

# Legislative Council.

Tuesday, 2nd December, 1930.

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

## BILL—STAMP ACT AMENDMENT (No. 2).

*Reinstatement.*

**THE MINISTER FOR COUNTRY  
WATER SUPPLIES** (Hon. C. F. Baxter—  
East [4.33]: I move—

That the Order of the Day for the second reading of the Stamp Act Amendment Bill (No. 2) be reinstated on the Notice Paper for Tuesday, the 9th December.

It is a very important matter to the Government that this Bill should be reinstated on the Notice Paper. It is one of the Government's taxation measures. Some members may be of the opinion that it will result in the Government's realising only a small amount of money, but nevertheless it is important to the Government in the present financial crisis. As far as possible, the Government have refrained from imposing taxation that is calculated to inflict hardship on any section of the community or on any industry by keeping up the present high cost of production. Therefore all the taxation measures introduced by the Government have been imposed on pleasures, and the Government feel they are quite justified in taxing those people who, during the present stressful conditions, can still spend money on pleasures. It may be said that the taxation for hospitals does not come within that category. There is this difference, that hitherto the amount of money found from Consolidated Revenue—last year it was £104,000—had to come out of the pockets of the small percentage of taxpayers who paid per medium of income tax, whereas

such a tax should be spread over all sections of the community. Therefore the hospitals tax can be justified owing to the strained condition of the finances. I trust members will view the question from the proper angle and agree that it is only just and proper for the Government to have an opportunity to enforce their taxation proposals, even though those proposals may be said to represent only a few paltry thousands. Those so-called paltry thousands are of great value at this juncture, and I trust members will see their way clear to approve of the reinstatement of the order on the Notice Paper.

**HON. J. CORNELL** (South) [4.36]: I oppose the reinstatement of the order. The Bill was debated at length and defeated on its merits. The measure was not defeated on the ground that the Government did not require extra taxation. It was defeated on the ground that it would be almost impracticable to administer it and because it represented an evasion of the law. The Criminal Code provides that all sweeps or art unions shall be unlawful. It was proposed practically to nullify that section and make sweeps lawful without amending the Criminal Code. It was intended to impose a tax on every ticket sold for every sweep or art union in which the principal prize was worth £25 or more. If that is not a contravention of the Criminal Code, I should like to know what is. The Government should have adopted the open, honest course. If they wanted to get the Bill passed, they should have repealed those sections of the Criminal Code that make sweeps unlawful. Then the unlawful aspect would have been removed and we could have secured taxation from a lawful avenue. Another remedy offering was to repeal those sections of the Criminal Code and apply the tax to the gross takings of all sweeps or art unions conducted within the State and on the gross amount forwarded to other States by art union agencies. The measure would then have been capable of intelligent administration. We are simply asked to reinstate the Bill, and its reinstatement will practically mean its enactment. I realise that the Government are hard pressed for money, but is this House to be an assenting party to raising money by devious means that are opposed to the law? I do not think we should be an assenting party. The rejection of the

measure will not in any way deprive the Government of that avenue of taxation. It will still be open to the Government, but it should be approached in a lawful and proper manner.

**HON. J. M. DREW** (Central) [4.40]: I oppose the motion on the same grounds that prompted me to oppose the second reading of the Bill. The measure that the Minister is asking us to reinstate practically gives a license to all and sundry to conduct sweeps, and it gives the license in defiance of the Criminal Code, which warns those people who desire to promote sweeps that they run the risk of being sent to the Fremantle gaol for three years. Under Section 212 of the Criminal Code the penalty is three years' imprisonment with hard labour. Unless we stultify ourselves, this Bill should, as Mr. Cornell indicated, be preceded by an amendment of the Criminal Code and an amendment of any other legislation on the statute-book relating to sweeps. Let us consider the position in which we should be placed. Some years ago we passed a measure providing that anyone who promotes or holds sweeps is guilty of an indictable offence. Here we are asked to make a law to throw on the Commissioner of Police the responsibility of ensuring that every sweep ticket is stamped. Is that fair? Is it just? Is it anything we could justify on a public platform, or anywhere else? The Commissioner of Police is not to worry himself about prosecuting for this indictable offence. His one concern is to see that each ticket bears the necessary stamp. He is to refuse to prosecute for a misdemeanour, but is to hand over to the Commissioner of Stamps for prosecution every individual caught with an unstamped sweep ticket. I do not suggest that sweeps are entirely undesirable. I am well aware that large sums of money are thus raised for charitable purposes that could not be secured by any other means. But sweeps should be under some control, and the Act should be so amended as to place the responsibility for exercising that control on the Commissioner of Police. Sweeps are under absolutely no control at present so far as I can discover, and so far as I could discover during the time I was in office. They were under control some years ago. In no circumstances were sweeps permitted in connection with horse racing, the reason be-

ing that it was considered undesirable to permit them. If we had allowed them, it was thought that certain undesirable elements would be introduced. Art unions arranged for charitable purposes were tolerated, but under strict conditions. No one was to enjoy any personal gain whatever from a lottery for any services rendered. All the work of organisation had to be done free of charge by everyone concerned. At the close of the lottery a balance sheet had to be submitted. If those conditions were not observed, a prosecution would follow. These things proved a strong brake against the increase of lotteries, which were held only for charitable, patriotic and philanthropic purposes. Towards the end of the war all this was changed and sweep promotion degenerated into an industry. I was surprised to learn some years ago, as the result of a Royal Commission, that horse-racing was an industry. Now sweep promotion has become an industry. All sorts of people in Western Australia, and especially in the city, are making money out of sweeps; and I am certain that only a small proportion of the funds raised finds its way to charitable objects. Last year the selling of sweep tickets in the public streets became such a nuisance that the Collier Government had to stop it. A few weeks ago the scandal revived in an aggravated form. We now see, without exaggeration, scores of persons in recesses bordering on the public streets selling sweep tickets, and in many instances soliciting passers-by to purchase. With this proposed legislation the nuisance will become intensified. The Bill is a direct invitation to all to start in the business of sweep promotion. There is not likely to be any discouragement from the Government. The more tickets sold, the more grist to the Government's mill, the more money to the Treasury. That would be all right if proper measures were adopted.

**Hon. J. Nicholson**: Do the Government mean to introduce a Bill to amend the Criminal Code?

**Hon. J. M. DREW**: If they proposed to amend the Criminal Code so as to give the Minister for Police power to make regulations for the control of sweeps, I would support this motion in order to assist the Treasury. But no such legislation has been promised. Therefore, to my regret, I shall have to oppose the motion in the absence of an assurance that the Government will sub-

mit the necessary legislation to amend the Criminal Code.

**HON. E. H. HARRIS** (North-East) [4.50]: As one who voted against the second reading of the Bill, I can assure the Leader of the House that I shall not reverse my decision. The objectionable features of the Bill were severely criticised when the measure was before the House. What the Minister has said to-day will not, I think, induce any member to change his vote. One of the features which prompted me to record my vote against the second reading was the knowledge that the Government are for the moment bankrupt, and that if the Bill is passed the Commissioner of Police will be asked to give permission for illegal sweeps to be conducted. Now, the more numerous the permissions given by the Commissioner, the more revenue will flow into the coffers of the Government; and the Government are anxious for revenue. If there were restrictions as suggested by Mr. Drew, and if a tax were imposed upon the net proceeds instead of on the tickets, regard being had to the amount of money utilised for the purpose for which the sweep was run, or, in other words, if there were no overhead charges and the sweeps were confined entirely to charitable purposes—I emphasise the charitable purposes—there would be less opposition to the Bill.

**HON. W. J. MANN** (South-West) [4.52]: Neither of the two previous speakers has advanced any convincing objection to the carrying of the motion. If we cast our minds back to the night of the division, we will remember that it was taken in a fairly thin House, only about two-thirds of the membership being present. There is nothing wrong in the motion moved by the Minister. I cannot help thinking there is a huge amount of hypocrisy flying around when sweeps are spoken of. Mr. Drew made a strong point of sweeps being illegal. However, the hon. member was Leader of the House for six years as member of a Government who did nothing to prevent the illegality, but condoned it in numerous cases, just like the present Government. The fact is that people will have their little gamble, will put their shillings into sweeps, whether the sweeps are legalised or not. The sooner we get a fair and above board State lottery, the better it will be for the community.

We cannot change the nature of people by Act of Parliament.

Hon. J. Nicholson: Do you not think we should change the Criminal Code?

Hon. W. J. MANN: That can be done. I shall vote for the motion.

**HON. C. B. WILLIAMS** (South) [4.54]: I am opposed to the taxing of sweep tickets. The introduction of the Bill gave an opportunity for an expression of opinion by hon. members as to whether there should be a State lottery or premium bonds. I do not believe in the Government looking for £5 from little sweeps conducted in Perth. We badly need money to provide work for the unemployed, and there is no easier way of obtaining funds than by conducting lotteries of some description. It makes one positively sick to see the number of sweep ticket sellers in Perth, to realise the amount of money that is going out of the State. Some promoters here run sweeps of the total value of £2,500 and receive a commission of one-third of the gross proceeds. If the promoter can get £700 or £800 out of a sweep, would it not be well for the Government to have recourse to that means of securing revenue? I shall vote against the motion, because I consider that the Government are merely tinkering with the subject. The time is ripe for them to deal with the matter thoroughly, instead of asking people to pay another 3d. for a sweep ticket. The revenue expected from the sale of Tattersall's tickets will not be obtained now that the lifting of the postal ban permits direct application to Tasmania.

**HON. G. FRASER** (West) [4.56]: I have not heard any argument advanced either by the Leader of the House or by Mr. Mann, the only other member to speak for the motion, that would cause me to alter my recent vote, when the second reading was negatived. We realise that the Government are, to put it mildly, broke, and that they desire to secure revenue from any available source. At the same time, one cannot get past the Government's hypocrisy.

Hon. H. Stewart: This is not the only case of hypocrisy.

