BILL—TENANTS, PURCHASERS, AND MORTGAGORS' RELIEF ACT AMENDMENT.

Second Reading.

Order of the Day read for the resumption of the debate from the previous day.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

BILL—ELECTORAL ACT AMENDMENT.

Report of Committee.

The PREMIER: I said last evening that I would look into the point raised by the Leader of the Opposition regarding this Bill and the Constitution Acts Amendment Bill. I am now advised by the Crown Solicitor that the position under the Constitution and electoral laws of the Commonwealth and the States is as follows:—

Subject to certain disabilities which are not material and subject to certain essential conditions:—

Commonwealth—Franchise extended to:—(a) British Indians; (b) natives of Asia, Africa, etc., to whom a certificate of naturalisation has been issued under the law of the Commonwealth or of a State if such certificate is still in force.

Victoria—Franchise given to anybody who is a natural born or naturalised British subject irrespective of his original nationality.

New South Wales—Franchise given to anybody who is a natural born or naturalised British subject irrespective of his original nationality.

South Australia—Franchise given to anybody who is a natural born or naturalised British subject irrespective of his original nationality.

Queensland—Franchise extended to:—(a) British Indians; (b) a native of Syria who is naturalised under the law of the Commonwealth; otherwise natives of Asia, Africa, etc., are still disqualified from voting even though naturalised British subjects.

Regarding Tasmania the department has no information. However, in view of the memorandum from the Crown Solicitor, I think there will be no objection to the amendment moved by the Leader of the Opposition. I move—

That the report of the Committee be adopted.

Question put and passed; report of Committee adopted.

BILL—CONSTITUTION ACTS AMENDMENT.

In Committee.

Resumed from the previous day. Mr. Sleeman in the Chair; the Premier in charge of the Bill.

Clause 2—Amendment of Section 15 (partly considered).

Mr. LATHAM: I move an amendment—

That after the words "except British India" the following be added:—"or the territory comprised in the mandate of the Lebanon."

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

Title—agreed to.

Bill reported with an amendment.

House adjourned at 5.42 p.m.

Legislative Assembly,

Thursday, 30th August, 1934.

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

NOTICE OF MOTION—ROYAL PREROGATIVE OF PARDON.

Disqualification of Hon. E. H. Gray, M.L.C.

MR. LATHAM (York) [4.32]: I desire to give notice that at the next sitting of the House I shall move the following motion:—

That this House expresses its disapproval of the action of His Majesty's Ministers in recommending His Excellency the Lieut.-

Governor to exercise His Majesty the King's prerogative of pardon for the purpose of overruling and annulling the lawful conviction of Edmund Harry Gray on the 15th day of August, 1934, of an offence against the laws of the realm; and that Ministers are deserving of censure for so doing.

QUESTION—RAILWAYS, DEFALCATIONS.

Mr. HAWKE asked the Minister for Railways: 1, Has any searching inquiry been carried out to ascertain whether any persons in the head offices of the Railway Department were at all blameworthy in regard to the heavy losses suffered at the Northam offices over a period of several years? 2, If so, who conducted the inquiry? 3, Did such inquiry disclose that all persons in the head offices are entirely blameless in regard to the whole affair? 4, If not, what punishment has been visited upon those considered guilty of neglect? 5, If the answer to Question 3 is in the affirmative, has the matter of the losses been satisfactorily settled by punishing a not-highly paid clerk at Northam? 6, What changes, if any, have been made in the head office checking system for the purpose of preventing any such losses in the future?

The MINISTER FOR RAILWAYS replied: 1, Yes. 2, The Chief Staff Clerk of the Accounts and Audit Branch, whose report was, after references to heads of branches concerned, reviewed in detail by the Commissioner of Railways and the Secretary for Railways. 3, No. 4, No actual punishment, but the officers concerned were advised that more alertness on their part might have had a preventive effect. 5, Answer to Question No. 3 is in the negative. 6, General instructions affecting payment from advance accounts, scrutiny on timesheets, etc., are being consolidated and tightened up, and the field of inspection and check extended.

QUESTION—ROYAL PREROGATIVE OF PARDON.

Disqualification of Hon. E. H. Gray, M.L.C.

Mr. LATHAM (without notice) asked the Premier: Does the Premier propose to accept the motion of which I gave notice as a want of confidence motion?

