

impose and fix the rate of contributions to the hospital fund under the provisions of the Standing Orders of the two Houses relating to lapsed Bills.

House adjourned at 10.24 p.m.

Legislative Council,

Wednesday, 27th March, 1929.

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

BILL—WORKERS' HOMES ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON A. LOVEKIN (Metropolitan) [4.33]: I moved the adjournment of the debate in order that I might have an opportunity to look through the Bill. I do not like to be a party to passing Bills the contents of which I have not grasped. Having looked through the Bill, I find that the amendment is quite necessary and that the Bill is justified.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 44 (b):

The HONORARY MINISTER: I desire to move an amendment to Clause 2. It has been suggested by the Solicitor-General for the purpose of making sure that there will be no delay regarding the operations of the

measure. In his minute the Solicitor-General suggests the addition of the following words at the end of the clause:—

and the words "which advances the board, as a State authority, is hereby authorised to accept, under and subject to the provisions of that Act," are inserted in the third line of the said Section 44 (b) between the figures "1928" and the word "may."

The Solicitor-General further says—

These words are no doubt implied by Section 44 (b) as enacted by the Act No. 35 of last session. But in the South Australian Advances for Homes Act No. 1876, as passed in November last, in Part IV. dealing with advances under the Commonwealth housing scheme, the South Australian Bank, as a "State authority" is by Section 47 expressly authorised to accept advances, and the omission of similar words in our Section 44 (b) might give rise to some question and delay; and it is most essential that the operations of the Workers' Homes Board should not be suspended. It is therefore desirable to insert the words.

In other words, the amendment suggested by the Solicitor-General is merely for the purpose of making it clear that our Workers' Homes Board is a State authority within the meaning of the Commonwealth housing scheme. I move an amendment—

That at the end of the clause the following words be added:—"and the words 'which advances the board, as a State authority, is hereby authorised to accept, under and subject to the provisions of that Act,' are inserted in the third line of the said Section 44 (b), between the figures '1928' and the word 'may'."

Hon. A. LOVEKIN: I suggest to the Honorary Minister that he should place his amendment on the Notice Paper. The Crown Solicitor has had plenty of time to put the Bill in order, and now at the eleventh hour a further amendment is placed before us. I do not like dealing with amendments that I have not seen, and I suggest that progress be reported in order that we may scrutinise the amendment and deal with it to-morrow.

The HONORARY MINISTER: I do not object to postponing the further consideration of the amendment until to-morrow, but I can assure Mr. Lovekin that it is quite innocuous. It will merely avoid delay should someone raise a question as to whether the Workers' Homes Board is a State authority within the meaning of the Commonwealth scheme.

Hon. A. Lovekin: Will one day make any difference?

The HONORARY MINISTER: No. 1 have no objection to reporting progress.

Progress reported.

BILL—HOSPITAL FUND.

In Committee.

Hon. J. Cornell in the Chair; Honorary Minister in charge of the Bill.

Clause 2—Interpretation:

The CHAIRMAN: When this Bill lapsed at the end of last session, progress was reported on Clause 2. The amendment before the Chair at that stage was one to strike out all the word, after the figures "1902" in the definition of "income."

Hon. A. LOVEKIN: I moved the amendment last session, and the object of my proposal was to assure that interest on Treasury bills and bonds that had been issued as tax free, should not be taxed under the Bill as part of income. Having made a contract with people who invested in Treasury bills and Government bonds that their investments should be tax free, it seems dishonourable to impose a tax of 1½d. in the pound on the interest derived from those bonds or bills. In addition, the definition of income is inconsistent with Subclause 4 of Clause 5, wherein it is set out that the incomes, revenues and funds exempted from income tax by Section 18 (except paragraphs 3, 8 and 9 thereof) of the Land and Income Tax Assessment Act, 1907-1924, shall be exempt from liability for contribution to the fund. In one clause we say the interest shall be exempt, and in the other we say it shall be taxed. For the sake of keeping faith with investors and for the sake of consistency, I ask the Committee to agree to the amendment.

The HONORARY MINISTER: The hon. member has made a mistake. Those he refers to as being liable for the tax are particularly exempted by Subclause 4, and yet he says they are not exempt.

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

Ayes	..	..	..	10
Noes	..	..	..	10
				—
A tie	..	..	..	0
				—

Ayes.

Hon. E. H. H. Hall	Hon. H. Seddon
Hon. V. Hamersley	Hon. H. A. Stephenson
Hon. E. H. Harris	Hon. H. Stewart
Hon. J. J. Holmes	Hon. C. H. Whittenoom
Hon. A. Lovekin	Hon. E. Rose

(Teller.)

Noes.

Hon. J. R. Brown	Hon. W. H. Kiteon
Hon. J. M. Drew	Hon. G. W. Miles
Hon. J. T. Franklin	Hon. A. J. H. Saw
Hon. G. Fraser	Hon. H. J. Yelland
Hon. E. H. Gray	Hon. J. Ewing

(Teller.)

The CHAIRMAN: The voting being equal, the question passes in the negative.

Amendment thus negatived; the clause, as previously amended, agreed to.

Clause 3—agreed to.

Clause 4—Contributions to fund:

Hon. A. LOVEKIN: I direct attention to paragraphs (i) and (ii) of the second proviso. Under paragraph (i) persons in receipt of pensions for war services are not to pay hospital contributions. Such persons will be specially liable to need hospital treatment, and as they receive pensions they should contribute for the hospital services they will require. It does not seem equitable that persons in receipt of war pensions—some of them fairly substantial pensions—should be exempt, while a servant girl in receipt of £1 a week is to have £1 added as the equivalent of board and lodging for the purpose of computing the tax.

Hon. V. HAMERSLEY: I wish to deal with an earlier portion of the clause. The rate of tax is not to exceed 1½d. in the pound. In view of the fact that we are not inclined to approve of payments to patients in private hospitals, it is doubtful whether 1½d. will be required. I move an amendment—

That in line 4 the word "halfpenny" be struck out.

Hon. E. H. Harris: The money will be required for intermediate hospitals.

Hon. V. HAMERSLEY: If the private hospitals do not receive payments, surely a penny tax will yield sufficient revenue.

The HONORARY MINISTER: Mr. Hamersley is anticipating that no provision will be made for payments to patients in private hospitals. He has no right to assume that at this stage. Even if the Bill is passed in that form, one of the strongest

arguments against making payments to private hospitals is that there will be sufficient margin to permit of intermediate hospitals being built or intermediate wards be added to existing hospitals. If the contribution is reduced by one-third, we cannot expect to have any margin for that purpose. Another question that might be considered is whether we have the right to determine the amount of the tax, or merely to request an amendment.

Hon. H. SEDDON: I support the Honorary Minister. It is desirable at the outset to provide the funds necessary for the work. Apart from the question of establishing intermediate hospitals, there is considerable expense long overdue in connection with existing hospitals.

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

Ayes	7
Noes	13

Majority against	6
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AYES.

Hon. E. H. H. Hall	Hon. H. Stewart
Hon. J. J. Holmes	Hon. C. H. Wittenoom
Hon. G. W. Miles	Hon. V. Hamersley
Hon. E. Rose	(Teller.)

NOES.

Hon. J. R. Brown	Hon. A. Lovekin
Hon. J. M. Drew	Hon. A. J. H. Saw
Hon. J. Ewing	Hon. H. Seddon
Hon. J. T. Franklyn	Hon. H. A. Stephenson
Hon. G. Fraser	Hon. H. J. Yelland
Hon. E. H. Harris	Hon. E. H. Gray
Hon. W. H. Kitson	(Teller.)

Amendment thus negatived.

Hon. A. LOVEKIN: I move an amendment—

That in the second proviso paragraph (i) be struck out.