Hon. G. FRASER: No; but the Government are in a position to alter the law, and they should do so. I would like to see them act on the suggestion not merely

to permit the running of art unions but also to establish a State lottery. Public opinion in the metropolitan area is almost unanimously in favour of State lotteries. In view of the number of institutions which to-day would have to close their doors were it not for the revenue derived from art unions, the Government should act immediately. Let us realise what the effect will be if the Bill is enacted. About 90 per cent. of the sweeps and art unions conducted in the metropolitan area are conducted on behalf of charitable organisations. The biggest is the R.S.L. art union, the funds derived from which are devoted to an amelioration fund, I understand. Should the Bill become law, a certain amount of money will be transferred from the R.S.L. amelioration fund to the Treasury. I hold that more good is done by that money under existing conditions than would result from its being paid into the Treasury. The amelioration fund assists people who are in dire distress. Most of the other art unions are run for the benefit of the Children's Hospital, the Fremantle Hospital, the Institute for the Blind and kindred institutions. Hon. members must acknowledge that the whole of the money raised through the medium of these art unions is put to good purpose. One highly objectionable feature, however, is that men are permitted to live on the game. Hardly anyone is in favour of that. No doubt it is absolutely necessary for the institutions to engage organisers, who over a series of years have built up connections for the sale of tickets. It is essential to the success of an art union that a man of that description should be engaged. Another objectionable feature of the Bill is the proposal to impose a stamp duty of 3d. on Tattersall's tickets sold in this State. It has already been pointed out to the Government that the greater proportion of the money we expect to receive from this source will not materialise, simply because the increase of the price of a ticket by 10d. will cause people to make application to Tasmania direct. I am unwilling that we should have happen in this State what happened in the Federal arena when the post office refused to handle letters for Tattersall's and, on the other hand, the Commonwealth taxed prize winners in Tattersall's. If the Bill becomes law, the Government will have to be prepared to sanction art unions and accept taxation from tickets. That procedure is wrong. The Government

should act honestly in the matter, by repealing the section of the Criminal Code forbidding the holding of art unions, and in addition a State lottery should be instituted. I hope the motion will not be carried.

The PRESIDENT: I must ask hon. members to discuss the question as to whether or not the Bill is to be reinstated on the Notice Paper, and not to discuss the Bill generally.

**HON. J. M. MACFARLANE** (Metropolitan-Suburban) [5.0]: I shall endeavour to follow the suggestion you, Sir, have thrown out, and confine my remarks to the reinstatement of the Bill. I ask members to consider why the Government desire to reinstate it. The answer, I think, will be that because the Government require the £5,000 additional taxation that it will yield. We are all discussing the matter from the point of morality and the necessity for instituting State lotteries to take the place of this expedient, because after all it is an expedient. At the same time I recognise the great need of the State to raise money from all sources, and if possible without taxing trade and commerce to the extent of throwing the State back for a longer period.

Hon. C. B. Williams: They will get rich quickly in this way.

**HON. J. M. MACFARLANE**: We can assist the Government to get rich quickly in this way, and later the hon. member, if he likes, can take any action he desires to bring about an alteration of the Criminal Code and so enable State lotteries to be carried on. I would support any measure to start State lotteries in preference to having numerous sweeps being conducted at the one time, and tickets being sold all round the city. Let us be frank with ourselves. We are here to assist the Government in their effort to extricate the State from the difficulty it is in, and we should try to assist them in all directions without unduly attacking the public purse, and in such a way as to prevent the unemployment of people. I do not see why I should reverse the vote I gave the other evening, which went on the side of the Government.

**HON. G. W. MILES** (North) [5.3]: I am going to reverse my vote. On the previous occasion I voted with the Government, but I do not think it is the right policy to

adopt, the Bill having been before this Chamber and having been defeated, to try to bring about its re-introduction. Members in their wisdom decided the question, but, as for the previous speaker, I think he indicated that some comprehensive measure of taxation should be brought forward, and that until something like that was done the country would not get out of its present difficulties. I am convinced that we shall not help the State by tinkering with legislation in this manner. On our Notice Paper there appears a motion for the re-introduction of a Premium Bonds Bill. We cannot prevent people from gambling, but we can legalise gambling to a certain extent. Premium bonds are not a gamble, and by investment in those bonds we would get more revenue than by the passing of the measure the Government ask us to assist them to reinstate. I suggest also that a measure they should introduce is an unemployment emergency tax of 6d. in the pound.

Hon. C. B. Williams: On a point of order; is the hon. member in order in discussing that matter?

The PRESIDENT: I ask Mr. Miles to confine his remarks to the reinstatement of the Bill.

Hon. G. W. MILES: The reason the Government want to reinstate the Bill is that they may get another £5,000 by way of revenue, and I am trying to show that by an emergency tax of 6d. in the pound it would be possible to raise a few hundred thousand pounds.

The PRESIDENT: Order! The question before the Chair is whether or not the Bill should be reinstated.

Hon. G. W. MILES: I am opposed to the reinstatement of the Bill, although I voted for it, and the House in its discretion voted against it as an indication to the Government to bring down a more comprehensive measure for raising money. I am in favour of either a State lottery or premium bonds, and when the latter is before us I will support it; but I object to the Government reinstating a Bill after it has been defeated on the second reading.

HON. H. STEWART (South-East) [5.6]: I hope Mr. Miles will not do what he has threatened. There are ample precedents for this action, and during the period that Mr. Miles has been in this House, too. The Factories Act, 1919, was defeated and

reinstated by a majority of one vote only. Sir Hal Colebatch was Leader of the House at that time. Then there was another reinstatement during the regime of the previous Government, when Mr. Drew was Leader of the House. I cannot for the moment recall which Bill that was, but I am certain my memory is not playing me false.

Hon. J. Cornell: Mr. Gray reinstated the Bread Bill.

Hon. H. STEWART: Thus we have two instances of the reinstatement of Bills during the period that I have been in the Chamber. Mr. Miles would employ other method for raising revenue; but I am afraid we shall have to wait until he becomes Premier before he can commend them to a majority of this House. There will certainly be an opportunity of doing what he suggests before the elections take place, and then if a party led by Mr. Miles should be returned we might have a tax of 6d. in the pound on all incomes. I see no reason why motion of the Leader of the House for the reinstatement of the Bill should not be agreed to, seeing that we have two definite instances of a similar thing having happened in recent years.

Hon. C. B. Williams: It is quite right that it should be so, because it is easy to make a mistake.

Hon. H. STEWART: Four members of this Chamber who are regular attendants were unavoidably absent when the division was taken, and their votes were lost to the Government. Some member said that there had been a long debate, but the Bill was not debated at length, and when the division was taken there was no indication as to how the vote would go. It is quite reasonable to ask that the Bill should be reinstated, so that the vote on the second reading might be taken before a full House.

HON. J. NICHOLSON (Metropolitan) [5.9]: The Leader of the House, when submitting the motion, said the Government were impelled to do so by reason of the condition of the State's finances, and it was necessary for the Government to get in as much revenue they could. The Bill which is sought to reinstate is one of the methods which the Government considered proper as a means of adding to the revenue. I voted against the second reading of the Bill but I would be the last to prevent the Gov-

ernment from pursuing what they consider the proper policy to follow in connection with the government of the country. This House should not embarrass the Government unnecessarily. It has been suggested that some members were absent, and that but for their absence the vote might have been different.

Hon. G. Fraser: That is a poor excuse for reinstating the Bill.

Hon. J. NICHOLSON: I opposed the Bill on the ground that it was practically legalising what was prohibited by the Criminal Code, and I am hoping now that the Leader will be able to assure us that he will do something in the direction of legalising this proposed imposition of the tax. He may not be able to give us that assurance to-day, but he should be given the opportunity to reinstate the Bill and to explain what the Government really intend to do in the way of repealing or amending that part of the Criminal Code dealing with lotteries. It would be highly immoral and wrong for us to pass the Bill without having the assurance that something will be done to legalise sweepstakes or that a Bill will be introduced to regulate them in some way. I propose to give the Government my vote on this occasion, but on the condition that I shall be free to exercise my vote against the Bill after it has been reinstated, should I not be given the assurance that a measure will be introduced to regulate the conduct of consultations.

Hon. G. Fraser: Let them do that first.

Hon. J. NICHOLSON: The Leader of the House may not be in the position to tell us this afternoon, but he should know that the House will have it within its power to reject the second reading of the Bill when it comes up again.

Hon. A. Lovekin: Let us have premium bonds; then we can get rid of all the sweeps.

Hon. J. NICHOLSON: I am not seeking to embarrass the Government. We all realise the seriousness of the position of the finances and that it is our duty to try to help the Government out of their difficulties as far as we reasonably can, but at the same time we must act consistently with the laws in force. I shall support the reinstatement of the Bill, but will reserve to myself the right to vote in any way I deem proper on the second reading of the Bill.

HON. H. SEDDON (North-East) [5.13]: I did not intend to speak on the Bill, but I consider it only fair that I should make my position clear. A little while ago when the amendment to provide for an alteration of the Stamp Act was submitted I endeavoured to get the starting price bookmakers brought under it in order that it might be extensive in its incidence. Unfortunately I was unsuccessful. Now discrimination is carried further, and sweep tickets, which are also illegal, are to be taxed. Although betting is illegal, racecourse bookmakers are allowed to carry on, but while this leniency is extended to the bookmaker, no protection is afforded to the starting price bookmaker. If the Bill is for the purpose of raising revenue, we should see that it applies all round. Starting price bookmakers should be made to subscribe and the Government should endeavour to amend the Criminal Code so as to permit of these methods of raising revenue to be carried on. If the Government wish to be consistent and desire to raise money from gambling in all directions possible, let them include that provision before reinstating this measure. The Government are simply asking that the Bill be reinstated so that they may have an opportunity of passing it to permit of the taxing of sweep tickets. In the circumstances, I do not think they have justified their position. Unless the Minister can put up some more logical argument why this motion should be passed, I shall vote against the reinstatement of the Bill.

HON. W. H. KITSON (West) [5.15]: The reasons advanced by the Minister for the passing of this motion do not, in my opinion, justify the House in reversing the decision arrived at the other night. The Leader of the House indicated there was only a comparatively small attendance of members when the Bill was defeated.

The Minister for Country Water Supplies: I did not.

Hon. W. H. KITSON: I understood the Minister to say so.

Hon. W. J. Mann: I said there was a comparatively thin House.

Hon. W. H. KITSON: I find that 21 members recorded their votes. There have been very few divisions this session with a greater voting power than that. We also have the admission from other members that two or three of our members were away

who might have been here had they known the fate of the Bill was to be decided.

Hon. H. Stewart: And members who had been regular attendants.