The PREMIER replied: Certainly not.

BILL—MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS).

Introduced by Mr. J. MacCallum Smith, and read a first time.

BILLS (2)—THIRD READING.

1, Tenants, Purchasers, and Mortgagors' Relief Act Amendment.

2, Electoral Act Amendment. (By absolute majority.)

Transmitted to the Council.

BILL—CONSTITUTION ACTS AMENDMENTS.

Report of Committee adopted.

BILL—ROMAN CATHOLIC CHURCH PROPERTY ACT AMENDMENT.

Read a third time, on motion by Mr. Needham, and transmitted to the Council.

BILL—SOLDIER LAND SETTLEMENT.

Second Reading.

THE MINISTER FOR LANDS (Hon. M. F. Troy—Mt. Magnet) [4.38] in moving the second reading said: The purpose of this Bill is to ratify an agreement to amend the original agreement relating to the settlement of soldiers. The amending agreement has already been signed by the Prime Minister and all the State Premiers, subject, of course, to Parliamentary ratification. The agreement contains really only three main provisions. They are—(1) The acknowledgment by the States that the amounts owing to the Commonwealth form part of the public debt, covered by Commonwealth inscribed stock and Consolidated Treasury bonds, and carry interest at 4 per cent. (2) The acceptance by the States of the amounts of the reductions in indebtedness to the Commonwealth, as recommended by Mr. Justice Pike. These reductions represent Mr. Justice Pike's assessment of the share of the losses on soldier settlement advances to be undertaken by the Commonwealth. (3) An amendment of the Financial Agreement to enable the Prime Minister or a State Premier to be appointed representative of the Commonwealth or a State on the Loan Council. Dealing with these three provisions, my comments are: (1) The amounts originally advanced by the Commonwealth were repay-

able by December, 1950, and were subject to rates of interest varying from £5 5s. 3d. per cent. to £7 5s. per cent., according to the loan out of which the Commonwealth Government found the money. On the adoption of the Financial Agreement these advances formed part of the net public debt of the State on which the Commonwealth contributed part of the sinking fund for redemption. When the internal loan indebtedness of the Commonwealth and the States was converted in 1931, the original Commonwealth loans out of which the soldier settlement advances had been made, lost their identity, and the Commonwealth reduced the interest rate on the full amount of the unpaid advances to a flat rate of 4 per cent. As this was the rate fixed for the converted loans, and as the advances are now part of the public debts of the States subject to the Financial Agreement, the Commonwealth asked the States to agree to transfer the indebtedness as advances which under the old soldier settlement agreement were repayable in 1950, to indebtedness as Australian consolidated inscribed stock and Australian consolidated Treasury bonds. The amounts so transferred will be divided as far as possible equally among the several dates of maturity specified in the Commonwealth Debt Conversion Act, 1931. This is a reasonable proposal, and, if interest rates maintain their present level for some time, will prove an ultimate benefit to the States, inasmuch as loans at present carrying interest at 4 per cent. will be converted, on maturity, to a lower rate. In any event, the change is immaterial from the State's viewpoint, since the debt is covered by the sinking fund under the control of the National Debt Commission. (2) In 1928 the Commonwealth Government appointed Mr. Justice Pike as a Commissioner to make an investigation into losses sustained by the States as a result of soldier settlement. Mr. Justice Pike visited the States, and in regard to our own he found that the losses sustained up to the date of his inquiry, plus an estimate of future losses, totalled £2,059,368. The amount claimed by this State was £2,742,802; but some of the items claimed, notably concessions granted to settlers by way of reduction of the value of Crown lands, were disallowed. The basis of the Commissioner's recommendations was that the losses as assessed by him should be shouldered equally by the Commonwealth and the State, after giving credit to the Commonwealth Government for the concessions already made to the States. In our case these concessions amounted to £1,477,688; and as half of the losses as assessed by the Commissioner amounted to £1,029,684, we were not, in his opinion, entitled to any further relief. It is, of course, unfortunate that the inquiry was made at a time of high prices for agricultural products, and of alleged general prosperity; but that is a circumstance which affected all the States alike. We agree that the investigation was quite impartial, and that this State has no cause to complain of differential treatment. There is no doubt, however, that if the investigation had been made after 1930, the restriction in the activities of the State would have revealed that our losses will be much heavier than ever was thought at the time of Mr. Justice Pike's investigation. The ratification of this agreement, which has been signed by the Premiers of all the States, will not, however, preclude pressure being put on the Commonwealth for further assistance, should the necessity arise. (3) Section 3 of Part I. of the Financial Agreement provides that the Prime Minister and the State Premiers shall each appoint a Minister to represent the Commonwealth and each State on the Loan Council. A doubt has been expressed as to whether this provision permits of the appointment of the Prime Minister and the State Premiers themselves, or whether the representatives must be Ministers other than the Prime Minister and the Premiers. Though, so far as I know, the appointments have not been questioned, the opportunity is now being availed of to remove any possible doubt. The proposed amendment embodied in the agreement attached to the Bill provides that the representatives on the Loan Council shall be the Prime Minister and the State Premiers, or, in their absence, Ministers appointed by them, which is the procedure hitherto adopted. I move—