The HONORARY MINISTER: I oppose the amendment. A great majority of war pensioners are disabled men in receipt of comparatively small pensions. Mr. Lovekin's arguments are inconsistent. He contends that war pensioners should not be exempt from this tax, and a little while ago he argued that a man receiving interest on Treasury bonds should not be taxed in respect of that interest. I cannot reconcile those two arguments. If there is one man who is entitled to exemption under a measure of this kind, it is the war pensioner.

There may be some war pensioners receiving comparatively large pensions, but I think the great majority of them are in receipt of only small pensions, and they are justly entitled to the exemption the Bill gives them.

Hon. H. A. STEPHENSON: I am surprised at Mr. Lovekin moving such an amendment. The payment of war pensions has been brought about by men having done their duty to their country, and consequently if there is any person entitled to consideration it is the person the Bill specially proposes to exempt—the individuals in receipt of war pensions.

Hon. A. J. H. SAW: I hope Mr. Lovekin will not press the amendment. Personally I do not favour exemptions from the hospital tax, as a rule, but if there is one class who should be exempt from the tax, it is undoubtedly those who have the misfortune to be in receipt of war pensions.

Hon. A. LOVEKIN: I agree that if there is one class that should be exempt; it is the returned soldiers. But there are a number of returned soldiers who are in receipt of substantial pensions from the Commonwealth. The returned soldier getting a small pension would not come within the scope of the Bill.

Hon. A. J. H. SAW: Then the others have substantial injuries.

Hon. A. LOVEKIN: Does not the substantial pension depend upon the rank the person held and not the injuries received?

Hon. A. J. H. SAW: The pension depends largely on the disabilities.

Hon. A. LOVEKIN: If that is the case, I will say no more. But I do know of instances of substantial pensions being paid to men who have not received any injuries, and it is those persons who should not be exempt. I would rather exempt them all than bring in a few who ought not to be brought in. I shall not press the amendment; I ask leave to withdraw it.

Amendment, by leave, withdrawn.

Clause put and passed.

Clause 5—Contribution in respect of income:

Hon. A. LOVEKIN: Will the Honorary Minister look at the last line of paragraph (c) which refers to the period of the calculations. The date mentioned in the last line is the 1st July, 1929, which would have ap-

plied if the Bill had been passed last year. The Minister has told us that it will take three months to get the Bill into order, and if that be the case the date will have to be altered.

The HONORARY MINISTER: The probability is that the Act will not be proclaimed until the 1st August, 1929. Therefore it will be necessary to alter the year mentioned in the clause. I move an amendment—

That "1929" be struck out and "1930" inserted in lieu.

Amendment put and passed.

Hon. A. LOVEKIN: I refer the Honorary Minister to Subclause 4. A little while back the Honorary Minister said I was not consistent in moving to exempt those who were receiving interest on Government bonds and at the same time wanting to drag in somebody else. But in the one case there is a definite contract between the purchaser of Treasury bills or bonds, which contract should be honoured, whatever happens. It is desired, however, to say that that contract shall not be honoured. The subclause reads—

The incomes, revenues and funds exempted from income tax by Section 18 (except paragraphs 3, 8, and 9 thereof) of the Land and Income Tax Assessment Act, 1907-24, shall be exempt from liability for contribution to the fund.

We are saying here exactly what I desired to say under the interpretation of "income." The Land and Income Tax Assessment Act says—

The following income revenues and funds shall be exempt from income tax. . . . (9) Income arising or accruing to any person from Western Australian Government debentures, Inscribed Stock and Treasury Bills.

I suggest that those incomes in connection with which a contract has been made ought not to come into the taxation under the Bill, but owing to the feeling of the House I will not press the matter further. For the honour of the State, however, when such a contract is made, that contract ought to be observed to the very letter.

The HONORARY MINISTER: That portion of Section 18 of the Income Tax Assessment Act to which the hon. member has referred is the particular section the hon. member spoke of as being inconsistent with Clause 2 of the Bill. There may be some persons in the State who are in receipt of income from Treasury bonds, which income

is exempt from taxation. Those persons must be possessed of property the capital value of which must be fairly considerable. I ask Mr. Lovekin if it is a fair thing that a person in receipt of income from such a source should be entitled to free hospital treatment, and in addition, exemption from the payment of the tax. On the other hand, there are persons in receipt of small incomes from various sources and we say that those persons are entitled to exemption. The hon. member is of opinion that we should exempt the holders of Treasury bonds.

Hon. A. Lovekin: You should fulfil your contract.

The HONORARY MINISTER: We are doing so. I do not think any person in receipt of income from the source referred to would object to contribute to the tax which is, after all, a benefit fund. Persons in receipt of income from the sources mentioned, I am sure will be quite prepared to pay their quota, remembering the assistance that the hospitals will be prepared to render. If Mr. Lovekin is successful in his desire to exempt these people, it will be necessary to insert a further clause in the Bill to provide that these particular individuals shall not be entitled to treatment at hospitals under the scheme proposed. I am sure the Committee will not agree to the hon. member's suggestion.

Hon. A. LOVEKIN: It is not a question of what the Honorary Minister thinks is or is not fair, or how willing a person may be to pay. I agree it is fair that a person should pay. But the point is that the State has made a solemn contract with certain individuals with respect to Treasury bills and bonds, and one of the conditions is that those bills and bonds shall be free from taxation. Now it is proposed to come in and say, "This is not a tax, it is a contribution." It is no good calling it a contribution; it is an unadulterated tax and nothing else, and by calling it a contribution we try to evade our honourable obligations. That is wrong. I am not concerned in it myself, but I believe that when the State makes a contract with anybody, it should keep it to the very letter.

Hon. J. NICHOLSON: I share the views expressed by Mr. Lovekin. There is here an important principle involved which I fear is overlooked by the Honorary Minister. When those people entered into agreements to take up Treasury bonds, etc., it was a condition of the contract that they should be free from

State income tax. What is the Bill before us? Is it not a Bill to tax incomes, although for a special purpose? Surely the exemptions provided for in the Land and Income Tax Assessment Act should be honoured in any subsidiary Bill introduced afterwards which really has the same effect as an income tax Bill. Here we are wilfully breaking away from the principle that a Government should honour their contracts. If these exemptions duly provided for in the taxation measure are wilfully violated in a later subsidiary Bill, the result will be that many people who otherwise might subscribe to a Government loan will be disinclined to give that support. In this instance the Government would be well advised to adhere strictly to the exemptions provided for in the taxing measure and not seek to tax certain incomes expressly exempted under that principal Act. I hope the Minister will accept the suggestion made by Mr. Lovekin. Indeed, I move an amendment—

That in lines 2 and 3 of Subclause 4 "and" be inserted between ("3") and ("8") and the words "and (9)" be struck out.

Hon. A. J. H. SAW: On a point of order. Has not this already been decided this afternoon on Clause 2, and is it in order to bring it up again at this stage?

Hon. A. LOVEKIN: Paragraph (3) relates to dividends, and paragraph (8) to British pensioners residing in Western Australia who are taxed in a similar way in Great Britain. Those two paragraphs do not apply to any great extent; but paragraph (9) applies because there is there a specific contract between the lender of the money and the borrower.

Hon. A. J. H. SAW: The Committee have already decided that point.

Hon. J. Nicholson: We can always go back.

The HONORARY MINISTER: For the information of members I will read paragraphs (3), (8) and (9) of Section 18 of the Land and Income Tax Assessment Act. Paragraph (3) reads as follows:—

The dividends and profits of the companies subject to duty under the Dividend Duties Act, 1902, or any amendment thereof subject to Subsections 5 and 6 of Section 15 of this Act and to any exemption that may be declared from time to time by Parliament.

Surely there can be no connection between that and the object Mr. Lovekin has in view. Paragraph (8) reads as follows:—

The income derived or received by or on behalf of any pensioner resident in Western Australia in respect of his pension received from the Crown in Great Britain or the Government of any British possession; provided he satisfies the Commissioner that such person is liable to income tax in Great Britain or such possession, and that such tax has been duly paid.