Hon. W. H. KITSON: That seems to be the main reason for the attempt to reintroduce this Bill. I opposed the measure before because I considered it was only playing with the question. It was pin-pricking legislation and taxation of a vexatious character, which could only take revenue away from deserving charities, in most cases. The total amount proposed to be raised is only £5,000. I was under the impression that in view of the other taxation measures the Government are bringing down this session they should get away from this kind of thing, and introduce legislation to enable them to tackle the question in a proper manner and to raise a reasonable amount of money. State lotteries or premium bonds would bring about either of these things. In view of the fact that the Government are introducing legislation which it is expected will provide £311,000 this year, according to the figures of the Government, I see no excuse for the reintroduction of the Bill, merely because two or three members were away who would have been present had they known the Bill was coming up for discussion. I oppose the motion.

Hon. E. H. GRAY (West) [5.17]: I oppose the motion because of the expense involved in policing the Bill, considering the paltry amount it is proposed to raise is only £5,000. In order to make the Act effective, it will be necessary to employ an army of inspectors to administer it.

Hon. H. Stewart: Work for all.

Hon. E. H. GRAY: Some arrangement would have to be made with the Commonwealth Government to prevent people from becoming law breakers and sending for their Tattersall's tickets direct.

Hon. A. Lovekin: Which they can do now.

Hon. E. H. GRAY: If this tax is imposed, people can save 9d. or 11d. per ticket by sending direct for those they require. It is not good policy to invite the public to become law breakers. On that ground, and on the ground that the tax is so small, I propose to vote against the motion. It has been suggested that it would be all right if the sweeps were run in an honorary capacity. If the Government brought in a regu-

lation to make all the labour connected with sweeps, honorary labour, and then put the tax, I am afraid no sweeps would be conducted. It is impossible to run a sweep successfully unless labour is employed and paid for. The only way to conduct a sweep is to put it in the hands of an experienced man. I object to the remarks that have been made about sweep promoters generally. I know some of them, and they are honourable men. If honourable men are running a sweep, it is honourably run, but if a crowd does so, the results are questionable. I oppose the motion.

HON. E. H. H. HALL (Central) [5.19]: I am pleased to hear an honoured member of this Chamber intimate that he intends to reverse his vote. I shall keep him company. It does not follow that if I vote for the motion I am reversing my vote when the Bill comes up for consideration in a week's time.

Hon. G. Fraser: It is a good indication that you are doing so.

Hon. E. H. H. HALL: The hon. member can take it that way if he likes. It does not matter to me whether 21 or 23 members were present on the last occasion when this measure was dealt with. My desire is to assist the Government if I can do so. If a majority of members want to accord their support to this Bill, it will be passed. I reserve myself the right to record my vote against the Bill, as I did before, but I intend to vote for the motion now before us.

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxton—East—in reply) [5.20]: The Bill does not deal only with sweeps conducted within the State. It deals also with those that are conducted outside Western Australia.

Hon. J. Nicholson: How are you to get the duty out of the latter?

**The MINISTER FOR COUNTRY WATER SUPPLIES**: I do not think many people who have been accustomed to buying their tickets through agents will depart from that practice. I am astonished at the attitude adopted by some members. I refer particularly to the ex-Leader of this House, Mr. Drew, and those who supported his Government, because more sweeps were conducted during the regime of the Collier Government than at any other time in the history of the

State. Those members now object to sweeps being taxed when they themselves missed the opportunity of doing so.

The PRESIDENT: I must ask the Leader of the House to give reasons for or against the reinstatement of this Bill. He must connect his remarks with the motion.

The MINISTER FOR COUNTRY WATER SUPPLIES: Certain members thought it necessary that this motion should be brought forward. If the Bill is reinstated, the Government intend to control sweeps after the end of the year. Sweeps are to be permitted until the 31st December. The Minister in charge of these things has almost concluded arrangements whereby in future they will be conducted under better control. The Government are not keen on sweeps at all, but those that are allowed will be conducted on better lines. This will carry us on until next session when, in deference to the wishes of members, a Bill will be brought down so that sweeps may be even better conducted than in the past. This is a taxation measure, and though the amount involved, £5,000, has been mentioned as a ridiculous sum, it is of considerable importance to the State in its present position. I trust members will support me by passing this motion.

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

Ayes .. .. .	14
Noes .. .. .	9
Majority for .. .. .	5

#### AYES.

Hon. C. F. Baxter	Hon. Sir C. Nathan
Hon. J. T. Franklin	Hon. J. Nicholson
Hon. E. H. Hall	Hon. E. Rose
Hon. V. Hamersley	Hon. H. Stewart
Hon. A. Lovekin	Hon. C. B. Williams
Hon. J. M. Macfarlane	Hon. H. J. Yelland
Hon. W. J. Mann	Hon. G. A. Kempton

(Teller.)

#### NOES.

Hon. F. W. Allsop	Hon. W. H. Kitson
Hon. J. Cornall	Hon. G. W. Miles
Hon. E. H. Gray	Hon. H. Seldon
Hon. E. H. Harris	Hon. G. Fraser
Hon. J. J. Holmes	

(Teller.)

#### PAIR.

AYE.	NO.
Hon. W. T. Glasheen	Hon. C. B. Williams

Question thus passed.

### LEAVE OF ABSENCE.

On motion by Hon. G. A. Kempton, leave of absence granted to the Hon. J. Ewing (South-West) for six consecutive sittings of the House on the ground of ill-health.

### BILLS (3)—FIRST READING.

- 1, Loan (£2,335,000).
- 2, Appropriation.
- 3, Forests Act Amendment.

Received from the Assembly.

### LOCAL COURTS ACT AMENDMENT BILL SELECT COMMITTEE.

On motion by Hon. J. Nicholson, the time for bringing up the report of the select committee extended to the 9th December.

### BILLS (2)—REPORT.

- 1, Housing Trust.
  - 2, Land Act Amendment.
- Report of Committee adopted.

### BILL—HOSPITAL FUND.

*Second Reading.*

Debate resumed from the 27th November.

#### HON. A. LOVEKIN (Metropolitan)

[5.25]: I shall say very few words regarding the Bill because I hope Mr. Kitson, who was in charge of the Bill we dealt with last session, will move that it be referred to a select committee for consideration. That course was adopted with the Bill we dealt with last session, and on that occasion the late Dr. Saw took great interest in the measure proposed by the Labour Government. Three major principles were thrashed out by that select committee. The first was that no person should be taxed unless he received some benefit from the imposition. The second was that none of the tax raised should be paid to private hospitals, while the third point was that the cost of collecting the tax should be minimised as far as possible by utilising the existing machinery for collecting it. The present Bill infringes practically all three principles. It proposes that everyone shall pay the tax, but few shall



receive any benefits in return. Only those in receipt of the basic wage—married persons in receipt of £230 a year or less, and single persons receiving £156 or less—shall receive hospital benefits, although all will have to pay the tax. Regarding the second point dealt with by last year's select committee, the phase stressed was not the payment of subsidies to private hospitals, but the payment to individuals who showed that they were bona fide in private hospitals because they could not secure suitable accommodation in public hospitals. That provision is omitted from the present Bill. Regarding the third phase, no attempt has been made to cheapen the cost of collecting the tax. Provision is made for payment in some instances by stamps and in other cases through the income tax. The Bill provides different exemptions from those included in the Land and Income Tax Assessment Act; hence, as the Commissioner of Taxation informed the select committee last year, the taxation proposals under the Bill will mean the re-assessing of practically every return, which will involve considerable added cost. We are paying something like £29,000 for the collection of our taxation at present, and if every return sent in has to be re-assessed, we shall have to add a considerable amount to the sum already paid to the Commissioner of Taxation to enable the work to be carried out. The result will be that the hospital tax will not net as much as is anticipated. It has been said that times have changed, and that there will not be as much money raised by means of the tax as would have been possible last year, owing to the reduction of incomes generally. I am prepared to admit that, to some extent, that may be so, but I claim the difference would not be difficult to make up. The estimated taxation to be collected under this heading last year was £217,000, for the payment of which everyone would have received some benefit. Under the present Bill, the estimated collection represents £156,000, but a limited few only will receive any benefits. If the Bill were referred to a select committee, that phase could be looked into. It could be ascertained that the estimated yield of £156,000 could be raised to £217,000, the amount of taxation anticipated last year, by an amendment to the entertainments tax. The Government have proposed an amendment to the entertainments tax, which is really part and par-

cel of the Bill now before us. In seeking to amend that tax, the Government have gone about it in the usual governmental method of drafting Bills. The first to be appealed to regarding such a measure should be those who know something about the business. In this instance, those who should have been appealed to are those who are conducting picture shows and other amusements. It is they who are best able to say what taxation could be paid without adversely affecting their operations. A deputation, comprising Mr. H. C. F. Keall and two others, waited upon me and showed how, by changing the incidence of the entertainments tax a little, the revenue to be derived could be considerably augmented. The yield proposed under the Government's measure is £56,000 and the deputation explained to me how, by changing a halfpenny here and halfpenny there, the Government could procure £87,000 easily without the entertainments business being adversely affected. They pointed out to me that their suggestions were framed with the object of helping the Government to secure more revenue by means that would not injure their own businesses. It did not matter to them how much the Government derived so long as the tax was taken in such a way that the entertainment business was not injured. The select committee could take evidence on that point and if they could indicate how £87,000 could be raised instead of the £56,000 proposed by the Government, and the added amount were placed with the £156,000 to be raised from the hospital tax, then the aggregate sum derived would approximate that suggested by the Labour Government last session. In addition, the benefit of hospital treatment could be extended to everyone participating in the taxation payments, instead of to a small section of the community only. I have dealt with this phase of the measure because I think it is the duty of Mr. Kitson, as the sponsor of last year's Bill, to move that the Bill be referred to a select committee, after we have agreed to the second reading. I will support the second reading with that object in view.