That the Bill be now read a second time.

On motion by Mr. Latham, debate adjourned.

BILL—ADMINISTRATION ACT (ESTATE AND SUCCESSION DUTIES) AMENDMENT.

In Committee.

Mr. Sleeman in the Chair; the Minister for Justice in charge of the Bill.

Clauses 1, 2—agreed to.

Clause 3—Interpretation:

Hon. N. KEENAN: Will the Minister explain why the definition of "foreign company" is as embodied in Section 1 of the Companies Act Amendment Act, 1897, and why the definition is not as set out in the principal Act of 1893?

The MINISTER FOR JUSTICE: It was considered more desirable to adopt the definition set out in the 1897 Act, because we will deal with foreign companies, in connection with which there is a different procedure. The 1897 Act deals with foreign companies, and it was therefore considered advisable to take the definition set out in Section 1 of that measure. A company that is not incorporated in Western Australia, is treated as a foreign company and therefore the definition in the 1897 Act should apply.

Hon. N. KEENAN: I do not think the Minister quite understands the purport of my question. I asked why the definition of a foreign company was that set out in the Companies Act Amendment Act of 1897, and not that appearing in the principal Act of 1893? The definitions set out are identical, and every single regulation necessary respecting foreign companies is to be found in the Act of 1893. The Act of 1897 deals with a small part only of the provisions respecting foreign companies. That legislation was passed owing to complaints by many shareholders regarding the difficulty experienced in transferring their shares. The 1897 Act proposed to remedy that difficulty by compelling foreign companies to open registers in Western Australia. As the definitions of foreign companies are identical in the two Acts, I do not see why that set out in the parent Act is not embodied in the Bill. There may be some reason for it, and that is why I was so anxious that the Bill be referred to a select committee, so that the Parliamentary Draftsman might give evidence in explanation. The Bill is highly technical, and the reason for the inclusion of the reference to the 1897 Act is not clear. The Parliamentary Draftsman may have some valid reason for not taking the definition as embodied in the principal Act of 1893. If the definition is to be that included in the 1897 Act, it may be regarded as meaning the definition for the purposes of that particular statute. If the Bill had been referred to a select committee, provisions that are either strange or difficult to comprehend, or even hard to reconcile with the text, could have been explained by the Parliamentary Draftsman. As it is, the Minister is not able to tell us anything apart from what appears in the notes in his possession.

The Minister for Justice: I can give additional information.

Hon. N. KEENAN: The Minister cannot do that out of his head.

The Minister for Justice: Nor can you.

Hon. N. KEENAN: That is why I desired the Bill to be referred to a select committee, for then I could ask questions.

The MINISTER FOR JUSTICE: The member for Nedlands is rather anxious to know why the definition of foreign companies appears in its present form. It is because the 1897 Act is the latest amendment to the principal Act, and was therefore embodied in the Bill. If the member for Nedlands can advance any good reason why that definition should not be included, or why some other definition should be inserted in lieu, the Government may give the matter further consideration. The 1897 definition was included because that measure deals with foreign companies.

Interruption by Stranger.

At this stage, the debate was interrupted by a stranger who entered the Chamber, and, taking his stand by the Table, endeavoured to voice a personal grievance.

By order of the Chairman of Committees, the Sergeant-at-Arms removed the intruder.