Surely the hon. member does not want to deal with that. Paragraph (9) reads as follows:—

Income arising or accruing to any person from Western Australian Government debentures, in private stock, and Treasury Bills.

Does the hon. member suggest that we should exempt all those people?

Hon. J. Nicholson: It has been so provided in that Act.

Hon. A. Lovekin: The stock has been issued tax free.

The HONORARY MINISTER: Is it suggested that people with incomes from those sources are not to be asked to contribute to the hospital fund, and yet are to be entitled to benefit under that fund?

Hon. J. Nicholson: Do you want your Treasury bills taken up?

The HONORARY MINISTER: Of course we do.

Hon. J. Nicholson: Well, do not interfere with your contract.

The HONORARY MINISTER: At the present time those in receipt of incomes from those sources have to pay for the hospital treatment they receive. If the hon. member is successful in carrying his amendment, they will be exempt from payment under this Bill: therefore they will not only be exempt from income tax, but in addition will be exempt from payment of contributions to the hospital fund.

Hon. J. Nicholson: They are now exempt from income tax under the principal Act.

The HONORARY MINISTER: But they are not exempt from payments for any services that may be rendered by a hospital. The effect of the amendment will be that they will be exempt from payment for any benefits they receive under the hospital scheme. That is not fair. I do not think any person in receipt of an income from those sources would object to paying the

small contribution he will be called upon to pay, in return for which he will be entitled to hospital treatment under this measure.

Hon. E. H. HARRIS: If I understand the position correctly, it is that the Government have issued Treasury bonds free of tax. In other words, the persons who lent that money to the Government are free from any tax for the administration of the affairs of State. They are exempt from the payment of any tax to the State Government. Now, after having issued the bonds free of tax, the Government say, "We are not asking you to subscribe towards the cost of Government of the State, but to the hospital fund."

Hon. E. H. Gray: For which they will receive something in return.

Hon. E. H. HARRIS: It has been pointed out that those persons are capable of paying for any hospital accommodation they may require. That may be so; but the principle involved in it is whether the bonds have been issued to them under certain conditions. If we are going to alter those conditions, the Land and Income Tax Assessment Act should be amended to provide for it. I will vote for Mr. Nicholson's amendment.

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

Ayes	..	..	..	..	9
Noes	..	..	..	..	11

Majority against .. 2

AYES.

Hon. E. H. H. Hall	Hon. J. Nicholson
Hon. V. Hamersley	Hon. H. Stewart
Hon. E. H. Harris	Hon. H. J. Yelland
Hon. J. J. Holmes	Hon. C. H. Wittenoom
Hon. A. Lovekin	(Teller.)

NOES.

Hon. J. R. Brown	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. G. W. Miles
Hon. J. Ewing	Hon. E. Rose
Hon. J. T. Franklin	Hon. A. J. H. Saw
Hon. G. Fraser	Hon. H. Seddon
Hon. E. H. Gray	(Teller.)

Amendment thus negatived.

Clause, as amended, agreed to.

Clause 6—agreed to.

Clause 7—Contributions in respect of income exempt from taxation:

The HONORARY MINISTER: I move an amendment—

That in lines 36 and 37 the word "department" be struck out and "Commissioner" inserted in lieu, and that in Subclause 1, paragraph (b) the words "department or to its local" be struck out and "Commissioner or to his" be inserted in lieu.

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

Clause 8—Contributions by companies:

Hon. A. J. H. SAW: I move an amendment—

That after the word "company," at the end of the first paragraph, the following words be inserted:—"but excluding any portion of such premium actually paid away by way of re-insurance effected in the State of Western Australia with any other company."

When the Bill was before us last session the Honorary Minister said it was not the intention of the Government to oppose the amendment.

The HONORARY MINISTER: I am advised that the amendment is unnecessary. The clause provides that every company subject to dividend duty shall pay certain contributions to the fund. Instead of paying on profits under the Dividend Duties Act the insurance companies will pay a percentage on the gross premiums. In the payment of contributions of $1\frac{1}{2}$ d. in respect of every £3 2s. 6d. of premium, the premiums on such contributions would be the net premiums after deducting re-insurance. We have no strong objection to the amendment.

Hon. A. J. H. SAW: I have been advised by members of the legal profession that they do not agree with the argument put forward by the Honorary Minister, and that the amendment is necessary.

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

Clause 9—Contributions in respect of salaries and wages:

The CHAIRMAN: It has been suggested to the Chair that instead of a long series of involved amendments to this clause being put, the expedient should be followed of moving that all the words after "by" in line 2 of the clause should be deleted with a view to inserting the words appearing on the notice paper. It is a somewhat technical breach of the Standing Orders to strike out certain words and re-insert them in the same Committee, such as will occur

in this case. If it is the unanimous wish of the Committee that this procedure should be followed, I will permit it to be done. As there is no objection, leave is granted to proceed on these lines.

The HONORARY MINISTER: I move an amendment—

That all the words after "by" in line 2 be struck out, and the following inserted in lieu:—"or on behalf of contributors upon receipt of such salary or wages, in accordance with the following provisions:—"

(a) Every person paying salary or wages to any other person shall be responsible for the payment by such person of the contribution to the Fund on each occasion that any payment of salary or wages is made.

(b) As and when every payment of salary or wages is received by any person, contribution to the Fund at the rate fixed by Parliament for every pound of such salary or wages shall be paid by one of the alternative methods specified in paragraph (c) of this subsection: Provided that if any such payment includes a fraction of a pound of not less than fifteen shillings, such fraction shall be reckoned as a pound.

(c) Contributions to the Fund shall be paid in one of the following alternative methods:—

(i) A person paying salary or wages shall collect on behalf of the Commissioner contributions to the Fund under this section, by a deduction from the salary or wages payable by him, separately shown on a pay sheet. In every such case contributions to the Fund by the employee shall be paid by the employer to the Commissioner accordingly, and the amount payable in respect of each payment of salary or wages may be deducted from such salary or wages by the employer. All matters pertaining to such deduction of contributions and payment to the Commissioner shall be subject to regulations made under this Act. (ii) Any person paying salary or wages may cause contributions to the Fund under this section to be paid by means of adhesive stamps of the requisite value, affixed to the pay sheet. Adhesive stamps in the prescribed form shall be issued by the Commissioner and his agents on payment of the value thereof, and the proceeds of the sale of such stamps shall be paid to the credit of the Fund. Any person paying salary or wages and collecting contributions under this sub-paragraph shall provide and supply to the payee the requisite stamps on payment to him of the value thereof. The collection of contributions by means of adhesive stamps shall be in accordance with regulations made under this Act.

(d) The Governor may by regulations under this Act prescribe which of the alternative methods of obtaining payment of contributions to the Fund shall be observed by employers and employees.

(2) For the purposes of this Act payments made at piecework rates for work done or labour performed shall be treated as wages.

(3) In the case of any contract for work or labour, including shearing, clearing, droving and carting, made by any person, or by or on

behalf of several persons, every payment made by the employer, or the person for whom the work or labour is done, or received by or on behalf of the person doing such work or labour, under contract, shall be deemed to be wages within the meaning of this Act.

Provided that a proportionate reduction as prescribed shall be made from the gross amount payable under the contract, as representing the value of plant and tools and other necessary outlay, when calculating the amount on which contribution is payable to the Fund.

(4) 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 (such work being their own personal labour) shall, for the purposes of this Act, be deemed to be wages.

(5) Contribution to the Fund in respect of salary or wages received by any person in the service of the Government of the Commonwealth or the State, shall be paid by such person to, and shall be collected by, the paying officer on behalf of the Commissioner, as and when every payment of salary or wages is received; but in lieu of compliance with the provisions of paragraph (b) of subsection (1) of this section, such contribution may, subject to the regulations, be collected on behalf of the Commissioner by the paying officer, by a deduction of the amount of the contribution from the amount of salary or wages payable; and the amount of any contribution so deducted shall be paid forthwith by such paying officer to the Commissioner, and a record of such deduction shall be entered on the pay sheet to be kept by the officer making the same."

