates during the year, dates corresponding with the balancing periods of the companies. But companies which do not furnish profit and loss accounts and balance sheets of trading operations in the State are assessed on the percentage of gross sales effected in the State, or in the case of shipping companies under special agreements, entered into by virtue of Section 6 of the Dividend Duties Act. Insurance or assurance companies, are assessed on the total of the gross premiums at the rate of 40s. for every £100 or proportionate part of £100.

Mr. Davy: Exclusive of re-insurances.

The MINISTER FOR HEALTH: Life assurance companies are assessed on the amount of interest on their investments at the rate of 1s. 3d. in the pound, plus 15 per cent. supertax, except as regards interest on State securities. Companies which pay at the rate of 1s. 3d. in the pound will, under this Bill, pay 1½d. in the pound. In the case of insurance companies the present charge under the Dividend Duties Act is 40s. for every £100 of gross premiums. Therefore to maintain the same proportion,

these companies would pay 4s., that is, 10 per cent. or 40s., for every £100 of gross premiums. In order to avoid having two rates, the Solicitor-General—this is his own explanation to me—has calculated the equivalent on the basis of gross premium that would be covered by every payment of 1½d. and the basis is that 40s. per £100 is the equivalent of 1½d. on every £3 2s. 6d. of premiums paid, and the latter provision is made in the Bill. That is the explanation.

Mr. DAVY: The section of the Dividend Duties Act that the Minister has referred to provides for the payment of 40s. per £100 on the gross premium, excluding such proportion of the premiums as is paid out by way of re-insurances.

The Minister for Health: The tax under the Bill will be based on the tax paid under the Dividend Duties Act.

Mr. DAVY: The Bill does not say so. It merely refers to a payment of 1½d. on every £3 2s. 6d. of premiums received. The Minister will agree that the clause is ambiguous, because it does not indicate clearly that it excludes such portions of the premiums as are paid out on re-insurances.

The Minister for Health: I have no desire to tax the premiums twice.

Mr. DAVY: I think the Minister will find that is what the clause means.

The Minister for Health: I will undertake to have the matter looked into further.

Mr. DAVY: As the clause stands it will mean that companies will have to pay on premiums paid and then when the money is handed on for re-insurance, another tax will have to be paid on it as well. That means that under the clause the same money will be taxed twice. It is well known that insurance companies do not carry all the insurances that they undertake, but they pass them on. Do I understand the Minister to say that the position is that as 1½d. is to £3 2s. 6d., so 40s. is to £100?

The Minister for Health: That is the position. The Solicitor-General arrived at that formula, with the assistance of the Government Actuary and the Commissioner of Taxation.

Mr. DAVY: I think we should make the position quite clear and I move an amendment—

That after "company," in line 12, the words "excluding such portions of such premiums as are paid away by the companies for re-insurances" be inserted.

Mr. Withers: Is that always traceable?

Mr. DAVY: I think so. The amendment follows the wording of the section in the Dividend Duties Act.

The MINISTER FOR HEALTH: I quite understand the point raised by the member for West Perth, and I have no desire to make the companies pay twice on the same premium. I would like to have some assurance that if we accept the amendment, we will not do something that may get us into difficulties. I will give an undertaking that I will have the matter looked into, and if there is any suggestion that the companies might be taxed twice as the hon. member has suggested, I will recommit the clause and have it amended so as to make it perfectly clear.

Mr. DAVY: In view of the assurance of the Minister, I ask leave with withdraw my amendment.

Mr. ANGELO: I would prefer the Minister to postpone the consideration of the clause rather than allow the clause to go through on the understanding that if, in the opinion of the Minister, it will have the effect suggested, he will recommit the clause.

The MINISTER FOR HEALTH: I will agree to that suggestion and will postpone the clause.

The CHAIRMAN: The amendment must be withdrawn first.

Amendment, by leave, withdrawn.

The MINISTER FOR HEALTH: I move—

That the further consideration of the clause be postponed.

Motion put and passed.

Clause 14—Contributions in respect of salary and wages:

Mr. SLEEMAN: I want to know what sub-paragraph (ii) of paragraph (b) of Subclause 1 actually means. It says, "provided that for the purposes of this paragraph any portion of £1 of such salary or wages, not less than 15s., shall be reckoned as £1." Does that mean that a little servant girl receiving 15s. in cash and board and lodging in addition, will be reckoned as earning £2 a week and be taxed accordingly?