Debate Resumed.

Hon. N. KEENAN: The Minister has not yet really grasped what is the position. The definition is identical in the 1893 and 1897 Acts.

Mr. Latham: Except that in one the word "law" appears, and in the other it is printed as "laws."

Hon. N. KEENAN: But that is not material. The definitions are identical for all practical purposes. If the definition in the 1897 Act is taken, it may be construed in the light of the obligation of that particular definition under that specific statute. The Minister has no answer to make. If the Parliamentary Draftsman were here, he might be able to furnish the necessary information. Not being the Parliamentary Draftsman,

the Minister cannot give me an answer. I certainly object to the measure going on until we can get the information that has been given to the Minister.

The MINISTER FOR JUSTICE: It does not appear that the hon. member is very desirous of getting on with the consideration of the Bill.

The Premier: He is just talking for talking sake.

The MINISTER FOR JUSTICE: This is only a definition in the interpretation clause.

Hon. N. Keenan: But it is important.

The MINISTER FOR JUSTICE: Of course it is. The definition is the same in two or three Acts, and therefore it has been put into the Bill. Perhaps the hon. member would be better satisfied if we were to take the definition in the Companies Act and put it in the Bill without making any reference to the Companies Act.

Mr. Latham: Does it limit the interpretation of the Act of 1897?

The MINISTER FOR JUSTICE: No.

Hon. N. KEENAN: If we had it here stated in effect that "foreign company" means any joint stock company or corporation duly incorporated for trading or other purposes, but other than a company incorporated in Western Australia, the court would take that definition and apply it to the matter to be found in the Bill when it becomes an Act. Otherwise, they would be obliged to take the definition appearing in another statute.

Clause put and passed.

Clauses 4, 5—agreed to.

Clause 6—Further power of Commissioner as to filing statements.

Hon. N. KEENAN: Why have we provided here a period of three months after death for the obtaining of probate of the will or letters of administration of the estate of a deceased person, whereas in Clause 5 the period provided for the filing of a statement is six months? Why should a different term be imposed?

The MINISTER FOR JUSTICE: The reason is obvious. If a man dies in another State and has property in this State, it will take two or three months to obtain probate in that other State, after which, time will be required by the executor to find out where the property is in this State, and to have the grant of probate re-sealed in this State. It is quite obvious that in such an instance a longer time will be required for the process than would be necessary if the deceased had died in this State.

Clause put and passed.

Clauses 7 to 11—agreed to.

Clause 12—Gifts inter vivos.

Hon. N. KEENAN. I move an amendment—

That in paragraph (a) of Subclause 2 the words "two years" be struck out and "twelve months" inserted in lieu.

Paragraph (a) provides that every gift inter vivos, if made within two years before the death of the person making the same, shall be chargeable with the payment of duty. Twelve months is the period provided in the Commonwealth law and in the laws of some of the other States. I suggest that 12 months time is ample because, after all, the only object in making this provision is that in the case of gifts inter vivos the property shall pay the duty if the donor dies within a given period after making the gift; in other words, if the gift has been made by the donor because he anticipates that he is about to die. Twelve months beforehand is ample time to defeat that purpose. No one could reasonably suspect that a man who made a gift 12 months before he died could have made it with a view to evading duty. So I suggest that we should make here the same provision as is to be found in the Commonwealth law.

The MINISTER FOR JUSTICE: If everybody were honest there would be no necessity for legislation of this kind at all. That there is such necessity is proved by the extremely large number of gifts which come within the knowledge of the departmental officers, gifts which have been made specifically for the purpose of dodging probate. In those circumstances donors do not make the gifts until they think they have no more use for their money, and at the same time they wish to evade probate. The hon. member cannot say that no man can know within six months when he is going to die, for frequently those who have contracted a fatal disease are notified by their doctors that, although they may live for another 12 months they are sure to die within two years.

In those circumstances some people seek means to evade payment of probate duty and they make deeds of gift, settlements and non-testamentary dispositions of property, so that when the assessor for probate duty inquires, he finds that the estate has been dispersed. This period is a matter of Government policy. Some States stipulate three years, some States two years, and the Commonwealth one year. The Act of 1903 foolishly provided the brief period of six months, and we have decided that experience dictates two years as a reasonable period. By adopting that term we have not gone further than have other States and have not gone so far as some. If we had stipulated three years, probably the hon. member would have been satisfied to move a reduction to two years.