Hon. A. LOVEKIN: Since last session the Honorary Minister has amended the Bill in accordance with the recommendations of the select committee. I have carefully perused this amendment, which seems to fit the case. It throws the whole responsibility for the collection of the money upon the Commissioner of Taxation. There is sufficient elasticity in the clause to enable him to collect the money in ways that may be most convenient to gather in the money. Personally I am quite satisfied with the clause.

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

Clause 10—Hospital benefits:

Hon. A. J. H. SAW: I move an amendment—

That in Subclause 3 the words "in a private hospital or" be struck out.

Last session, in order to test the feeling of the Chamber as to the desirability of including private hospitals in the Bill, I moved the deletion of certain words in the definition of "hospital authority." The

Committee were good enough to agree with me, and the words were struck out. The same principle is involved here. I have no hostility whatever to private hospitals. I have hardly ever lost an opportunity of speaking of the good work done by the sisters of St. John of God Hospital. Neither have I any hostility towards the other private hospitals existing in our midst. While in active practice it was my lot for many years to be in and out of private hospitals both day and night, and I am glad to say that I formed many friendships with the ladies conducting private hospitals. I desire to testify that in my opinion those ladies not only were skilful and considerate in attendance upon their patients, but worked extremely hard and conscientiously for scanty remuneration. It is somewhat ancient history, but as these particular ladies have now given up their work in connection with private hospitals, I would like to single out a few with whom I was associated and who, I am sure, enjoy the respect and esteem of the whole community—Miss McKimmie (afterwards Mrs. Scott), Sister Mary Nicholas, Miss Moore and Miss Anderson. There are many others, but those particularly occur to me as having conducted their hospitals on admirable lines and deserving, like the ladies conducting private hospitals that exist to-day, the thanks of the community. However, private hospitals have certain disadvantages and defects, due largely to the very high cost of running the hospitals, both with reference to skilled service in the form of nursing and cooking, and also as regards attendance upon the patients in various ways apart from nursing. It is in consequence of those high costs, and of the fact that fees in private hospitals are very low in this State—considerably lower, I believe, than in other parts of the world—that certain defects in private hospitals have crept in. Modern medical opinion favours the establishment amongst us of intermediate or community hospitals, where all patients can receive the advantage of the better equipment and the more special departments which are established in a large general hospital. There is nothing new in this idea of intermediate hospitals. They have been in existence in Copenhagen for many years, and Copenhagen has the reputation of being extremely advanced in everything that pertains to the health

of the community. By the way, Copenhagen and Wellington, New Zealand, claim the distinction of having usually the lowest infant mortality rates in the world. Only the other day I found a reference to the intermediate hospitals of Copenhagen in "Black and White," by Lord Knutsford, for many years chairman of the London Hospital Board. He mentions that during a visit he paid to Copenhagen in connection with hospital matters during the reign of King Edward, he found that there were no private hospitals in that capital, but that all classes went into community hospitals. The same thing exists in the United States. That is the ideal which, I think, the Australian medical profession have. Recently the Australian College of Surgeons passed a resolution laying down as one of their aims the establishment of intermediate or community hospitals. The local branch of the British Medical Association on the 18th February last carried the following motions:—

(1) That the British Medical Association urge the Government to investigate, if necessary by a special commission, the whole question of the provision of adequate hospital accommodation and services for all classes of the community. (2) That the British Medical Association approve of the principle of the financing of the health of the community by taxation, but disapprove of the subsidising of private hospitals. (3) That the British Medical Association are not in favour of temporary intermediate wards in public hospitals.

That is to say, they are not in favour of such wards at this precise moment, the reason being, I gather, that the public hospital is at the present time overcrowded and that those who, under present arrangements, have the right of seeking admission to it are frequently not able to get in, owing to the congestion that is always taking place there.

(4) That in the opinion of this association it is of the utmost importance that the Government should obtain an adequate site for a hospital, which will ultimately be a site for a medical centre for community health, and that on this site a start should be immediately made with intermediate wards.

When the select committee sat at the end of last session, I thought it would be a good thing to ask prominent medical men who have held the position of Chief Resident Medical Officer at the Perth Hospital for periods aggregating 15 years to give evidence: and they were good enough to do so. The first medical man examined was

Dr. Anderson, the present Chief Resident Medical Officer of the Perth Hospital. I quote from his evidence—

Have you formed any conclusion as to the effect it (the Bill) will have on the demand for accommodation at the Perth Hospital?—I think there will be an increased demand.

You are already over-taxed?—Yes, we have a waiting list of patients always.

Urgent cases find difficulty in getting admitted?—Yes, frequently.

If the Bill comes into force, what remedy will have to be taken to cope with the increased demand?—Another hospital will have to be built. There is no room on the present site for any increased accommodation.

Further on Dr. Anderson was asked—

Are there any other aspects of the question that occur to you?—I think the demand on our accommodation is going to be a big factor under the Bill. We simply cannot deal with any further demands than we have at present. We have always a waiting list of from 40 to 50 people waiting their turn to get in. It depends on the season of the year. There will be an additional demand which will necessitate increased accommodation, which we cannot provide on the present site.

Have you any opinion as to the desirability of paying wards to be attached to public hospitals?—Yes. The new hospital, when it comes, I hope will have intermediate wards and graded wards, thus getting back to the community hospital they have in America.

That, you think, is a better system than the proposal in the Bill to subsidise private hospitals?—Yes, it is much better from the point of view of the public and the community generally. At present we have one ward empty because we have not sufficient funds to carry it on.

Dr. McKenzie, a former C.R.M.O. of the Perth Hospital, also gave evidence. He was asked—

What remedy do you think will have to be adopted to cope with the increased demand?—The remedy I would suggest is one which I think is missing from the Bill, unless one reads it into Clause 12, which says "erecting, adding to, altering or renovating any public hospital." My remedy for the increase would be the establishment of intermediate wards in hospitals. I think the time has come when the intermediate ward question should be considered very seriously. You will remember, Dr. Saw, that it is one of the planks of the Australian College of Surgeons. They hope that by means of intermediate wards everyone, not only those able to afford it, but also those not able to afford it, will be placed in a position to obtain the best treatment.

And then Dr. Barker, who was the C.R.M.O. at the Perth Hospital before Dr. Mackenzie, said in answer to the question, "Have you thought of the desirability of the Govern-

ment building intermediate wards in connection with public hospitals?"—

Yes. I have always thought it desirable to have a sort of intermediate ward if it could possibly be arranged in a big public institution, because the patients there have the benefit of all the clinical research work that is going on, without increased cost. There is also the X-ray work and all that sort of thing, of which they get the benefit without having to pay specialists there high fees. They could not do it outside. The intermediate ward would help in such cases.

Then again there is this passage in his evidence—

Do you think patients would get better treatment under those conditions than they would in a private hospital?—I do not think there is any argument about the thing. I myself have, as you know, had a big experience of public institutions, and I always say that the poor man is much better treated than the rich man in the private hospital, with all his money.