The MINISTER FOR HEALTH: I do not know that the clause upon which this point was discussed previously, nor yet the clause now before the Committee mean that a person earning 15s. a week will come under

the provisions of the Bill at all. My opinion is that if they are not actually earning £1 a week, they will not come under the Bill.

Mr. Sleeman: But if a girl gets 15s. in cash and her keep as well, that will be regarded as £1 a week.

The MINISTER FOR HEALTH: No. She must earn at least £1 a week or £52 a year.

Mr. Sleeman: But 52 weeks' board will be regarded as worth £52 a year.

The MINISTER FOR HEALTH: That will not bring the girl within the scope of the Bill.

Mr. Kenneally: But there is a special provision for board and lodging.

The MINISTER FOR HEALTH: That is so, but if a man or a girl is receiving over £1 per week and board and lodging as well, why should he or she be excluded from the necessity of paying the tax, while a man who receives £2 a week without board and lodging will have to pay? The Bill as first drafted provided for only 10s. As it is, a man receiving 30s. per week will pay 1½d.; but if he receives 35s. or over he will pay to the nearest pound, which will be £2.

Mr. MARSHALL: In sub-paragraph (iii) of paragraph (b) it is provided that each stamp shall be divisible into two parts, that one part of each stamp shall be affixed to a pay sheet to be kept by the employer and shall be cancelled by the employee, while the other part shall be fixed to a fund membership card to be kept by the employee, and shall be cancelled by the employer. It is a most complicated method for collecting the tax by stamps. A much simpler method could be adopted. Why should it be necessary to have a stamp divided into two halves, each party to keep one half? The employer gets a receipt from the employee for each payment of wages. Would it not be sufficient if one hospital stamp were attached to the receipt and cancelled by the employee when he signs for his wages? That would be much simpler than the method provided, which would require half a dozen clerks to carry it out. I move an amendment—

That sub-paragraph (ii) of paragraph (b) be struck out.

The MINISTER FOR HEALTH: I cannot accept the amendment, and I am surprised that the hon. member should have moved it. What we are demanding all

through the Bill is some proof that a man has paid his just dues and is entitled to hospital accommodation. This provision is an excellent safeguard. Quite 90 per cent. of the wages paid in Western Australia will be paid under the other method provided in the Bill. Out in the bush it will not be much trouble to put sub-paragraph (iii) into operation. It will afford a check on both sides.

Mr. Marshall: Suppose the employer adopts the other provision, what proof will you have that the tax has been paid?

The MINISTER FOR HEALTH: The audit of his balance sheet. Would you put a private employer employing only one man to the trouble of producing an audited balance sheet for the sake of so small a tax?

Hon. Sir James Mitchell: Parliament would not agree to it.

The MINISTER FOR HEALTH: Of course not. But where a large number of men are employed by a trustworthy firm, sub-paragraph (iii) will be availed of. Payments into the Mine Workers Relief Fund and the Hospital and Medical Fund are deducted from the men's pay and the pay sheets are audited by Government officials. We are not putting very much on the employer when we say that he must have hospital stamps available.

Hon. Sir James Mitchell: Why cannot you trust the workers?

The MINISTER FOR HEALTH: I have often heard the hon. member squealing like a guinea pig because we have been ready to trust the workers.

Hon. Sir James Mitchell: No. I have never complained of that.

The MINISTER FOR HEALTH: But you have, often enough. Under this provision we are going to catch everybody, and I am surprised at the member for Murchison moving to delete it; for without it the worker would have nothing to show that he had paid.

Hon. Sir JAMES MITCHELL: It is the most complicated and stupid provision I have ever read.

The Minister for Health: It is not very complicated to me, nor yet very stupid. It is a reasonable provision and I hope it will remain in the Bill.

Hon. Sir JAMES MITCHELL: The Minister has the habit of biting off more than he can chew, but in this he has excelled himself. I do not know why the employer

should become a taxgatherer to the Government and keep receipts to be audited.

Mr. Marshall: I think you introduced a Bill on similar lines.

Hon. Sir JAMES MITCHELL: I did not. I was endeavouring to support the hon. member, but I find he is merely putting up a sham fight.

Mr. Teesdale: It is the licking of the two stamps that upsets him.