**HON. E. H. GRAY (West) [5.43]:** I oppose the Bill in its present form. I agree with Mr. Lovekin that the measure will not accomplish what the Government anticipate, neither will it provide help for many who require assistance. It is a taxing Bill, pure and simple. What concerns

me most is the position of our public hospitals. Formerly, about £25,000 was collected in the metropolitan area, including the Fremantle district, and that money is at stake. I cannot see how it will be possible, should the Bill be passed, for the Perth Hospital, the Children's Hospital, and the Fremantle Hospital to collect the funds that have been forthcoming in past years as the result of various efforts and appeals to the public. It does not require any intelligence to appreciate the fact that it will be impossible for the Fremantle Hospital authorities to collect the £4,000, or, in good times, the £5,000 that has been procurable annually. It will be impossible to raise any such amount from appeals should the Bill be passed. People who have made weekly donations to the hospital in the past when they received their wages, will not now consider it to be their duty to pay into the hospital fund, seeing that they will be taxed. That will be accentuated by the fact that a lot of those men will not be able to enter the hospital for free treatment when they require it. The same argument refers to the Perth Hospital. How can the existing voluntary scheme be continued when the men who are contributing to that scheme will have to pay the hospital tax? That is the big objection I have to the Bill. The Minister said the country hospitals would receive an amount of money that previously went into Consolidated Revenue. I think he said it was £36,000. But of course that does not affect the metropolitan hospitals at all; that will be applied only to the country hospitals. Even from the point of view of the country hospitals, I do not see how it will be possible for the local people to collect for their hospitals the same amount as they are collecting to-day. It seems to me that under the Bill the hospitals one and all will be worse off than they are at present. We missed a great opportunity when the Hospitals Bill was before us some three years ago. We should have recognised that the time had arrived for the introduction of such a tax. All of us are to blame for not having put that Bill through, since it will be some years before we can again get the public into the humour for such a Bill. When that first Bill was before us, all sections of the community were prepared to share the burden. I remember the select committee to which that Bill was referred. I think we all went too far, that even the late Dr. Saw went

too far; certainly we all missed an opportunity to put the hospitals out of financial danger. This Bill is a very poor imitation of the measure introduced by a former Government, and I hope some steps will be taken to improve it in Committee. As a workers' representative, I can say the Bill does not appeal to the workers, who will require hospital accommodation. On those grounds I will oppose the second reading.

**HON. SIR CHARLES NATHAN** (Metropolitan-Suburban) [5.48]: The Minister, in introducing the Bill, explained that the amount contributed from Consolidated Revenue to the maintenance of hospitals last year was £104,000, and went on to say it was expected that by the operation of the Bill no less than £156,000 would be collected. I recognise from the remarks made by various members, and also from opinions expressed by various hospital authorities, that the Bill contains some objectionable provisions. Therefore I hope the House will agree to the second reading, but that the Bill will then be referred to a select committee or, alternatively, will be amended in Committee. My principal reason for supporting the Bill is that we are faced with a falling revenue amounting, in five months, to some £900,000 as against the corresponding period of last year. Members may call this a Hospital Bill if they like, but personally I look upon it as a taxation measure. So we should think twice before we throw out a measure that will bring relief to the Consolidated Revenue to the extent of £156,000; because, after all, no matter from what source the money may come initially, Consolidated Revenue is eventually responsible. The objections raised by various hospital authorities is that under the Bill probably the hospitals will suffer to a considerable extent by the depreciation of the revenue from various sources which they enjoy to-day. But we must not lose sight of the fact that the State revenue is falling all round, and unless the Government are allowed to augment their resources in some way, the Government's contribution to the hospitals must necessarily be less in future than in the past. So, if we refuse to pass this measure, it may be that after this year the hospitals will find themselves in still greater difficulties; because they will have to go cap in hand to a Government with a depleted revenue, and so will have

but little prospect of collecting even the amount they had last year. I am not prepared to believe that the position from the revenue point of view will be quite as satisfactory as the Minister suggested. On his own figures he showed that the hospitals would benefit to the extent of £20,000 more than was received last year. In that probably he was incorrect. To inform myself I have made certain inquiries and taken out certain figures, as the result of which I am inclined to think that instead of having an excess of £20,000 over last year's figures, Consolidated Revenue may be charged with anything up to £20,000 or £25,000 to meet the obligations that will be thrown on the hospitals under the provisions of the Bill. We have been told that the Fremantle Hospital will suffer to an extent of something like £4,000, and I understand from what has been said in another place that the Perth Hospital will lose at least 60 per cent. of the amount collected by voluntary contributions, or £18,000, while the Children's Hospital, it is expected will lose 90 per cent. of its collections by voluntary contributions, or probably £8,000. So, if those three estimates are correct, the metropolitan hospitals as the result of the Bill will lose some £30,000 worth of voluntary contributions. In addition, there are the country hospitals. Assuming the proportion of voluntary assistance to those hospitals is reduced in the same degree as in the metropolitan area, it can be assumed that they will be £30,000 behind what they are receiving to-day. So it would seem that in the aggregate approximately £48,000 or £50,000 less will be collected from voluntary sources for the hospitals. But assuming that that money is lost, the Bill will still relieve the Government finances to the extent of the difference between that sum and the £156,000 it is expected will be collected under the Bill. So the general revenue of the State will profit, if not to the extent suggested by the Minister, to at least the extent of £100,000. Therefore, it seems to me that at such a time we are not entitled to throw away so much revenue to be collected through the tax and in other ways. Another aspect is seen in the position in which the hospitals may find themselves with the shrinkage in their revenue such as they fear. The Bill will impose certain statutory obligations upon the hospitals, and those obligations must be fulfilled. If the revenue placed at the disposal of the

hospitals is not sufficient for the purpose, then those hospitals, instead of going cap in hand to the Government as at present, will be in a position to demand from the Government as a right the amount necessary to enable them to fulfill their statutory obligations. So, from the viewpoint of the hospital authorities, the Bill will at least relieve them of a great deal of the worry and trouble they are experiencing at present. I trust the Bill will pass the second reading and will then either be sent to a select committee or will be amended in Committee to the extent of the removal of its anomalies.

**HON. C. H. WITTENOOM** (South-East) [5.57]: I am anxious to support the second reading. The startling announcement that the State's deficit is nearly a million in five months makes it necessary that the Government should receive for their taxation measures all the assistance we can give them. I will support the Bill if the Minister will give a satisfactory reply to certain questions I have heard asked in the House. I am sorry the Government have followed the example of other Governments in evading the responsibility of inaugurating State lotteries and the issue of premium bonds. An excellent opportunity for such action occurred when the Bill of 1928 was introduced. We have been told it would be years and years before sufficient premium bonds were applied for to make the amount worth bothering about. But the applications could have gone on side by side with the Bill, and in the course of time we would have been relieved of this very heavy hospital taxation, just as the Queensland Government have been relieved of it. Now I believe other States are considering the introduction of lotteries. I think the provisions of the Bill are generally good. It is only right that persons on the basic wage should receive free hospital treatment, and I agree, too, that pensioners and others should get certain benefits. My chief anxiety is the question of relief to country hospitals and committee hospitals. What is going to happen to them under this Bill I do not know, as the Bill does not state definitely what assistance is to be given to them. The committee-run hospitals of the country are not in the same position as the Perth Hospital, the Children's Hospital or other metropolitan hospitals. They are not under the sheltering wing

of influential men such as Mr. Lovekin and other powerful committee men, and I cannot see how they will secure the relief they should have under this measure. When the Minister was explaining the Bill he referred to the position of the metropolitan hospitals. He said that the Perth Hospital, notwithstanding that it had the honorary services of some of the doctors, was going back to the tune of some hundreds a month; the Children's Hospital, a very fine institution, was not only £5,000 behind in its accounts, but had to close up one ward; the Fremantle Hospital had not only gone back £5,000, but had to close up two wards. It is clear that something must be done to make up the leeway sustained by those hospitals, but the point that troubles me is that after their needs have been met and certain improvements have been provided for, how much will be left for the country hospitals? Many of the country people are greatly concerned about the future of their hospitals. They will have to pay the tax, and they will do that willingly, but they are fearful that in addition they will have to maintain their own hospitals. Country people take a great pride in their hospitals, subscribing generously to the funds and arranging entertainments to benefit the funds. I hope the Minister will be able to satisfy the House that country hospitals will be properly financed and will receive a definite share of the revenue from the tax. They should certainly receive a sum which, together with the amount usually obtained from subscriptions, will enable them to carry on. I shall not be able to support the second reading unless the Minister gives the House some assurance on those lines. The country hospitals have a right to a definite basis of payment. The Bill provides for certain patients receiving free treatment, but no suggestion has been made as to the extent to which the hospitals will be supported by the State. I feel it incumbent to stress this point because it means much to the people of the country, and they are very anxious about it. The Minister must give an assurance and must provide some definite amount that will be binding on the Government, as in these precarious times the life of any Government might not be long. I hope that will not be the experience of the present Government, but I wish to see embodied in the Bill some provision that will

be binding on the present and on future Governments. Last year the Government provided £100,000 out of Consolidated Revenue for hospitals. That was insufficient and another £4,000 or £5,000 had to be provided to enable the hospitals to carry on. It is doubtful whether the amount to be collected under the measure will be anything like what has been estimated. Certainly the people in the country districts will not be able to pay much in the way of hospital fees. Therefore I should like to see a definite sum of money, say, £10,000 or more, earmarked from Consolidated Revenue and provided for in the Bill. I shall support the second reading if the Minister gives a satisfactory reply to the questions I have put.

**HON. F. W. ALLSOP** (North-East) [6.6]: I intend to support the second reading. In many respects it is a measure that is needed. A good deal of sentiment attaches to hospitals. Some members have asked why the income tax should not be increased to raise the necessary funds, but I consider that taxpayers would create a tremendous fuss if a large amount were added to income tax, whereas they would gladly pay a hospital tax. When I was a young fellow in Victoria I, with others 18 or 19 years of age, joined the Australian Natives' Association. We paid a contribution of 1s. per week, which entitled us to medical attention and other benefits. There were other friendly societies to which young fellows of that time contributed for similar benefits. If we could pay 1s. a week for medical benefits during those hard years in Victoria, surely to goodness a young fellow earning £1 a week could pay the 1½d. tax that the Government are asking of him. In the Kalgoorlie-Boulder district the local government bodies have for many years guaranteed £500 towards the children's ward of the local hospital, and we have experienced no difficulty in raising that amount each year. Although the goldfields people will have to pay their proportion of the tax under this measure, I feel sure that they will not renege on that account. They will be pleased and proud to raise the usual amount for the children's ward, if necessary. I think it is a good thing for the Government to retain the £104,000 that was paid out of Consolidated Revenue. I do not want the hospitals to miss any benefit, but if that £104,000 is

utilised to alleviate cases of distress, it will prove of indirect assistance to the hospitals in that people will be kept in better health who would otherwise be unable to obtain proper food. The Bill might be amended in Committee, but I enthusiastically support the second reading.