It is because I am so firmly convinced that if the Bill is passed as it stands, it will be good-bye to any chance of the erection of any intermediate wards in connection with our public hospitals, that I am opposed to the granting of 6s. per day to patients in private hospitals. There are other reasons why I am opposed to that suggestion and I shall mention them shortly. On the other hand, the anticipated surplus that the Bill will provide, if the subsidy to patients in private hospitals is cut out, will, in my opinion, enable the Government to finance the provision of more hospital accommodation and better equipment for both non-paying and paying patients in the public hospitals. That is a crying need for the community. Should the Bill be limited to two years with respect to its application to private hospitals, which has been suggested, I am of opinion that once the grant has been made to the private hospitals or to the patients who are being attended to at those private hospitals, it will be impossible to withdraw that grant. I believe the demand on the part of patients who desire to go into the hospitals will be much increased under the provisions of the Bill, and consequently unless the subsidy of 6s. per day to patients at the private hospitals is cut out, there will be little, if any, surplus for other purposes. The precise extent of the increased tendency on the part of the public to adopt that attitude is probably rather difficult to gauge, but the three medical men who gave evidence before the select committee were most emphatic on the point that the effect of the Bill would be

to increase the demand of the people to enter private hospitals, because they would seek admission for much smaller ailments than at present. They also expressed the opinion that those patients would demand, both at public and private hospitals, to be allowed to stay for longer periods than they would consider necessary to-day when they have to pay for their attention at a private hospital. Then again, to-day patients in the public hospitals are there more as an act of grace, and therefore they are more under the control of the medical superintendent. However, the medical men I referred to anticipated there would be a great increase in the cost of any scheme as it exists at present, and that is another reason why I am opposing the subsidy of 6s. per day to patients in private hospitals. In my opinion such a system will lead to considerable extravagance and waste of the funds that will be needed under this scheme. I know the argument will be used that if we cut out this subsidy of 6s. per day to patients in private hospitals, then many who will be contributing towards the fund will not receive anything in return during the interval that will elapse between now and the time that an intermediate ward could be provided in the public hospitals. That argument does not carry much weight with me because the patients who will be admitted to the public hospitals under the same terms of admission as at present, namely, their inability to afford attention at private hospitals, will be entitled to free admission to the Perth Hospital, whereas at present they are supposed to pay something in accordance with their means towards their upkeep so long as they are in the public hospital. Under the provisions of the Bill, that class of patient will get this advantage, that he will receive free treatment at the institution. As to the other class of patient, who at present is denied admission to the public hospital, it is said that they will be paying something and receiving no benefit. The people who advance that argument do not consider the position of the persons who are paying towards the maintenance of our public hospitals, who receive absolutely no benefit from those institutions and who have not received in the past and will not expect to receive any benefit in the future until the Bill is passed. On the other hand, those people have shouldered the responsibility for contributions towards the hospitals and have done so ungrudgingly. With the exception of one hon. member of this House, I do not remember having heard

anybody protest against shouldering that expenditure on behalf of the patients in the Perth Hospital or other public hospitals. Although there has been no consideration shown regarding the ungrudging spirit in which those people have shouldered their responsibilities in connection with the provision of the existing arrangements at the Perth Hospital, there has been a great outcry on account of those people who, under the provisions of the Bill, will be contributing something and receiving no benefit for a period of 18 months. Such people will receive some benefit because the contributions that they pay into the fund will, if the amendments indicated by the Honorary Minister are agreed to, receive benefits within a short period. They will have the advantage of an intermediate ward in the public hospitals, and then every class of the community will have the right to go into the wards. I am not particularly concerned about the hardships of those who will have to pay the tax for 18 months and will not receive any immediate advantage as a result. The person who has the good fortune to remain in good health for that period will not obtain any immediate advantage from his contribution to the hospital fund, but I do not think there will be much outcry on the part of those people. There may be some slight protest, but I think it is largely in the anticipation. If those people see that their contributions are being diverted for the purpose of building institutions containing intermediate wards, and that better equipment will be installed in those institutions, they will recognise that they will have the benefit of the improved position. I do not believe there will be any large volume of outcry from those people because they will have to wait 18 months before they receive any immediate benefit. I mention the period of 18 months because we asked how long it would take the Government, if they put their shoulder to the wheel in earnest, to provide the necessary accommodation. We were told that it would take 18 months and that certainly within two years the hospital, with its intermediate wards, should be in running order. Personally, I believe that could be done, and therefore I do not consider any hardship would be inflicted by cutting out the contribution of 6s. per day to patients in private hospitals and utilising the money to greater advantage in the erection of additional hospital accommodation with intermediate wards. These are

briety the main reasons that have compelled me to adopt the attitude I have in connection with the Bill. I fully realise that hon. members usually listen to the views I advance on matters such as that under discussion, and consequently I feel a sense of responsibility in pressing proposals that are in conflict with some of the principles of the Bill. It is because I feel sure the proposals I have outlined will be much more advantageous in the interests of the health of the community than the Government suggestions that I move my amendment. There is one other point I wish to make. Hon. members may think that a considerable hardship may be inflicted on other hospitals in our midst, especially St. John of God. I do not believe that if the Bill is passed with the alterations I have indicated, St. John of God Hospital will be injured in any way. That institution has the advantage of most devoted and self-sacrificing nurses, in consequence of which the hospital can be carried on at a relatively smaller expense than other hospitals that are not so fortunately situated. I do not believe that St. John of God Hospital has anything to fear from the establishment of intermediate wards in our midst. I believe that institution will always be able to hold its own with intermediate wards in public hospitals, on account of the real advantages possessed by it.

Sitting suspended from 6.15 to 7.30 p.m.

The HONORARY MINISTER: I would like members to realise what the amendment will mean. It will mean the deletion of any payment to patients who desire to enter private hospitals. Quite a large number of people are not eligible to be treated in public hospitals, but when they are contributing under this scheme, they will claim the same benefit for their contributions as people eligible under the scheme, even if the amendment is agreed to. Outside the metropolitan area the amendment would have no effect, because most of the country hospitals are also intermediate hospitals.

Hon. H. Stewart: There are private hospitals in almost every country town.

The HONORARY MINISTER: I think there are only seven or eight recognised private hospitals in the whole State.

Hon. E. H. Harris: They are run by the public and not by the department.

The HONORARY MINISTER: I understand that the majority of the so-called private hospitals are purely maternity hospitals that do not come within the scope of this measure. Dr. Saw says it is necessary that there should be a high standard of efficiency in hospital service, and if we agree to subsidise private hospitals, patients will be admitted unnecessarily and will be kept there too long a period and some cases will be admitted that are really not hospital cases. He also claims that the payment of a subsidy would tend to the springing up of further private hospitals of poor quality.

Hon. A. J. H. Saw: I never used that argument.

The HONORARY MINISTER: Not during the second reading debate?

Hon. A. J. H. Saw: I think not.

The HONORARY MINISTER: Did not the hon. member refer to hospitals of mushroom growth?

Hon. A. J. H. Saw: I think not.

The HONORARY MINISTER: I accept the hon. member's statement. When he was moving his amendment I was pleased to hear him eulogise the efficiency of metropolitan private hospitals.

Hon. J. R. Brown: All doctors do.

The HONORARY MINISTER: Dr. Saw concluded with a eulogistic reference to the efficiency of St. John of God Hospital, Subiaco. I believe the hon. member is in a better position to judge of the efficiency of private hospitals than are other members, and it would not be right to deny the benefit of the payment to patients using them. It is possible there will be a great demand for hospital service once the Bill becomes law, but if the amendment is agreed to, I am afraid the demand will be much larger and it will be almost impossible for the hospital authorities to deal with the matter properly. Many people not eligible to be treated in public hospitals will demand that, because they are contributing to the scheme, they are entitled to the same benefits as people treated at public hospitals and therefore should be entitled to two guineas a week while in private hospital. This matter has received considerable attention since last session. The Minister for Health states emphatically that he is anxious to do only a fair thing, and he considers it will be unfair if we compel people to contribute to a hospital fund and then deny them any benefit

under the scheme. He says we must give them some service for the taxation imposed. To meet some of the difficulties enumerated during the second reading, the Government have compromised on the original suggestion. The alternative is a fair one that I think will meet the objections raised by Dr. Saw. The proposal is to insert a new clause to stand as Subclause 4 providing that the Governor may make regulations prescribing standards for hospital equipment, nursing or other services in private hospitals, and only such hospitals as comply with such statements and receive the certificate of the Principal Medical Officer to that effect shall be recognised as private hospitals to which the measure applies. In order that there shall be no quibbling as to what constitutes a suitable hospital, it is proposed to frame regulations on the advice of a medical advisory committee composed of five registered medical practitioners, three of whom shall be appointed on the recommendation of the British Medical Association. Such a committee would be careful to see that no private hospital was recognised unless it complied with certain high standards. On the question of the efficiency of private hospitals, it may be desired that there shall be a resident medical officer or staff, proper X-ray equipment—

Hon. A. J. H. Saw: Is there any private hospital at present having either of those qualifications?