Hon. Sir JAMES MITCHELL: This is a very complicated provision. The employer must find the stamp and deduct its value from the wages. If he is paying cash, I do not know how he is going to make the deduction. And why should we want two stamps?

The Minister for Health: Only one stamp, perforated down the middle.

Hon. Sir JAMES MITCHELL: The employer out in the bush must keep the stamps, and if he has not got them what is going to happen? If the Minister, when driving a motor car on the goldfields, got into a bog and a man came along and pulled him out and received £1 for his service, the Minister may not have the necessary stamp with him.

The Minister for Health: In that case I should be liable to a fine.

Hon. Sir JAMES MITCHELL: Undoubtedly this is a most complicated way of dealing with the business. If an unfortunate worker happens to lose his swag and his fund membership card in it, what will happen?

The Minister for Health: Then the other half of the stamp will serve to prove that he has paid his tax.

Hon. G. Taylor: And if the boss also loses his swag with his wages sheet in it, what will happen?

The Minister for Health: We will take the man's word for it then.

Hon. Sir JAMES MITCHELL: I do not know why the Minister cannot trust the worker to pay his due tax. He will not trust his fellow man to pay his £2 10s. per annum, or whatever it may be.

The Minister for Health: I do not want him to have to pay £2 10s. in a lump sum.

Hon. Sir JAMES MITCHELL: This provision will cause a lot of trouble and annoyance and it will often happen that men will not be able to find work because the employer has not the stamps with which to deduct the hospital tax. Surely a sim-

pler method would do as well. It ought to be enough to show that a man has been working for a given time and that the tax has been deducted regularly from his wages. A man out in the country may draw his wages once a week. Is he to carry 52 stamps about with him? Something very much less complicated should be adopted.

Hon. G. TAYLOR: We are swallowing the camel and straining at the gnat. On the eastern goldfields for years there was a system of deducting a hospital contribution from the wages of the miners and a record was kept. Then a cheque was drawn by the company for the amount and forwarded to the hospital section. There was no difficulty about it and there would be no hardship under this provision. No one will miss the amount of the contribution out of his weekly or fortnightly wages.

Hon. Sir James Mitchell: No; he will enjoy paying it!

Hon. G. TAYLOR: Yes, because he will know that he is getting a real benefit. The scheme will be a great relief to many men, because they will feel that they are paying for the hospital treatment they receive.

Mr. ANGELO: I am quite in favour of the system but I cannot see the need for having half a stamp affixed to a card to be carried about by the employees. Many of the people in the north who would go into hospital could not keep a card for a day.

Hon. G. Taylor: How many men would lose their miner's right? Not one in a thousand.

Mr. Teesdale: Perhaps drunk for a month, but they would always have their miner's right at the end.

Mr. ANGELO: Why the need for the card?

The Minister for Health: If a man has nothing to prove that he has paid his contributions, he will be charged for hospital accommodation.

Mr. ANGELO: While he was in hospital the secretary could write to his employer and ascertain whether he had contributed. I feel sure that 50 per cent. of the people who go into hospital will not be able to find their cards.

Mr. TEESDALE: I do not agree with the member for Gascoyne. We have been talking for 1½ hours about 1½d., and it is most trumpery.

The CHAIRMAN: The hon. member must not reflect on the Committee.

Mr. TEESDALE: One member spoke of the strain on the miner to lick two half stamps; another would have us believe that the weight of the stamps to be carried should be considered, and another that men in the North are "barmy" and would lose the stamps. The men of the North are quite as able to look after themselves as are the men of Perth. They will not lose something that gives them the right to the same treatment as a man with £50,000 would receive if he entered the hospital. If a man had lost his card, the officials would give him a chance to prove that he had paid the tax. If he could not prove it, he would have to pay and serve him right. The time that we have wasted talking of three-halfpence has cost the country probably £30 already.

Amendment put and negatived.

Mr. THOMSON: On the second reading I discussed paragraph (e) which reads—

All advances made under the Industries Assistance Act, 1915, the Mining Development Act, 1902, or any other statutory authority in respect of work done or to be done by the persons in receipt of such advances shall, for the purposes of this Act, be deemed to be wages.

I move an amendment—

That paragraph (e) be struck out.

The Minister for Health: Why should it not be deemed to be wages?

Hon. Sir James Mitchell: If a man borrowed money from any other source he would not pay on it.