**HON G. FRASER** (West) [6.9]: I oppose the second reading of the Bill. We have been told that this measure is similar to one I supported on a previous occasion, but there is a vast difference between this Bill and the Bill of 1928.

**Hon. H. Seddon**: There is a big difference in the state of the finances, too.

**Hon. G. FRASER**: That is so. In my opinion this Bill will not alleviate distress or provide hospital accommodation for sick people; it is a Bill rather to relieve a sick Treasury.

**Hon E. H. H. Hall**: I think that was said in another place.

**Hon. G. FRASER**: I am not aware that it was, but that is how it appeals to me. I arrive at that conclusion because past Governments have contributed about £90,000 to hospitals each year.

**Hon. G. W. Miles**: How could the Government contribute now without more revenue?

**Hon. H. Stewart**: Why this carping criticism?

**Hon. G. FRASER**: If the Government were sincere and introduced a just measure of taxation—

**Hon. H. Stewart**: You would oppose it.

The **PRESIDENT**: Order!

**Hon. G. FRASER**: That would depend upon the contents of the measure. But why could not the Government be honest? They say this is a Bill to impose a tax for hospitals. It is nothing of the kind. It is a tax to relieve the Government from paying £90,000 or £100,000 as was paid in previous years.

**Hon. H. Stewart**: The Government have told you what they propose to do.

**Hon. G. FRASER**: Of course they have, but it is not a tax to benefit hospitals; it is a tax to relieve the Treasury of the payment of £90,000 or £100,000 a year.

**Hon. E. H. H. Hall**: It is the same thing.

**Hon. G. FRASER**: How can it be the same thing?

**Hon. H. Stewart** interjected.

The **PRESIDENT**: I ask members to allow Mr. Fraser to proceed with his speech without interruption.

**Hon. G. FRASER**: It is a measure to relieve the Government of the payment that has usually been made to hospitals. The Government last year provided about £104,000 for hospitals, but the present Government instead of adding to that sum the amount to be derived from the hospital tax, propose to pay it into the Treasury. Another bad feature of the Bill is the restriction it places upon contributors—single men receiving £156 and married men receiving £230 or over. Those people will have to contribute their 1½d. in the pound and yet will be denied any benefit from the tax. That restriction is quite wrong, and it is one of the vital differences between this Bill and the Bill I supported previously. On that occasion every contributor to the fund was to receive benefits from the fund. Consequently when members contend that the two Bills are similar, they are not stating the fact. Under this measure the Government expect to receive £192,000, inclusive of the amount received from the entertainments tax. That is quite a good sum, but in my opinion it is not adequate for the maintenance of our hospitals. If the Government contributed the usual amount, that, plus the tax, would enable the various hospitals to finance their activities. The Government consider that the usual sum will be received from various sources, totalling £36,000. I very much doubt whether anything like that amount will be raised in future if this tax is imposed. To finance the Fremantle Hospital it has been necessary to conduct appeals to provide funds over and above the amount contributed by the Government and the fees collected from those patients who are able to pay. The appeals have been highly successful, and have generally resulted in £3,000 or £4,000 being raised. If people are called upon to pay a hospital tax of 1½d. in the pound and are denied any benefits under the measure, do members think it will be possible to secure support for similar appeals in future?

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

**Hon. G. FRASER**: Before the tea adjournment I was discussing the amount of revenue derived from appeals in the West Province. During the past two or three

years Mr. Gray and I have organised appeals which have proved highly successful, bringing in £3,000 or £4,000. If the Bill becomes law, I for one—and I believe I can speak for Mr. Gray—would not be prepared to tackle another hospital appeal. People contributing under the Bill 1½d. in the pound would not be able, when they fell ill, to obtain hospital benefits. After having subscribed to appeals and paid the 1½d. in the pound, they would have to pay hospital fees. Most of the men who support the appeals draw about £230 a year. It is in the public mind, and has been for some years, that hospital taxation must be introduced. I agree that such taxation is absolutely essential. While going so far, however, I cannot support the Bill for the various reasons I have outlined. In conversation with many members of the public I have learnt that they favour the Bill, but that is so merely because they do not understand its provisions. They believe that if the measure becomes law, they will pay 1½d. in the pound and receive hospital benefits. But they will not receive such benefits. Only yesterday I was speaking to a single man drawing about £4 per week, and he asked me about this Bill. Upon my telling him that I would oppose it, he seemed dumbfounded and said, "I cannot understand your attitude." Like many other people, he was under the impression that in return for the 1½d. in the pound he would receive benefits. But such is not the case. A single man drawing £4 per week cannot obtain benefits. Though many members of the public express themselves in favour of the Bill, they become opposed to it upon learning the true facts of the case. I do not favour the Bill, because it is not a hospital Bill in the true sense of the word. It is a Bill to relieve the Treasurer of certain payments made by him in previous years. I hope the Chamber will not agree to the second reading.

**HON. C. B. WILLIAMS** (South) [7.35]: I gather from Mr. Lovekin that the Bill is to be referred to a select committee. The Leader of the House, however, says he hopes not. In the latter case I shall have to vote against the second reading. I fully agree that the hospitals should get funds. People should pay for the upkeep of hospitals. On the other hand, I do not believe in this scheme for raising funds. The method will be too costly; much of the money

raised will go in administration. On behalf of the Southern Cross people, who run a hospital on medical fund lines, I protest against the Bill. They fear that if the measure passes, especially with Clause 13 embodied in it, their hospital fund will go out of existence, and that the district will be without either hospital or doctor. Under the Southern Cross scheme contributions are made to the medical fund and towards the upkeep of the doctor. It will probably be found that Southern Cross subscribers will not be content to pay twice. I also protest against the measure from the point of view of workers in the mining industry. Speaking on a similar Bill a couple of years ago, I expressed opposition to it for the same reasons. Many men working on the mines have to pay 6s. per month for hospital and medical attention. Now it is proposed to tax them, on top of that, for varying amounts. Further, after paying double they are to receive no benefit, because most of them earn more than the minimum for a married man, £230 a year, or the minimum for a single man, £156.

**Hon. F. H. Harris**: If they paid into a hospital fund, they are entitled to the benefits of the hospital.

**Hon. C. B. WILLIAMS**: Yes, under the present system; but their dependants are not similarly entitled. The Bill goes one better in that it provides for dependants.

**Hon. E. H. Harris**: Is not what you refer to a matter of insurance against entering a hospital?

**Hon. J. Cornell**: Yes; but why pay a tax?

**Hon. C. B. WILLIAMS**: The contribution of 3s. per bi-monthly pay is a condition of employment on the mines. Of the 18s. contributed every three months, 12s. goes to the doctor and 6s. to hospital upkeep. Every individual working on the mines has to pay that contribution. Now, on top of that, the Government propose to tax the mine workers at the rate of 1½d. in the pound. I would have no objection to even a tax of 3d. in the pound for hospitals, provided the money is devoted to hospital purposes. There can be no nobler object than that of raising money for the upkeep of hospitals to succour the sick, whether rich or poor. Under the Bill, however, the Government will collect the money and pay subsidies to the hospitals after deduction of fees for collection. I am against the proposed double-banking.

People who are already paying 6s. per month, will under this measure pay in addition not less than 7d. per week. I do not want the Treasury to get the money at the present time. It would only go to replenish Government funds; and the sooner the public wake up to that fact, the better. Money to replenish the Treasury should be obtained from people better able to afford it. I shall vote against the second reading, as the Minister assures me that the Bill is not likely to go to a select committee. Under the measure, country hospitals will not receive the funds they ought to get. People in the country work hard to raise funds for hospitals.

Hon. W. H. Kitson: And they will have to continue doing so.

Hon. C. B. WILLIAMS: If the subscribers at, say, Southern Cross object to paying twice, what will happen? Will the Minister give an assurance that if the Southern Cross people, on account of bad seasons, are unable to carry on, the Government will erect for them a hospital somewhat similar to that at Kalgoorlie? As matters stand, I must oppose the Bill.

HON. H. SEDDON (North-East) [7.43]: I whole-heartedly support the Bill, and sincerely trust that the measure will be finalised promptly. After all, we have to recognise that when the Bill of a few years ago was being debated, the one point of difference between this Chamber and the Government of the time related to contributions to private hospitals. The previous Government would have been wise to waive their contention in that respect and get the fund established. Their position would have been far stronger once they had the scheme established. There is a great deal of difference between the finance associated with this Bill and the finance associated with the Bill of some years ago, a difference entirely due to the very serious financial position in which we now find ourselves. The former Bill provided that people should contribute twice, and in some cases three times. In the first place they were contributing because every taxpayer who was paying his taxation in the ordinary way contributed to the upkeep of hospitals. That Bill provided that from Consolidated Revenue there would be made available a certain sum of money, I believe £150,000, for the upkeep of hospitals. In addition to that, each taxpayer would have to pay 1½d. in the pound, which contribu-

tion gave him the right to the use of the hospital. Further, it was intended that residents of those districts which had community hospitals, should continue to pay subscriptions to their funds. So that there would have been the anomaly, under the Bill in question, of some persons paying double contributions, and of persons who supported community hospitals paying treble contributions. In this Bill the same principle is involved—the principle of every member of the community who is receiving a wage or salary worth mentioning, being called upon directly to recognise his responsibility for the upkeep of hospitals. We have to recognise that if the Bill does not go through and if we do not get this contribution there is no guarantee, in the present condition of our finances, that any hospital in the State will get any assistance at all from the Government, knowing as we do that the Government have no funds. Some people who are objecting because they think they are going to be taxed twice, will find that if this money is not raised many hospitals will be closed because the Government will not be able to carry them on. The simplest way, I consider, is to impose a tax on income week by week or fortnight by fortnight so that the individual will have his responsibility really defined. In this way, too, we shall be getting at that section of the community which, in the past, has been escaping its responsibilities. That is to say, the wage earner who has not been directly contributing to ordinary taxation will now be bearing some share of the upkeep of hospitals. We have the spectacle of generously-disposed citizens voluntarily contributing to the maintenance of hospitals whilst there are also people who determinedly evade their responsibilities in this direction. Therefore I contend that the principle of a universal tax brings everyone to his sense of duty, and all will contribute to this worthy object. It is one of the first conditions of ordinary citizenship to provide for medical assistance being available to every section of the community. Reference has been made to the principle of earmarking taxation for a specific purpose such as this. Personally I consider this is a very wise and sound step. Most business men will admit that one of the first conditions in connection with business is that they shall sectionise their receipts and expenditure with a view to learning which particular department is

paying and which department is drawing on the general funds. Here now is a case where the Government will be able to see how its revenue is derived and the way in which it is spent, and there will not be any need for anyone to wade through a mass of figures to determine what portion of Consolidated Revenue is being devoted to this purpose.