Amendment put and negatived.

Hon. N. KEENAN: Paragraph (b) provides that every gift inter vivos, if made at any time, if such gift relates to property of which possession and enjoyment has not been bona fide assumed by the person taking under such gift forthwith thereafter and thenceforward retained by him, it shall be chargeable. I direct the Minister's attention to the word "forthwith." There may be reasons for inability to complete a gift forthwith and a short period may elapse.

The Premier: Is there a time limit to forthwith?

Hon. N. KEENAN: It means immediately.

The Premier: What is "immediately"?

Hon. N. KEENAN: Obviously the word has to be construed as meaning the next day. If a month intervened, it would not be forthwith.

The Premier: Would a week's lapse be forthwith?

Hon. N. KEENAN: No; it would have to be immediately and without the lapse of any interval of time. Such a provision is much too severe. If a limit of two, three, or four years were fixed, the provision would be less harsh and no question could be raised as to the law not being fair and equitable. The retention of the word "forthwith" will impose injustice in many instances.

The MINISTER FOR JUSTICE: Sometimes when a settlement is made, the donor continues to enjoy the proceeds of the property, perhaps under a secret agreement. The donor could state in the deed a time for the donee to receive possession. If a donor wished to make a gift bona fide, he should hand it over at a definite time.

Hon. N. Keenan: These gifts inter vivos, in nine out of ten instances are made by oral arrangement, not settlement.

The MINISTER FOR JUSTICE: There is no reason why a gift should not be handed over forthwith. We wish to deal with those gifts which, like the carrot dangled before the donkey's nose, do not actually pass to the donee during the life of the donor.

Mr. McDONALD: I ask the Minister to report progress at this stage. I feel I have a certain responsibility with regard to the Bill. I do not like to put up amendments because I feel the draftsman has given the matter more attention than I have, and I may therefore do something that will interfere with his work in a way that is not justifiable. Many people, however, are interested in this measure, and require some days in which to make further inquiries into it.

The MINISTER FOR JUSTICE: I have no desire to force the Bill through, or to deny members reasonable time in which to study it, or people outside, time in which to make proper representations to Parliament concerning it. We do, however, desire to make some progress. I am prepared to meet the hon. member, if he thinks there are one or two clauses he would like to study further, by postponing such clauses. I do want to make headway to-night, say, to the half-way point of the Bill, and meanwhile would be prepared to postpone further consideration of this clause, if desired.

Mr. McDONALD: I have no particular quarrel concerning this clause. Apart from the observations of the member for Nedlands, it seems a highly desirable one. With respect to the Bill generally I think more time is required in which to study it, so that when the measure is enacted it may be couched in such form that it will operate smoothly and effectively.

Mr. LAMBERT: Is there any provision in the Bill to cover the handing over of bonds or shares to the legatees of an estate? I know of a case in which a solicitor held certain bonds, and shares signed in blank, and these were handed over to the beneficiary after the death of the owner, and in that way payment of probate duty was avoided. There should be some way of dealing with a situation like that.

The MINISTER FOR JUSTICE: The contingency mentioned by the hon. member is safeguarded as far as possible. It is very difficult by Act of Parliament to cover everything. This Bill is intended to cover all cases which have come under notice as the result of 30 years' experience, and when it is enacted we hope that it will prevent any further evasions; but, in another five years, it may be found that loopholes for evasion still exist, and the law may have to be amended again. Certain representations were made to me only this morning. These, too, will be considered. I am prepared to deal considerately with any amendments that are brought down, so that as far as is possible we may prevent the improper evasion of the payment of probate duty. It is desirable also that the Bill should reach another place at an early date. Meanwhile I would have no great objection to progress being reported.

Hon. N. Keenan: Except for one matter, we could go on to Clause 28 to-night.

The MINISTER FOR JUSTICE: It is clear that the majority of members are not yet fully conversant with the terms of the Bill. If progress were reported, they might before we meet again have an opportunity to study it further.