Mr. THOMSON: The Industries Assistance Act provides that the Treasurer may afford assistance to settlers by supplying them with seed wheat or other cereals, fertilisers, hay, chaff, implements, machinery, livestock, flour and other commodities, make advances to enable them to pay for the agistment of livestock and stud fees and to enable them to pay land rents and moneys due to Government departments. If the Treasurer is satisfied that an applicant intends to put under crop land held by him and is unable to do so without the assistance of the Act, or requires the commodities to feed his stock or maintain himself and his family on the land, or requires the advances for the purposes already mentioned, he may grant such assistance as he thinks fit.

The Minister for Health: This measure will not cover seed wheat and that sort of thing.

Mr. THOMSON: If the Government advanced £100 and the settler spent part of it for seed wheat, part for manure and the balance for his own sustenance—

Hon. G. Taylor: As wages.

Mr. THOMSON: That would not be wages, because the man would have to repay the money and pay interest on it. The money would be advanced to protect the security of the board and, though the settler would have to pay for the accommodation, he would be charged hospital tax on the advance. If the settler made a taxable income as a result of the advance, the income would be taxed.

The Minister for Health: Less the cost of putting in the crop, and that would be the amount borrowed from the board.

Mr. THOMSON: The Government have no right to tax such a settler at all.

The Minister for Health: We have no right to tax the farmer in any way or for anything!

Mr. Latham: Now don't be hard!

Mr. THOMSON: If a farmer receives an advance from a private bank he will not be required to pay hospital tax upon the amount he borrows. If, however, the Government lend him the money he is to be taxed. That is neither fair nor just. They are entitled to tax him only upon the income he derives from his property.

Mr. LATHAM: This amounts to a double tax, first one on the advances that are made by the Industries Assistance Board, and secondly on the income the farmer derives as a result of having used that money. If that is the position I wonder the Minister did not also include advances made to farmers by the chartered banks.

Mr. Teesdale: Do you want everyone exempt because he borrows money?

Mr. LATHAM: The hon. member does not understand the position.

Mr. Teesdale: You do not understand yourself.

Mr. LATHAM: I am prepared to stand here until I am understood. Advances made by the Industries Assistance Board have all to be returned. If a man is to be taxed on such advances as well as upon income he will really be paying 3d. in the pound instead of 1½d. The 9s. a day that is advanced to some of the settlers is really a living allowance.

The Minister for Health: So is the wage that a man earns.



Mr. LATHAM: I can see no difference between an advance made by the Industries Assistance Board and one that is made by a private bank.

Mr. CHESSON: All moneys advanced by the Mines Department for the purchase of machinery should be exempt.

The Minister for Health: So they are, if it is machinery for work to be done.

Mr. CHESSON: Under the Mines Development Act the Government supply machinery and tools. These are taken over by the prospector or company at a valuation, and the capital laid out has to be repaid. People who have the use of this machinery should be exempt from tax on the capital involved, but in my opinion the Bill does not afford that relief.

Hon. Sir JAMES MITCHELL: The money we are dealing with here is really only borrowed for a time, and must be repaid.

The Minister for Health: If it is used to earn wages for the borrower, the tax must be paid upon it.

Hon. Sir JAMES MITCHELL: If Government money is loaned to a man for work done, he will be taxed. It is not right that this tax should be imposed upon such amounts. Would it be right to tax a man upon the capital that he had borrowed for the erection of a worker's home, under the provisions of the Workers Homes Act? The Minister says such a borrower need not pay the tax. But if he borrowed the money from another Government department, he would have to pay tax on it. The distinction is illogical. If he had funds of his own and drew upon them while doing the work, he would not pay tax. The Minister singles out a couple of institutions and says that if a man borrows money from them for work which he proposes to do himself, the money shall be regarded as wages. Surely we are going too far in taxing money which a man must borrow in order to create wealth. How can money be called wages if it has to be repaid plus interest?

The Minister for Health: Would you say that a group settler earning £30 a month on contract should not pay hospital tax because some other group settler has to repay that £30?

Hon. Sir JAMES MITCHELL: Money cannot be both loan and wages. The Minister's proposal is monstrous. Probably it will be dealt with as it should be in another

place, where the Minister representing the Government has more common sense. I hope the paragraph will be struck out.

Mr. GRIFFITHS: I take it the Minister does not really intend to tax loans.

The Minister for Health: Certainly not.