Hon. W. H. KITSON: There will not be a special return for a special tax.

Hon. H. SEDDON: This special tax is being raised for the purpose of assisting hospitals. If we eliminate this tax we shall find ourselves compelled to eliminate half the hospitals. When it comes to a question of increasing taxation, I contend that we have not yet probed the subject. The time is not far distant when we shall find ourselves being obliged to face taxation the extent of which will stagger us. I intend to support the Bill, and I trust that its passage will not be delayed by referring it to a select committee, because, after all, the subject has repeatedly been investigated.

HON. E. H. HARRIS (North-East) [7.50]: In former years we have had long debates relating to hospital taxation, but the Bills that have been introduced have failed to pass. The Bill before us does not meet with my entire approval in its present form, and if I vote for the second reading it will be with a view to having it amended, that is, if it is not referred to a select committee, as some members have suggested. I consider that when we impose taxation on all people for hospital purposes, we immediately discourage the voluntary system of subscribing towards hospitals. In the case of committee-conducted hospitals which are subsidised by the Government, there is usually an energetic band of workers that are keen on maintaining the institution at a high standard. In some of the committee-conducted hospitals, citizens subscribe voluntarily, whilst in other cases the subscriptions are a condition of employment. I have before me a copy of the Mines Fund Agreement executed in 1921, and which has been in existence ever since. This provides that every person employed in the mining industry is called upon to pay 3s. per half month and, on the payment of £2 12s., that person is entitled to medical or surgical services in case of sickness or accident, together with all medicines, anaes-

thetics and hospital accommodation. Every person employed in the industry subscribes to a medical fund, to a doctor, and to the hospital. When such a person meets with an accident or falls sick and is taken to the hospital, he has already a bed provided and a medical man to attend to him. He has paid for all these conveniences. The object of the Bill we are discussing is not to give everyone a free bed in a hospital, but it is for the maintenance of hospitals generally, and any person who goes into an institution will be called upon to pay. Those who are engaged in the timber and mining industries and others voluntarily subscribe to hospital funds. There is the United Friendly Societies hospital fund, or it was in existence a little while ago, and there is now the West Australian voluntary hospital fund in operation in the metropolitan area. I have a copy of the regulation governing this, and it provides that anyone who pays a fee of 10s. is entitled to admission to a hospital. Whilst every citizen will be called upon to pay 1½d. in the £1 for the maintenance of Government hospitals, all will be called upon to provide from his own resources the cost of hospital attention. The arrangement by which 10s. per annum is paid to entitle one to hospital treatment is the cheapest form of insurance I know, and that person is at a great advantage as compared with the person who will be taxed to the extent of 1½d. in the £1 and will still have to pay his hospital bill. If every citizen were called upon to pay the amount of 10s. per annum, the income would be a wonderful assistance to the Government and to those individuals who require hospital treatment. The trouble, however, is in respect of country hospitals, and I fear that if we do not pass the Bill, and the Government run short of funds, many hospitals will have to close down, or if they do not close, they will reach that stage when they will not be of much use. The point about which I am concerned in respect of country hospitals is, who is going to pay for indigent patients, after the tax of 1½d. has been imposed. That tax will be paid into a fund from which the Government will distribute it. I do not know whether there will be a set of regulations to govern the distribution, but it would seem that the Minister for Health or some official will be the people who will allocate the money. I should like to ask the Minister on what basis it is intended to



make the distribution. I have received some letters of protest from hospitals in my province, and the writers consider that if the Bill be passed, all voluntary effort will cease. Immediately the individual is taxed, he will refrain from making generous subscriptions as he has been in the habit of doing. Local efforts, too, have been assisted by entertainments. That assistance also will disappear. These few remarks cover what I desire to say on the Bill, but in reply to some members who are objecting to pay tax twice, I wish to emphasise the point that people who are contributing in this way have practically insured themselves against hospital treatment. They are already paid for. There are dozens of other people who are not making that provision and have to make payments from time to time. Some of those who control hospitals and medical funds in other centres are a little perturbed concerning the money that will be handed to them by the Government. They consider that the Government should take the responsibility of paying for the beds that will be required by indigent patients. They also say that they may be unable to meet hospital costs with their decreased income without their hospitals deteriorating correspondingly. I shall vote for the second reading, but hope to see the Bill amended in Committee.

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East—in reply) [8.2]: Mr. Holmes expressed the view that the health of the community should be the first charge on the Government. The public health and hospital authorities cordially agree with the hon. member but, unfortunately, the Education Department, the Charities Department, the Railways Department, and other departments possess the same idea and in consequence the Treasurer, badgered by the many requests, is set a formidable task in spending the revenues to the best advantage, and in satisfying the demands of all deserving sections. For some years the hospitals have been in a difficult position, and on occasions have had to go short of requirements. Although it is imperative that hospital services should not suffer in the shortage of funds it is equally necessary that the Treasurer should not permit the collapse of industry. He has, therefore,

had to be very sparing in the past in regard to all expenditure, so that in addition to the hospitals all essential and contingent services in the interests of the industry and welfare of the people may move along smoothly. At present the requisitions to the Treasurer for money with which to carry on the hospital services are affected by requests for funds for other desirable activities, and in order to relieve that unsatisfactory state of affairs the Hospital Fund provides a real basis for hospital finance. In normal times, it is estimated that the Bill will provide ample money for all hospital purposes.

Hon. E. H. Harris: On what basis?

The **MINISTER FOR COUNTRY WATER SUPPLIES**: On the basis of this Bill. It should place hospitals on a thoroughly sound footing. Even in the present times of distress it is estimated the Bill will produce a little more money for hospitals, and, apart from that, it contains a basis on which hospitals may be financed for the future. Mr. Holmes stated that hitherto any patients who could pay have been made to pay. That is so, but in the aggregate hospitals have not received very much from the class of patient who, under Clause 11 of the Bill will receive free treatment, that is, the person, with dependants, receiving under £230 per annum, and the single person earning under £156 a year. The hon. member deprecated a special form of taxation for hospitals, and urged variation and extension of the basis of income tax. That method of taxation has been considered, but it is extremely doubtful whether any large general extension of the basis of income taxation could be effected, and there would be practically no hope of obtaining legislation which would place that kind of taxation on the same broad basis as the proposed hospital tax.

There is no distinction about the hospital tax. It is a special tax and it is to be collected in small instalments from wages and salaries, week by week. A very large majority of the people will scarcely notice that a few pence each week have been deducted from their pay envelopes and passed to the Hospital Fund. On the other hand the income tax is on a varied basis, and it would be quite impossible to arrange a scheme whereby small amounts could be deducted each week by the employer to meet the individual's obligation to the hospital

services. Speaking of Clause 9, Mr. Holmes referred to the deductions to be made for piece work or contract work, such as clearing, shearing, etc., and inquired how deductions would be arrived at. There will be no difficulty in that respect. When the amount of the contract is ascertained a fair proportion of the total payment, to be allowed for tools, plant, etc., will be deducted, and after inquiry that proportion will be fixed by regulation as authorised by the Bill. Here and there in his remarks the hon. gentleman dwelt on the setting up of a new department. There is no such intention. A new department will not be created. The whole of the collecting arrangements will be attended to by the Taxation Department, and that intention is in accordance with the recommendation of the select committee of this House which dealt with the 1928 Bill. Naturally some cost will be incurred by the Taxation Department in collecting the tax, but it will be kept down to an absolute minimum. The administration of the fund will be in the hands of the officers of the Medical Department, and the funds from the proposed tax will be spent and administered in exactly the same way as the ways and means usually voted for the purposes of the department.

Mr. Holmes spoke of certain funds organised by the mining community, Millars' Timber and Trading Company and others, and stated that those funds are contributed to by the employers and employees. Generally speaking, the funds are raised entirely by the employees, but the employers make the deductions on the wages sheets and hand the money over to the hospital and medical fund committee. The funds are almost invariably used to provide medical and hospital benefits, and employees who receive more than £230 and £156 per annum respectively will still need to contribute to the funds, otherwise they will have to pay the normal hospital charges, if they go into hospital. The hon. member questioned the position of the Home of Peace under the Bill. It is a splendid institution and the Government are indeed very grateful to it for the devoted care and comfort given to its inmates. Already the home receives a subsidy at the rate of £900 per annum, and in the administration of the funds to be raised by the Bill, the Home of Peace will be dealt with in the same way as all other public hospitals. The

hon. member is entirely incorrect in his statement that no matter how urgent a case may be no one will be able to get into a hospital without a certificate. This will answer Mr. Gray's question on the point. There will be no difficulties whatever in regard to admission to hospital. The existing system will continue, the only consideration being whether a case needs hospital care. The point where the certificate comes in, is at the stage when it has to be decided whether or no a debit will be raised against a patient for his hospital care. Until he can produce the necessary certificate under Clause 11, he will be debited at the ordinary rate for hospital attention, and will be expected to pay. Finally, Mr. Holmes asked the definition of a public hospital. He was correctly answered by Mr. Stewart, who drew attention to the 1927 Hospitals Act which specifies that any hospital in receipt of public funds or maintained by public funds is a public hospital. Therefore, every one of the committee hospitals, numbering over 50, will come under the provisions of the Act, as well as the large institutions in the metropolitan area. This will answer Mr. Wittenoom's question.