Mr. LAMBERT: I am not satisfied that the measure contains all the safeguards that are necessary. It is the practice for solicitors to hold valuable securities, and after the death of the owner to hand them over to the people for whom they are destined. The Commissioner should have the right, five or ten years after such a transaction, to call upon the new owners to show cause why they should not be penalised, either by way of paying double probate duty or forfeiting these bonds or shares.

Mr. J. MacCallum Smith: Shares cannot be transferred in any reputable company after the death of the registered owner.

Mr. LAMBERT: I know of shares that are standing in the name of certain persons to-day. They have been transferred and held for the person to whom they will ultimately pass. No doubt a company would not give a transfer after the death of the registered owner, but, in the case I have in mind, the shares were transferred and the solicitor held the share certificates.

Hon. N. KEENAN: That property would form part of the estate.

Mr. LAMBERT: Yes, but in the case I know of, the payment of probate duty was avoided. There is an ever-increasing tendency on the part of moneyed people to put their capital into bonds and Government stock, for which no transfer is required.

The Minister for Justice: Clause 15 deals specifically with that point.

Mr. LAMBERT: I am not an expert in these matters and do not know whether that is so.

The Minister for Justice: The clause was drafted to meet cases of that sort.

Mr. LAMBERT: It should be made mandatory for all such securities to be registered. It should not remain possible for them to be handed over after the death of the owner, when the object of such a transfer has been to evade the payment of duty. There is a considerable amount of probate dodged to-day, and most of it is dodged by big estates.

Mr. McDONALD: I move—

That the further consideration of the clause be postponed.

Motion put and passed.

Clause 13—agreed to.

Clause 14—Joint Investments, etc.:

Hon. N. KEENAN: Paragraph (d) sets out that in relation to any person dying after the commencement of this section all real and personal estate consisting of money payable upon or after death of any such person, in respect of any policy of life assurance affected by him, and kept in force wholly or partially by him, and assigned by him by way of gift within two years before his death; but where such policy has been only partially kept in force, then such proportion only as the premiums paid by such person bear to the total premiums paid in respect of such policy, shall on the death of such person be deemed to form part of his estate. I submit we ought not to penalise insurance policies. There are very few men who do not take out policies for the purpose, in the event of death, of securing for the wife some means of carrying on the household. Here we find that the assignment by way of gift must be made two years before death. We should encourage insurance of this description, but the proposal is against that policy. The imposition of a provision of this kind

is directly contradictory to the policy we should encourage.

The MINISTER FOR JUSTICE: This only means that if a man insures his life and he lives on for 20 or 30 years, and does not bother about his wife until he gets to an advanced age, and finds that he may not have very long to live, and suddenly decides to make the assignment to his wife, then only will probate duty be chargeable.

Hon. N. Keenan: Why does he take out the policy?

The MINISTER FOR JUSTICE: So that there may be some money to dispose of at his death. If he made the assignment two years before his death, then it would not come under the clause.

Hon. W. D. Johnson: Suppose I take out a policy and I nominate my wife as the beneficiary under the policy and I pay the premiums?

The MINISTER FOR JUSTICE: She would get the benefit at your death. The clause covers only those people who do not make any assignment until they feel that their end is approaching. If people like to go on for 20 or 30 years, then suddenly decide to make the assignment, and soon afterwards pass away, probate will have to be paid.

Hon. N. Keenan: And if the lady should die first the whole of it would be subject to probate whether it was kept in force wholly or partially by the husband.

The MINISTER FOR JUSTICE: Then the assignment would have been made out to someone who had not survived.

Mr. Seward: Would not her estate have to pay probate?

The MINISTER FOR JUSTICE: If a man assigns his estate to his wife and she dies, the man will then make other arrangements. The clause provides that if the assignment is made within two years of death it will be subject to probate duty. Where there is deliberate evasion it is reasonable that duty should be paid.

Mr. F. C. L. SMITH: The fact that some persons take out an insurance policy for the purpose of evading probate is being made an excuse for charging probate duty on every assurance policy. I enter a protest because I feel that the taking out of an assurance policy is about the only method by which thousands of working class people can provide, in the event of death, something for their wives. The clause proposes that the wife shall pay probate duty on a small provision, it may be £200.

The Minister for Justice: Oh, no.