Mr. GRIFFITHS: Money paid to a settler by the Agricultural Bank is just as much a loan as if he obtained the amount from one of the associated banks, and therefore it should not be taxed. That proposition seems to me incontestable.

Mr. SAMPSON: In regard to a previous clause the Minister promised postponement of consideration. He might do so in this instance. I feel that a mistake is being made in imposing a tax on loans. For instance, an advance to a prospector should not be treated as part of his income.

The Minister for Health: He will not be taxed under this provision.

Mr. ANGELO: The Minister assures us that he does not desire to tax loans.

The Minister for Health: Except for work done by the individual.

Mr. ANGELO: But the clause reads quite differently. All advances under the Industries Assistance Act are subject to taxation. Advances cannot be considered to be wages, and the Minister should have no right to tax them. The paragraph should be redrafted to make the position clearer.

Mr. MARSHALL: I object to the paragraph. Prospectors who may secure an advance under the Mining Development Act have to repay the loan in due course with interest. It is not right to tax them. The money repaid is loaned to another prospector, repaid with interest and taxed again, and that process is repeated again and again. That sort of thing will not make for harmonious working in the mining industry.

The MINISTER FOR HEALTH: I want to make it perfectly clear that there is no intention whatever of bringing prospectors under this provision. If a prospector secures an advance to enable him to purchase plant in connection with his work, or if a farmer secures a loan from the Industries Assistance Board to purchase a harvester or some other agricultural implement, neither will be taxed under the paragraph.

Mr. Angelo: Then why use the words "all advances"?

The MINISTER FOR HEALTH: If a prospector or a farmer secures an advance

in order to pay someone else to do work. no objection is raised to the person receiving the money as wages being made to pay the tax. If a group settler or some other worker obtains 9s. a day as a living allowance, he has a perfect right to pay the tax.

Mr. Thomson: He will not pay it with my vote.

The MINISTER FOR HEALTH: Some of the men on the group settlements have earned up to £36 a month on contract work. At present they pay nothing towards a hospital tax.

Mr. Sampson: But do they have to refund the money?

The MINISTER FOR HEALTH: The owner of the block on which the work is done will have to pay in due course, unless the money has been written off. If the Government advance money to assist the prospector to carry on, and part of that money is to be regarded as wages, should not the Government have the right to levy the tax on so much of the advance as is to be regarded as wages? As a matter of fact, many farmers and others are to-day voluntarily paying into a hospital fund, and not saying a word about it. They realise that it is in their own interests. Yet when we suggest that they do the same thing under the provisions of the Bill, we hear this criticism. I am not so much concerned about those who secure advances under the Industries Assistance Act, or the Mining Development Act: it is those who secure advances under "any other statutory authority" that I wish to get at. I believe I am right in saying that 90 per cent. of the people who have been referred to by hon. members, are to-day paying into hospital schemes and not voicing any complaint about it.

Amendment put, and a division taken with the following result:—

Ayes	..	..	..	..	13
Noes	..	..	..	..	21
					—
Majority against	..				8
					—

## AYES.

Mr. Angelo	Mr. Marshall
Mr. Barnard	Sir James Mitchell
Mr. Brown	Mr. Sampson
Mr. Davy	Mr. Thomson
Mr. Doney	Mr. C. P. Wansbrough
Mr. Griffiths	Mr. North
Mr. Latham	

(Teller.)

## NOES.

Mr. Chesson	Mr. Munsie
Mr. Collier	Mr. Rowe
Mr. Coverley	Mr. Sleeman
Mr. Cowan	Mr. Taylor
Mr. Cunningham	Mr. Teedale
Mr. Kenneally	Mr. A. Wansbrough
Mr. Kennedy	Mr. Willcock
Mr. Lamond	Mr. Wilson
Mr. Lutey	Mr. Withers
Mr. McCallum	Mr. Lambert
Mr. Millington	

(Teller.)

## PAIRS.

AYES.	NOES.
Mr. J. H. Smith	Mr. W. D. Johnson
Mr. Maley	Mr. Corboy
Mr. J. M. Smith	Miss Holman

Amendment thus negatived.

Clause put and passed.

Clauses 15 and 16—agreed to.