Mr. Kitson suggested that persons who are receiving State aid by way of rations will not be called upon to pay the tax, while persons who receive the same amount in value, that is, a man who is being paid wages, will be required to do so. Those receiving State aid will not contribute, but all persons in receipt of more than £52 per annum will pay the tax if the Bill becomes law. There will, of course, be some omissions, and some persons will evade taxation. In that latter regard there will be some persons like the wages men receiving £2, £3, or £4 per week for a few weeks, whose total income does not exceed £52 per annum, who should pay and obtain a refund later but who will neglect to do so. Admittedly there will be a few persons who will pay their contributions who do not really come within the spirit of the Bill. That possibility is unavoidable, and it would be very difficult to design a Bill to provide against their contributions. In any case, if a man receives less than £52 per annum in the aggregate and has paid tax, all that will have happened will be that he has paid a little over 6s. In the circumstances no terrible injustice will have been inflicted. Mr. Kitson seems to think that because of the free benefit provided in Clause

11, country and committee hospitals will not be able to collect much in the way of fees.

In the aggregate, the hospitals of the State collect up to £80,000 per annum. The great bulk of that amount comes from persons who earn above the basic wage, and a relatively small amount is collected from those whose income is within the category of the free benefit class. That being so, it is anticipated that the revenue from patients' fees will not suffer materially. All committee and other public hospitals will be expected to use their utmost endeavours to collect fees. After they have done their utmost, if there is a shortage under the heading of such collections, it is intended to adjust it by additional subsidies from the funds raised by the Bill. Mr. Drew stated that the cost of collection of the tax and the cost of administration were difficult to gauge. I can assure him that not more than £6,000 will be expended by the Taxation Department in collecting the tax, and that the cost of administration will be nil, because the administration will be with the Medical Department and that Department will require no additional staff to administer the Act. The hon. member also said that the public had been supporting the Perth Hospital very generously, and that about £30,000 was raised last year by public entertainments and appeals. In reply to that statement, I am advised that the amount contributed by the public in subscriptions and donations, and various special efforts towards the general maintenance of Perth Hospital was £3,287.

Hon. J. M. Drew: But the statement you refer to was made by a member of the board!

The MINISTER FOR COUNTRY WATER SUPPLIES: Perhaps Mr. Drew was referring to the total amount given to all hospitals in the State by the means referred to. If so, that amount was under £27,000 last year. Mr. Drew also called attention to the abolition of the annual vote that has been provided by the Government for many years past. In that regard, there can be no question that if the Hospital Fund Bill becomes law, all the annual subsidies at present paid will be continued.

Hon. E. H. Harris: Will there be a first charge on revenue?

The MINISTER FOR COUNTRY WATER SUPPLIES: There is no question of abolishing any of them, and furthermore, in most cases additional subsidies will be payable to make up for a lessened amount received from subscriptions, donations and special efforts, and on account of patients who may claim free treatment under Clause 11 of the Bill.

Hon. W. H. Kitson: Where will the subsidy come from?

Hon. E. H. Gray: The Perth Hospital got £6,000—

The PRESIDENT: Order!

The MINISTER FOR COUNTRY WATER SUPPLIES: Referring to the remarks of Mr. Cornell on the position at Southern Cross and particularly to the letter from the chairman of the local district medical fund, which was quoted by the hon. member, it should be remembered that the fund at Southern Cross is almost entirely a medical fund. That fund contributes about £300 per annum to keep a doctor in the district, but there are only a few subscribers to the hospital fund. The Bill makes no change whatever in the arrangements for medical practice and the payment of subsidies by the Government. The Treasury finds about £8,000 annually for the subsidies referred to. That vote will be continued and it will not be affected in any way by the re-arrangement of finance, which will be made if this Bill passes.

Mr. Cornell quoted a paragraph in the letter from the chairman of the Southern Cross District Medical and Hospital Fund Committee, in which it was stated that maternity cases were not provided for, and that it would mean the closing of the subsidised hospitals. The Medical Department does not agree with that view. The idea of excluding maternity cases from benefit is that such mothers receive a £5 bonus from the Commonwealth Government, and consequently those people will continue to pay hospital fees as at present. If maternity cases were not excluded from the benefit of Clause 11, then there would be reason for the assumption by the chairman. In any case, the Southern Cross fund will not be affected by this Bill. Concluding his remarks, Mr. Cornell urged that the time was never so opportune for some measure of free medical treatment for those requiring it. Presumably the hon.

member was not referring to the Bill when he ventured that opinion. As previously stated, the Bill does not in any way affect the existing arrangements for medical services. Existing subsidies will be continued, and where medical funds exist, those contributing to them will still have to pay their subscriptions as do thousands of lodge members, in order to secure medical service.

More than one hon. member has expressed himself in favour of the Bill that Mr. Munsie introduced in 1928, and comparisons unfavourable to the present Bill have been made. In 1928, it was estimated that a contribution of 1½d. in the £ would produce £217,000. The present Bill makes the same contribution, but in realisation of the times of financial depression, it is estimated that the amount to be collected, so long as the depression continues, will probably be about £156,000. If Mr. Munsie's Bill were re-introduced now, £156,000 would be quite inadequate to meet the needs of that scheme. While hon. members speak of the money to be derived under the Bill before the House as quite inadequate, it has to be remembered that the Bill lays down a charter for hospital finance, not for this year only but on a basis of permanency, and that when times become appreciably normal, the Bill will certainly produce reasonably ample funds for all hospital needs.

Hon. C. H. Wittenoom: What about in the meantime?

The MINISTER FOR COUNTRY WATER SUPPLIES: Therefore the Bill should not be judged merely on the present. As things are, however, it is estimated that the hospitals will in the aggregate be from £15,000 to £20,000 better off than they are to-day. It has also to be remembered that if no special provision of this nature were made, the chances are that even this year the Treasury would be quite unable to find the £104,000 that they provided for hospitals last year. That is a very important aspect which must not be overlooked.

Some hon. members urged that the Bill should contain some provision specifying the basis for the distribution of the hospital fund. At the present time the department distributes about £100,000 that the Treasury provides, and it has been so doing for very many years. Under the system now in force the final responsibility for the allocation of

the vote is in the hands of the responsible Minister. In the past, no arguments have ever been raised or criticism offered in regard to the functioning of that method. If the Hospital Bill goes through, then the Minister, as heretofore, will be the final judge as to the allocation of the funds derivable under the Bill. In one Hospital Bill that was introduced, provision was made for the appointment of a trust, but Parliament would not agree to the proposal and insisted upon definite Ministerial responsibility. It has been contended that some definite basis should be adopted for the subdivision of the subsidy. The basis that first occurs to one's mind, of course, is a certain amount, say, 6s. or 8s. per patient per day, but then there are certain variable factors. While payment at that rate—say, 6s. per day—might be inadequate for the Perth Hospital, it might be more than adequate for Beverley.

The variable factors in the situation are: (a) the size of the hospital. A large institution like the Perth Hospital costs 9s. 3d. per patient per day, but even that hospital costs more than some of the medium-sized country hospitals. Those at Geraldton, Northam, Collie, Katanning and Bunbury average about 8s. per patient per day, because they do not maintain expensive special departments, such as have to be organised at a large hospital. But when we come to smaller hospitals like those at York and Margaret River, the cost is 12s. per day, while at Broome the cost is 19s. per day. The numerous small committee hospitals about the country cost from 11s. up to 20s. per patient per day. (b) The second factor is the cost of commodities. It is obvious, for instance, that the hospital at Leonora cannot buy its supplies as economically as the hospital at, say, Northam. (c) The third factor is the proportion of indigent cases. Hospitals like Perth and the Children's receive a large proportion of cases that cannot pay anything, and another large proportion of patients that can only pay a small amount, whereas hospitals in districts like Moora, Beverley, Bruce Rock and Katanning can collect a large proportion of the patients' fees that they earn. Our experience is that each hospital has its own peculiarities and needs, and these are all taken into account by the department in paying out the existing subsidies; and they will continue to be taken into account in

allocating such additional moneys as may be available under the Bill.

If the Bill becomes law, the method by which it is proposed to administer and allocate the funds made available will be—

(a) Each hospital board will be expected to organise and administer its hospital on a sound economical basis.

(b) It will be expected to use its utmost endeavours, and utilise also its legal powers, as may be necessary, in the collection of fees from patients.

(c) It will be expected to do nothing to discourage subscriptions and donations; from the holding, for instance, of recognised social events which might benefit the hospital financially, such as an annual hospital ball or an annual sports meeting.

(d) Subject to the foregoing, the department will find the necessary funds to meet the differences between the expenditure on an economic basis and the revenue received under (b) and (c).

The department already receives regular quarterly returns from all hospitals, and is in fairly close touch with the management of each of the institutions. From its past experience, the department has quite a good knowledge of the efficiency with which the various boards function in regard to items (a) and (b), and the department will certainly use the additional powers that this Bill will thus provide, of ensuring that efficiency is exercised in the directions mentioned.

Various members referred to the difficulty which hospitals will experience, such as Meekatharra and Norseman, which, at the present time, derive a considerable amount of their revenue from medical and hospital funds. In the first place, it must be remembered that invariably payments to these funds cover medical as well as hospital service. The existing arrangements for medical service are not in the faintest degree affected by this Bill, and persons who at present contribute to such funds will need to continue their contributions if they desire to receive medical service without additional charge. So far as payments by fund members for hospital services are concerned, the funds will be affected probably by the withdrawal of that proportion of their members for hospital service, whose income is below the figures named in Clause 11, namely, for married persons £230, and for single persons £156, and to that extent only will hospitals suffer. It is estimated that the difference that concession will make

to fund subscriptions and patients' fees is about £8,000 per annum.

When members refer to the great support that regular weekly contributors have made to hospitals, it should be borne in mind that the payments are purely for benefits received. The people of Meekatharra, for instance, who have been paying 1s. 6d. a week for many years, have been covering themselves for certain benefits, and, indeed, have received benefits at a low rate. They have obtained them, as a matter of fact, cheaper than similar benefits could be obtained in Perth. Contributors to the funds should not "pat themselves on the back," as it were, and think how much they have been helping to support the hospital. As a matter of fact, they have not, as in practically every case the contributions that they have made have not covered the cost to the committee of the benefits that the contributors have received. It has been stated that the Northampton, Meekatharra, Norseman, and Southern Cross people interested in hospitals are all opposed to the Bill, and I think one member stated that all country hospitals are against the Bill. I am certain that is not so. In the first place, unfortunately, some of the hospital boards referred to have taken seriously the unauthorised statements made in opposition to the Bill and have not discussed it with those who could give them correct information. The Northampton Hospital Board, for instance, a day or two ago sent one of its members to the department to discuss the matter, and that member left perfectly satisfied that the financing of the Northampton hospital would be satisfactorily carried on through the department if this Bill became law. In future, if Parliament approves, the Entertainments tax will be paid to the Treasury and the department will receive the benefit of the patients' fees which are now paid into revenue.