The HONORARY MINISTER: I will deal with that later. It also may be desired that there shall be a pathological laboratory and electrical equipment.

Hon. A. J. H. Saw: There is no existing private hospital that fulfils those conditions.

The HONORARY MINISTER: That does not detract from my argument. If that is so, and the medical officers contend that the whole of those conditions should be complied with, the public hospitals would be the only ones available to take patients.

Hon. A. Lovekin: Would you put those conditions in the Bill?

The HONORARY MINISTER: I could not agree to do that. Dr. Saw has said definitely that St. John of God Hospital is one of the best hospitals in the State.

Hon. J. R. Brown: He is wrong.

The HONORARY MINISTER: That in effect it compares favourably with any hos-

pital no matter where one might go. But is it necessary that there should be an X-ray plant there for every patient? Does every hospital require an X-ray plant? The board of medical advisers we propose to appoint would take into consideration these particular details, and if members will listen while I conclude the reading of the suggestions I intend to put forward, they will see that it will rest with the medical profession as to which particular hospitals are to be available for particular patients.

Hon. A. Lovekin: Why fritter away money in the meantime?

The HONORARY MINISTER: Does the hon. member suggest that we are frittering away money when we are subsidising hospitals to provide treatment that cannot be got at the Perth Hospital?

Hon. A. J. H. Saw: It is your duty to provide intermediate wards in Perth.

The HONORARY MINISTER: I believe that will be done, but in the meantime it is necessary that we should make provision for those people who are contributing to the fund and who, if we agree to the hon. member's amendment, will be denied treatment in the metropolitan area except at their own expense. We have no desire to shirk our obligations; we want to be fair to every member of the community and that is why we are putting forward these suggestions which we believe are based on sound principles and will give a fair deal to every contributor to the fund. The Government have every right to insist that arrangements shall be made whereby all the contributors to the fund shall receive some benefit for the money they are called upon to pay. The suggestions I put forward, and which will be embodied in an amendment, continue—

If any contributor to the fund, or the dependent of a contributor, needs hospital services and desires to attend a private hospital and to receive hospital benefit under this Act, he must obtain from the chief resident medical officer of a public hospital or other medical officer appointed for the purpose, an order for admission to a recognised private hospital; such order shall not be issued unless such medical officer is of opinion that the patient is a proper one for hospital care. The order may specify the hospital or hospitals for which it shall be effective, and shall state a period during which it is to have effect: Provided that the period may be extended by any such medical officer from time to time.

Hon. A. J. H. Saw: Do you think that proposal is workable?

The HONORARY MINISTER: I do, and I base my opinion on the advice of those people who will have the administration of this particular measure. I think it is an excellent provision and until such time as we are in a position to provide intermediate Government hospitals, it is essential to have what I have just read.

Hon. E. H. H. Hall: Will any certificate be required for admission to a Government hospital?

The HONORARY MINISTER: Of course. It is not to say that because a person contributes to this scheme he is to be the deciding factor as to whether he shall or shall not have hospital treatment. That will be decided by the medical man who knows the requirements of the position. There are many cases that seek admission to the various hospitals which are really not hospitals cases at all, and consequently are turned down. The same thing will happen when this measure becomes law. The alternative I have suggested in the proposed amendment will give the medical officer in charge of a public hospital the right to determine the particular hospital to which the patient shall go.

Hon. A. J. H. Saw: And under your scheme acute cases will die before you can get them admitted to a private hospital.

The HONORARY MINISTER: Not at all. The hon. member knows well that very few acute cases are turned away from the Perth public hospital.

Hon. A. J. H. Saw: I said private hospital. They will have to go to the public hospital and get an order from the C.R.M.O.

The HONORARY MINISTER: Not necessarily.

Hon. A. J. H. Saw: You said so.

The HONORARY MINISTER: I know there are some members who are totally opposed to the Bill and who have declared they will not have it under any consideration.

Hon. E. H. H. Hall: They have not shown it.

The HONORARY MINISTER: Not once, but on several occasions. They are opposed to any suggestion that is put forward. I am submitting these proposals as a reasonable compromise on the various arguments advanced by different members. It is the Government's desire to have a workable measure, and they want a measure that will be equitable and fair to the com-

munity, and they want to be in a position to say to every contributor to the scheme that they will be entitled to hospital benefit. If the suggested amendment is agreed to, a large section of the community in the metropolitan area will be denied hospital treatment, notwithstanding that they will be paying for it. If the proposal I have suggested is agreed to, the majority of those entitled to treatment will receive it under the conditions I have endeavoured to explain. Dr. Saw says he is not prepared to agree to private hospitals being subsidised under this measure. There is a cleavage of ideas, and it is now for the Chamber to decide.

Hon. H. Seddon: Have the Government given any consideration, or taken practical steps in the direction of establishing intermediate hospitals since the report of the committee has been published?

The HONORARY MINISTER: Yes. Considerable consideration has been given to it, and steps will be taken as early as possible to carry it into effect.

Hon. H. STEWART: If the Minister had said a good deal less, his case would have been stronger. The Minister has told us that under the proposal he outlined, private hospitals would be safeguarded. Dr. Saw interjected that no private hospital was properly equipped, and the Minister then indicated the safeguards that would be adopted. In doing that, in my opinion, he considerably weakened his case. The position has been put before us very clearly by Dr. Saw and by the Minister, but there is a grave inconsistency in the attitude of the Minister who is representing the Government. He says that people who contribute to the fund should be able to go where they wish. If they desire to go to a private hospital they will go to one that will be regarded as efficient. In the Bill there is provision for a tax on incomes. In Clause 5, paragraph (b), it is provided that certain deductions shall be made. But nothing is said about a person who may devote about £1,000 to a hospital or £2,000 to found a scholarship, or £3,000 as a gift to the nation. Nothing of that sort will be allowed as a deduction. The Government would be well advised to correct that omission, for if the clause is allowed to stand as printed that sort of thing will dry up the springs of public-spiritedness. The Minister said he did not want the metropolitan

people to be less satisfactorily catered for by the hospitals than are the people in the country. But I want to be convinced that the people in the country are going to receive as satisfactory treatment as those in the metropolitan area. Where is there in the metropolitan area a community that, in order to get a hospital, raises the necessary money on a fifty-fifty basis and afterwards, on the same basis, raises the money for furnishing and equipping that hospital? Yet that has been done time and again in the country provinces. So, if the people in the country receive advantages from the country hospitals, which the metropolitan hospitals deny to residents of the metropolitan area, at all events the people in the country pay for their advantages.

Hon. J. R. BROWN: I want to see the Bill passed, but passed as a Government measure, not as one made up principally of amendments by private members. I do not see why we should worry about any private hospitals. Take the St. John of God Hospital. I have been there on two occasions. Dr. Saw has been there on many occasions. But he will always find it a pleasant place to go to, because the matron and the nurses are always dancing attendance on him. After the doctor leaves, the patients suffer. I went into the St. John of God Hospital, into the cheapest possible ward, where one pays two guineas per week. My name was placed on the danger list. Two minutes later I was smoking my pipe. A nurse said, "You are on the danger list; you must not smoke." Nine times I asked for a drink of water, but I never got it. That was in the St. John of God Hospital.

Hon. C. H. Wittenoom: You wanted a stick in it.