Clause 17—Surplus revenue:

Hon. Sir JAMES MITCHELL: It seems to me this tax is a movable feast. If the collections prove to be more than are necessary the surplus may be expended in subsidising or erecting or renovating a public hospital or in providing equipment for such hospital. I do not think this special tax on the worker should be used to erect a public hospital or to provide equipment for a public hospital. If the collections prove to be more than are necessary for the provision of hospital accommodation for the taxpayers, the tax should be reduced. We ought not to tax a man on a low wage for the purposes of renovating or altering or extending a public hospital.

The Minister for Health: What work is it the hon. member objects to?

Hon. Sir JAMES MITCHELL: All or any of the work to be done out of the surplus fund.

The Minister for Health: But hospital accommodation is not much good without hospital equipment.

Hon. Sir JAMES MITCHELL: Surely it is not proposed to collect sufficient taxation to erect or extend or renovate public hospitals.

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

Ayes	..	..	..	..	20
Noes	..	..	..	..	13
					—
Majority for	..				7
					—

## AYES.

Mr. Chesson  
Mr. Collier  
Mr. Coverley  
Mr. Cowan  
Mr. Cunningham  
Mr. Kenneally  
Mr. Kennedy  
Mr. Lamond  
Mr. Lutey  
Mr. Marshall

Mr. McCallum  
Mr. Millington  
Mr. Munzie  
Mr. Rowe  
Mr. Sleeman  
Mr. A. Wansbrough  
Mr. Whitecock  
Mr. Wilson  
Mr. Withers  
Mr. Lambert

(Teller.)

## NOES.

Mr. Angelo  
Mr. Barnard  
Mr. Brown  
Mr. Davy  
Mr. Doney  
Mr. Griffiths  
Mr. Latbam

Sir James Mitchell  
Mr. Sampson  
Mr. Taylor  
Mr. Teesdale  
Mr. Thomson  
Mr. North

(Teller.)

## PAIRS.

## AYES.

Mr. Johnson  
Mr. Corboy  
Miss Holman

## NOES.

Mr. J. H. Smith  
Mr. Maley  
Mr. J. M. Smith

Clause thus passed.

Clause 18—agreed to.

Clause 19—Inspectors:

Hon. Sir JAMES MITCHELL: What will be the penalty if a receipt be missing when an inspector calls?

The Minister for Health: If there is a reasonable explanation there will be no penalty. If not, there will be a penalty as provided by the measure.

Hon. Sir JAMES MITCHELL: A penalty of £20.

The Minister for Health: That is the maximum.

Mr. Davy: No, the maximum is £100.

Hon. Sir JAMES MITCHELL: A worker who loses his ticket may be denied hospital accommodation and may be punished for not having his receipt.

The Minister for Health: I have no doubt that anyone entitled to hospital accommodation will get it, even if he has lost his ticket.

Hon. Sir JAMES MITCHELL: No, it will be a case of no ticket no hospital.

The CHAIRMAN: The hon. member is out of order in discussing that. The question before the Chair deals with inspectors.

Hon. Sir JAMES MITCHELL: I suppose inspectors will call at every house from time to time. Everyone will have to be careful not to employ more men than he

can help unless he has a strong-room in which to store his documents. How many inspectors will be appointed? A whole army of inspectors will be required.

The Minister for Health: Possibly three inspectors will be required.

Hon. Sir JAMES MITCHELL: I suppose the inspectors will be paid out of the collections, or perhaps the fines will be sufficient to pay them.

Clause put and passed.

Clauses 20 to 23—agreed to.

Progress reported.

House adjourned at 10.46 p.m.

## Legislative Council.

Thursday, 29th November, 1928.

	PAGE
Question: Agricultural Bank advances, Esperance ...	2008
Bills: Group Settlement Act Amendment, 3A. ...	2009
Electoral Districts Act Amendment, 2A. ...	2009
Licensing Act Amendment, 1A. ...	2100
Stamp Act Amendment, 1A. ...	2100
City of Perth Superannuation Fund, Com. ...	2100
Quarry Railway Extension, 2A., Com. report ...	2102
Water Boards Act Amendment, Assembly's message ...	2102

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

### QUESTION—AGRICULTURAL BANK ADVANCES.

*Esperance Mallee District.*

Hon. J. CORNELL asked the Chief Secretary: Is the report, published in the "West Australian" of 27th November, to the effect that the Agricultural Bank trustees have decided to grant no further loans in the Esperance Mallee district correct? If so, will the Minister inform the House how the Government propose to meet the altered circumstances and thus prevent a break of continuity in farming operations in that district?