Mr. F. C. L. SMITH: That is how it appears to me. Many of the policies are for a certain number of years or are payable at death prior to the fixed period of years, and in those circumstances it would not seem to be warranted to assign the policy to the wife in the event of the death of the insured. The average person does not know anything about assigning a policy. It is all very well for people well versed in legal matters to talk about such assignments, but what does the average person know about such things so as to avoid having to pay probate? If I am assured for £500 payable upon my reaching 65 years of age, or upon my death if earlier, would that policy be subject to probate duty under the clause?

The MINISTER FOR JUSTICE: That would depend on the purpose for which the hon. member took out the policy. If he endorsed on the policy a statement that he took it out for the benefit of his wife, she would not have to pay probate duty on it. If men want to make definite provision for their families, the matter is perfectly simple. However, when setting out to rectify something which has been a means of evasion, one may in one's zeal go a step too far and impose a disability on people who do not deserve it. The clause is an attempt to prevent a practice which is an abuse. I shall look into the matter and see whether the clause can be modified so as to do what everyone desires, and at the same time prevent manifest evasion to the detriment of the State's revenue.

The MINISTER FOR MINES: Take the case of a policy payable at death only. I cannot conceive of anybody taking out such a policy except for the benefit of his dependants.

Mr. Latham: But he could get an advance against it.

The MINISTER FOR MINES: Only to the extent of the accrued value; that is to say, to the extent of premiums paid and cash value of bonuses granted.

Mr. Latham: There is the surrender value.

The MINISTER FOR MINES: Under those circumstances, without an assignment of the policy to the wife, would the wife have to pay probate duty upon the amount?

Hon. N. Keenan: Not if two years had elapsed since the assignment.

Mr. F. C. L. Smith: The Minister might consider whether the clause might be subject to exemption up to £1,000.

Hon. N. KEENAN: The Bill, in order to be understood, must not be taken as regards merely one clause, but with a grasp of all its details. A later clause provides that succession duty shall be payable by any person who has received a beneficial interest under any policy of life assurance which has been maintained by the donor for the benefit of that person. The difference between probate duty and succession duty is a mere matter of terms. Probate duty is paid by a legatee, and succession duty by a donee. If a husband takes out a policy on his own life for the benefit of his wife, then upon his death the wife would be liable to pay succession duty on the amount of the policy. It is absurd to attempt to understand the Bill by reading one clause; it is necessary to read a number of clauses.

The Premier: Practically all of them.

Hon. N. KEENAN: I should like the Committee to decide that no duty of any kind shall be imposed, whether directly as probate duty or by way of succession duty, in the case of moneys received by the party to whom a policy is made payable, at all events up to a limited amount. Undoubtedly it is of extreme public importance to encourage the people at large to go in for life assurance.

Clause put and passed.

Clauses 15 to 26—agreed to.

Clause 27—Recovery of duty:

Hon. N. KEENAN. What need is there for providing in this clause what is already provided in Clause 8e and further provided in Clause 44? What is the reason for these repetitions? Is the explanation that the Bill was made up from various Acts and that wherever provision is made in any one of those Acts that a debt due by a testator or an intestate estate is a debt due to His Majesty, that provision has been repeated in the Bill?

The Premier: Perhaps the reason is that there may be no loophole.

Progress reported.

House adjourned at 6.15 p.m.

Legislative Council,

Tuesday, 4th September, 1934.

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

AGRICULTURAL BANK ROYAL COMMISSION.

Auditor General's Reply to Criticism.

The PRESIDENT: I have received from the Auditor General a copy of his reply to statements included in the report of the Royal Commission, who inquired into the affairs of the Agricultural Bank, and will place it on the Table of the House.

PAPERS—CRIMINAL COURT, CARNARVON.

Case of James Crossthwaite.

On motion by Hon. C. F. Baxter ordered: That all papers having reference to the charge against James Crossthwaite, which was listed for trial at the last March sessions of the Criminal Court, including copies of the magistrate's notes taken at Carnarvon, when Crossthwaite was committed, be laid on the Table of the House.

MOTION—STATE TRANSPORT CO-ORDINATION ACT.

To Disallow Regulation.

Order of the Day read for the resumption of the debate from the 28th August, on the following motion moved by Hon. A. Thomson:—

That Regulation No. 48, made under the State Transport Co-ordination Act, 1933, as published in the *Government Gazette* on 16th