Hon. J. R. BROWN: No, I did not. The St. John of God is the worst conducted hospital in the universe. Yet they have money to burn. All they do for one is to make his bed and bring him his nourishment. This Bill was not intended for private hospitals. We want to get the Bill through, so as to help people who cannot pay a private hospital. At a Government hospital one gets proper attention from qualified nurses, which one cannot find in private hospitals. I went into the St. John of God Hospital the second time, and was there for four days, suffering from an ulcerated mouth. No doctor came near me,

so I told the nurse I was going home. She said, "You cannot go without a doctor's certificate." I said, "Well, I am going, just the same." She thought she had me bent because she fancied my clothes were in the wardrobe. But I had them in the little cabinet alongside my bed. She said, "You cannot go; you are running a temperature." I said, "I can run a temperature whenever I like." I left, having paid them a few shillings more than I owed. At that hospital, if you are not a paying patient, or one of their own creed, you are out.

Hon. A. J. H. Saw: Rubbish!

Hon. J. R. BROWN: It is not rubbish. You, of course, are not allowed to see it, for they camouflage it for you. Go in there tomorrow disguised as Bill Bowyangs, and see how you get on. Ask for a drink of water and they will not bring it to you.

Hon. E. H. H. Hall: Why did you not make your complaint in the proper manner?

Hon. J. R. BROWN: You have been away in the back blocks for a long time and you know nothing about it. I say these things do happen in these hospitals.

Hon. A. Lovekin: The staff at that hospital are most kind. I have been there lots of times.

Hon. J. R. BROWN: Most kind to you, for you would treat them liberally and grease their palms.

Hon. E. H. H. Hall: I rise to a point of order.

Hon. J. R. BROWN: You can sit down again.

Hon. E. H. H. Hall: On a point of order, is the hon. member justified in accusing another member of greasing somebody's palm? It is disgraceful that a member should indulge in such language.

The CHAIRMAN: Mr. Brown will withdraw.

Hon. J. R. BROWN: I withdraw. I want to see the Bill go through, but I want to see it for only three years, so that an opportunity may be given to create premium bonds, which would be more beneficial than a tax of 1½d. in the pound. I have no time for private hospitals. Members here are just wasting a lot of time over the question.

The CHAIRMAN: The hon. member will withdraw that.

Hon. J. R. BROWN: But we all waste a lot of time. However, I will withdraw. We

want to get funds for the hospitals as quickly as we can. As for private hospitals, they do not come within the scope of the Bill at all. If a man is prepared to go to a private hospital, let him go there.

Hon. H. SEDDON: I support the creation of a hospital fund whole-heartedly. But I stand entirely by the remarks of Dr. Saw in regard to the payment to private hospitals. The Bill was introduced for the purpose of providing funds for public hospitals, and before we extend it to embrace private hospitals we should consider very carefully, for we shall be establishing a precedent that we may not be prepared to follow. The Minister has stressed the need for the establishment of intermediate hospitals. I asked him what steps had been taken by the Government in that direction since the report of the select committee, and he told us the question had been given consideration. I was glad to hear that. The Government should be urged to press forward with all their power the establishment of intermediate hospitals. By passing the Bill we shall be imposing on every member of the community the duty to contribute to public hospitals, but we shall not be giving to any person the right to hospital treatment until the necessary accommodation and facilities are provided. People who in the past have not been able to gain admittance to public hospitals, and so have had to go elsewhere, can well continue to do that for the next 18 months, until additional accommodation at public hospitals has been provided. If the House stands by the principles enunciated by Dr. Saw and insists upon the funds being retained by the Government, public pressure will be put upon the Government to hurry them up with the establishment of intermediate hospitals. It is a step in the right direction to refuse to endorse the unwise principle of granting contributions to commercial institutions, at the same time insisting on the Government facing their obligations and establishing an intermediary hospital. Reference has been made to St. John of God's hospital. Everyone knows the fine spirit actuating the ladies who are working there in the interests of the sick and suffering. I do not think any unfair burden would be placed upon that institution by any refusal to grant assistance to it. We should insist upon the funds being retained for public hospitals, and upon the establishment of a big intermediary hospital to which the general public could go,

and where they would receive the attention to which they are entitled.

Hon. G. Fraser: In the meantime you would take the money under false pretences.

Hon. H. SEDDON: No. The tax would be imposed in order that every member of the community should bear his fair share of the cost of the upkeep of these public institutions. In the past they have been kept up by voluntary subscription. The object of the Bill is to make everyone do his duty by these hospitals.

The HONORARY MINISTER: Mr. Seddon said that public pressure would be brought to bear upon the Government to compel them to establish an intermediary hospital. There is no necessity for such pressure. The Government have gone further than any previous Government went in the matter of hospitals. They are fully seized of the seriousness of the position. Were they able to do all they would like to do there would be no necessity for this Bill. They desire to be fair to every section of the community. That was why I brought forward the compromise I did. Dr. Mackenzie claimed it would take 18 months to build an intermediary hospital of the type he considered necessary. I am advised that it would take between two and 2½ years to do so. During that period many people who will be contributing towards the fund will claim that they are entitled to some recompense for their payments.

Hon. A. J. H. Saw: Shake up your departments and get a move on.

The HONORARY MINISTER: They do not require it. We know from the condition of the building trade that it will take much longer than 18 months to put up such a structure.

Hon. E. H. H. HALL: I hope members will give due consideration to the remarks of the Honorary Minister. Mr. Seddon has repeatedly referred to "this intermediary hospital." Apparently he had in mind an institution for the city. This Bill is not one that caters only for the city.

Hon. C. B. Williams: It is what it means if we get the cash.

Hon. E. H. H. HALL: I feel it my duty to vote for this aspect of the position. I know that in the Geraldton public hospital there will not be room for all the patients who will be forthcoming when this Bill becomes law. At present they cannot get the same treatment they receive in private hospitals where the fees are much higher. I am

in favour of those who contribute to the scheme receiving 6s. a day to assist them in getting at a public institution the comforts that at present they can get only in a private hospital. It will probably be three years before intermediary hospitals are ready for occupation. In the meantime let everyone enjoy the benefits of the scheme.

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

Ayes	13
Noes	8

Majority for	5	—
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AYES.

Hon. J. T. Franklin	Hon. E. Rose
Hon. V. Hamersley	Hon. A. J. H. Saw
Hon. E. H. Harris	Hon. H. Seddon
Hon. J. J. Holmes	Hon. H. A. Stephenson
Hon. A. Lovekin	Hon. H. Stewart
Hon. G. W. Miles	Hon. H. J. Yelland
Hon. J. Nicholson	(Teller.)

NOES.

Hon. J. R. Drown	Hon. E. H. H. Hall
Hon. J. M. Drew	Hon. W. A. Kitson
Hon. J. Ewing	Hon. C. H. Wittenoom
Hon. E. H. Gray	Hon. G. Fraser
	(Teller.)

Amendment thus passed.

Hon. A. J. H. SAW: It would be harmful to the Bill if the second paragraph in Subclause 3 were left in. I therefore move an amendment—

That all the words from "such payments" down to the word "patient" at the end of the second paragraph be struck out.

Amendment put and passed.

Hon. A. J. H. SAW: I move an amendment—

That Subclause 4 be struck out.

This is really consequential. As private hospitals are not to be subsidised, it is not necessary that their records should be inspected for the purposes of this measure.

Amendment put and passed.

Hon. V. HAMERSLEY: With regard to paragraph (a) of Subclause (6), seeing that employers have to insure their workmen, it seems to me that under this paragraph they would have to contribute twice towards the hospital treatment of an injured worker.

Hon. J. Nicholson: This is a proviso that that shall not apply.

Hon. V. HAMERSLEY: The insurance will be paid, and when the patient goes into hospital, there will not be any relief in the form of rebate.

Hon. J. Nicholson: That would be under another clause.

Hon. V. HAMERSLEY: It seems to me that paragraph (a) should be deleted. Although the men will be contributing to the fund out of their wages, they will, under this paragraph, get no rebate.

The HONORARY MINISTER: The amount paid by the employer is much less than that contributed by the employee, and I do not think any employer would desire to get out of his contribution towards workers' compensation because of the introduction of this measure. Under the Workers' Compensation Act £100 is allowed for medical and hospital treatment.

Hon. H. Stewart: And it is "trotted" for all it is worth in many cases.

The HONORARY MINISTER: That is a fact. The remark applies to some medical men. We should be thankful that they are not all alike. Under the Workers' Compensation Act hospital treatment is rendered necessary by accidents, and we should not try to make exceptions to meet every case. I regard the provision as excellent, and I hope it will be retained.

Hon. H. STEWART: Mr. Hamersley has brought forward a matter which certainly hurts under workers' compensation insurance. The Honorary Minister has shown a desire to frame regulations. I suggest that the Government enlist the sympathies of the British Medical Association and see whether, with the valuable assistance of members of that body, something cannot be done to prevent the proceeding to which I have referred.

Hon. A. J. H. SAW: The previous speaker has cast an unwarranted reflection on the British Medical Association, who have discouraged any excessive charges on the part of medical men ever since the Workers' Compensation Act came into force.

Hon. H. Stewart: You have misunderstood my intention.

Hon. A. J. H. SAW: At the request of the insurance companies, the British Medical Association have established an advisory committee; and if any insurance company feels aggrieved the case is referred to the committee, and the men composing it go to

infinite trouble, without fee or reward, in investigating cases, eliminating any grievance, and bringing pressure to bear on any medical man who may be thought to have been guilty of undue charges. The British Medical Association are worthy of commendation instead of such remarks as have been made.

Hon. H. STEWART: Dr. Saw could not have heard what I said, if he thinks I cast any reflection on the British Medical Association. My words were laudatory, and suggested that the Government might derive valuable assistance from the British Medical Association towards preventing an evil which undoubtedly exists.

Clause, as amended, put and passed.

Clause 11—Proof that a patient is a contributor:

The HONORARY MINISTER: I move an amendment—

That in paragraph (a) the words “or the department” be struck out.

This is really a consequential amendment.

Amendment put and passed.

The HONORARY MINISTER: I move an amendment—

That paragraph (b) be struck out.

The paragraph refers to the possession of a membership card.

Amendment put and passed.

On motion by the Honorary Minister, paragraph (c) amended by the striking out of the words “by deduction on the pay sheet” and “Subsection 2 or 3 of.”

Clause 12—Surplus revenue:

The HONORARY MINISTER: I move an amendment—

That the following be inserted to stand as paragraph (a):—“Providing intermediate wards or hospitals where necessary and such provision shall be regarded as a first charge on any such surplus.”

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

Clause 13—Recovery of contributions:

The HONORARY MINISTER: I move an amendment—

That all the words after “two” at the end of line 2 be struck out and the following inserted in lieu:—“the Crown, and may be sued for and recovered by action in any court of competent jurisdiction at the suit of the Commissioner of Taxation.”

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

Clause 4—Inspectors:

The HONORARY MINISTER: I have an amendment in line 1 to strike out the words “of the department.”

The CHAIRMAN: That amendment is consequential.

Hon. A. LOVEKIN: I move an amendment—

That a new subclause, to stand as Subclause 3, be inserted as follows:—“Every auditor or examiner of the accounts who discovers that any pay sheet has not been stamped or is insufficiently stamped in accordance with this Act shall forthwith report the omission to the Commissioner of Taxation.”

There is no necessity to mention any penalties, because there is a general penalty clause in the Bill.

The HONORARY MINISTER: I have no objection to the amendment.

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

Clause 15—agreed to.

Clause 16—Penalty:

Hon. A. LOVEKIN: I move an amendment—

That in line 5 after “incure” the word “knowingly” be inserted.

In the same line I shall also move that after “or” the word “wilfully” be inserted. A man may make a mistake innocently and accidentally, and yet under the clause as it stands, he will be liable to a penalty.

The HONORARY MINISTER: I cannot accept the amendment. There have been many instances of individuals submitting inaccurate returns through an oversight or because of a mistake, and such incidents are comparatively simple to deal with. I do not think the Commissioner would contemplate for one moment taking a case to court when he was satisfied that a genuine mistake had been made. On the other hand, it would be a most difficult thing to prove to the satisfaction of the court that an individual had knowingly made a false statement or wilfully committed an act to defraud the fund of any contribution. There is no necessity for the amendment. We can leave the matter in the hands of the Commissioner of Taxation.

Hon. A. Lovekin: I am surprised to hear the Minister raise such a contention.

It is not what the Commissioner may think; it is what the clause sets out. All similar sections in Acts contain the words I wish to include. The Commissioner will not have any discretion in the matter, and the man who makes the mistake will be liable to a penalty. The amendment is merely in accordance with ordinary British justice.

Hon. A. J. H. SAW: Is it an easy matter to prove in a court of law that a man has knowingly committed an offence or wilfully committed a crime? Mr. Lovekin is anxious to include every safeguard, but here he is providing a loophole for the escape of criminals!

Hon. V. HAMERSLEY: I think the contention raised by Mr. Lovekin is correct. The fact that a man may make a mistake should not class him as a criminal. It is a simple matter to make a mistake in a return and some officials, if they get the opportunity, rub it in severely. The private individual has no redress or right of appeal unless he drags the Commissioner before the court. To-day there are hundreds of people who make payments they should not, rather than have a dispute with the department.

Hon. A. LOVEKIN: Because a man makes a slip he should not be convicted and we should certainly give him an opportunity to enter a defence. Under the clause he will have no such chance.

The HONORARY MINISTER: The hon. member should not take such a serious view of the position. Because a man is guilty of an offence, it does not say that he will be convicted for it. The Commissioner will have power to deal with such matters, and I am satisfied that we can safely leave the position in his hands. The amendment would make it almost impossible to secure a conviction.

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

Ayes	..	..	..	8
Noes	..	..	..	8
				—
A tie	..	..	..	0
				—

AYES.

Hon. J. T. Franklin	Hon. E. Rose
Hon. V. Hamersley	Hon. H. A. Stephenson
Hon. J. J. Holmes	Hon. C. H. Whitcomb
Hon. A. Lovekin	Hon. J. Nicholson

(Teller.)

NOES.

Hon. J. M. Drew	Hon. E. H. Harris
Hon. J. Ewing	Hon. W. H. Kitson
Hon. G. Fraser	Hon. A. J. H. Saw
Hon. E. H. H. Hall	Hon. H. Seddon

(Teller.)

The CHAIRMAN: The voting being equal, the question passes in the negative.

Amendment thus negatived.

Clause put and passed.

Clauses 17, 18, Title—agreed to.

The CHAIRMAN: Before reporting the Bill to the House I point out that Clause 1 will have to be recommitted. It says "This Act may be cited as the Hospital Fund Act, 1928." Has the Honorary Minister considered that point?

The HONORARY MINISTER: It seems necessary to alter that.

Hon. A. LOVEKIN: Perhaps it may be regarded as consequential on the alteration of the other figures.

The CHAIRMAN: The point is that Clause 1 was agreed to in 1928. I ask the Honorary Minister to look into that point.

Bill reported with amendments.

BILL—HOSPITAL FUND (CONTRIBUTIONS).

Second Reading Postponed.

Order of the Day read for the second reading of the Bill.

The HONORARY MINISTER: I move—

That this Order of the Day be postponed until the next sitting of the House.

Hon. A. LOVEKIN: In the interval I suggest that the Minister should look over the Bill again because there will be quite a number of alterations to be made in view of what we have done to-day, and the dates will have to be altered.

Motion (postponement) put and passed.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [9.4]: I move—

That the House at its rising adjourn until Wednesday, 3rd April.

Question put and passed.

House adjourned at 9.5 p.m.