Altogether about £80,000 per annum is collected by the various hospitals in patients' fees. The hospitals that are locally managed to retain their own fees and use them to cover part of their expenditure. For departmentally managed hospitals the Treasury finds the bulk of the money necessary to meet the expenditure, and the fees that may be collected are paid into Consolidated Revenue. The fees so collected approximately balanced the money received last year from the entertainments

tax. Members suggested that the fees the department will get by the proposed exchange are almost a vanishing quantity. It may be interesting to note that for the expired portion of the current year, the fees so collected are about £1,200 greater than for the corresponding period of the previous financial year, and the pleasing feature is that the fees came to hand without any special effort or drive on the part of the department. Mr. Cornell asked for a clear indication that the funds to be raised will be used for hospitals and hospitals only. That is clearly stated in Clause 3, which legally constitutes the fund. Again in Clause 14, the moneys of the fund can only be expended by the responsible Minister, and the State Treasurer will have no power to spend one penny of the money that comes through the Bill into the fund. Mr. Lovekin referred to the select committee that considered the Bill of 1928 and made a statement regarding that committee. This House was well satisfied with the report of that committee, which was as follows:—

1. In view of the evidence your Committee is unable to advise the passing of the Bill in its present form.

2. In the alternative, your Committee suggests—(a) that the Bill be re-cast for the purpose of dissociating the collection of the tax from the distribution of it; (b) that so much of paragraph (3) of Clause 10 of the Bill as provides for payment to private hospitals be omitted; (c) that intermediate wards be provided at public hospitals as early as possible.

3. That as the need for further financial aid in respect to public hospitals is urgent, it is advisable that some measure of relief be established without delay.

Regarding paragraph (a) of that report, it has been carried out in this measure. The Taxation Department will collect the tax and the Medical Department will attend to the administration. As to paragraph (c), that will be carried out if funds permit. The Government are determined on that point. So regarding those recommendations, the Bill is quite all right. I cannot understand what is in the minds of those members who now desire to send the Bill to a select committee. No case whatever has been put up in support of that desire. As for recommendation No. 3 of the select committee of 1928, is there any member who will say that the position to-day is not far worse than it was then?

Hon. W. H. Kitson: And this Bill will not provide an extra penny.

The MINISTER FOR COUNTRY WATER SUPPLIES: What is the use of the hon. member talking like that? Where does he think the money for the maintenance of hospitals will be found, except by the Bill? It is very strange that those who supported the Bill of 1928 brought in by their own party should now be denouncing this measure. The only difference between the two Bills to which they can take exception is that this measure makes no provision for free hospital treatment or for the payment of 6s. per day on behalf of hospital patients. Why? Because we could not establish such a fund to-day. The Bill of 1928 did not survive, because this House would not agree to the proposed payment to private hospitals. There is no such provision in the Bill before us. So I ask why should there be any objection to this Bill, especially by those members who supported the Bill of 1928? And I ask also why there should be any need to refer the Bill to a select committee?

Hon. W. H. Kitson: There is every need.

The MINISTER FOR COUNTRY WATER SUPPLIES: The hon. member has put up no case in support of sending the Bill to a select committee. In conclusion, I give hon. members my assurance on behalf of the Government that they will not relax their efforts on behalf of the sick of the State. Particularly will that be so in the interests of those who find themselves in need of hospital accommodation in these days of financial stress. If sufficient funds are not provided as a result of the passage of the Bill, then other services will have to go by the board before that associated with our hospitals. I trust members will realise the seriousness of the position and realise also that the Bill affects those who, unfortunately, in the near future may be sick and in need of hospital attention. I hope members will assist the Government in getting the Bill through its second reading and saving the time that would be lost by sending it to a select committee.

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

Ayes	..	..	..	..	19
Noes	..	..	..	..	5

Majority for .. .. 14

## AYES.

Hon. F. W. Allsop	Hon. W. J. Mann
Hon. C. F. Baxter	Hon. G. W. Miles
Hon. J. Cornell	Hon. Sir C. Nathan
Hon. J. T. Franklin	Hon. J. Nicholson
Hon. E. H. H. Hall	Hon. E. Rose
Hon. V. Hamersley	Hon. H. Seddon
Hon. E. H. Harris	Hon. H. Stewart
Hon. G. A. Kempton	Hon. C. H. Wittenoom
Hon. A. Lovekin	Hon. H. J. Yelland
Hon. J. M. Macfarlane	(Teller.)

## NOES.

Hon. J. M. Drew	Hon. C. B. Williams
Hon. G. Fraser	Hon. E. H. Gray
Hon. W. H. Kitson	(Teller.)

## PAIR.

AYE.	No.
Hon. W. T. Glasbeem	Hon. J. J. Holmes

Question thus passed.

Bill read a second time.

*To refer to Select Committee.*

**HON. W. H. KITSON** (West) [8.41]: In view of the speech by the Minister, I think there are many points which require clarifying, and many statements about which information is required.

The **PRESIDENT**: I assume the hon. member will conclude with a motion.

**HON. W. H. KITSON**: I intend to do so. Many of the statements made should be looked into, and I feel that by referring the Bill to a select committee we shall be doing a fair thing to all parties concerned. I was in charge of the Hospital Bill of 1928 and, acting on the suggestion of one or two members, I moved that the Bill be sent to a select committee. I now have pleasure in doing so on this occasion, because I believe there are in the Bill one or two vital points that require looking into. First hand information is necessary, and that information can be satisfactorily obtained only by means of a select committee. Therefore, I move—

That the Bill be referred to a select committee consisting of Hons. A. Lovekin, W. J. Mann, E. H. Gray, C. H. Wittenoom, and the mover; that the committee have power to call for persons, papers and records, to sit on days over which the House stands adjourned, and to report on the 6th inst.

**HON. W. J. MANN**: I have no wish to shirk any duty, but I am already a member of another select committee, and consequently I think it would be better if some other member's name were substituted for mine.

**HON. W. H. KITSON**: I do not expect the work of the committee will take very long, but since Mr. Mann is already on another committee, I will in my motion substitute for his name the name of the Hon. H. J. Yelland.

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East) [8.45]: During the years I have been a member of this Chamber I have heard many cases put up for the appointment of select committees and good reasons have always been advanced.

**HON. E. H. GRAY**: You are wrong in your figures.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: The essence of the case put up for a select committee on this Bill is that one or two points require to be investigated. If a select committee be requested on any Bill, justification should be shown for it. To say that the figures should be inquired into is beside the question. The figures are not contained in the Bill and do not affect the Bill in any way. I strongly oppose the motion. If there were justification for inquiry by select committee, I would be the first to agree to it, but I object to any Bill being referred to a select committee without good reason being shown for it.

**HON. A. LOVEKIN** (Metropolitan) [8.46]: I have no desire to serve on another select committee this session if I can help it, but we should try to do our work as well as we can, and it seems to me there are matters that need investigation and that can be investigated only by a select committee. I have not had time to turn up the report of the previous select committee, but my recollection is that the Commissioner of Taxation gave evidence as to the cost of collecting the tax based upon a re-assessment of returns and a non-reassessment of returns. The Minister has told us that the cost of collecting the tax will not exceed £6,000. That figure should be checked because when we are taxing people all round as we are doing to-day, we cannot afford to spend more than is necessary on collecting the tax. That is one point into which a select committee might inquire. I do not wish to delay the business of the House, but a day or two days would be sufficient to make the inquiries I con-

sider necessary. The Minister says the Bill is practically the Bill recommended by the previous select committee. Most of the clauses are identical, but Clause 10 was inserted by the Committee. That clause entitled each person who received hospital treatment to claim 6s. per day and is omitted from this Bill, and a clause is substituted which provides for taking the whole of the revenue into the Treasury. It is said that the reason is that the times have changed and that the tax will not yield the amount previously estimated. I am prepared to concede that, but because the tax will not yield as much as was estimated previously, I am not prepared to yield the principle that those who pay the tax should receive some benefit from it. If £217,000 cannot be obtained to-day, but only £156,000, a select committee might call some people interested in entertainments with a view to determining whether the £56,000 that the Government estimate to receive from the entertainments tax could not, by a changed incidence, be increased to £85,000.

Hon. J. J. Holmes: Could this House do that?

Hon. A. LOVEKIN: Perhaps not directly, but there is another way of doing it if it is desired. If the Government wish to give everybody something for the tax he pays and if the scheme suggested is sound, no doubt a frugal Government would accept it. At present the Government are scratching for pence, and I should say they should grasp with both hands a scheme that would yield £85,000 instead of £56,000. Otherwise they would be suitable patients for admission to an institution at Claremont.

Hon. J. J. Holmes: Even if they accepted it, the hospitals would not get it.

Hon. A. LOVEKIN: Quite so, but if the excess money goes into the Treasury, there is money to come out of the Treasury if it is required for hospitals.

Hon. H. Stewart: You are an optimist.

Hon. A. LOVEKIN: Well, the money ought to be available from the Treasury. I am not contending that the changed incidence suggested is sound. It should be inquired into and a select committee could well investigate it. To my mind, those two aspects need investigating. If we are going to tax the people, we should try to give them something for it. If we are going to tax all the people and give them no benefit, we shall leave the hospitals in a worse state

than they are at present, because we shall close every avenue of voluntary donation, voluntary contribution and voluntary effort for hospitals. People will say, "We are being taxed for hospitals; let the tax provide the money." The tax under the conditions of the Bill will not be sufficient to meet the needs. We might well postpone consideration of the Bill for a couple of days. I would not be a party to a long drawn out inquiry; nor would I take any steps to shelve the Bill, but I think before we pass it we ought to inquire into the points I have mentioned and make a report to the House. On that report the House could express an opinion whether the Bill in its present form is right or whether it should be altered to a form which the select committee may or may not recommend.

HON. J. M. DREW (Central) [8.53]:

There are two important points that require elucidation, and it seems to me they can be elucidated only by a select committee. In the past the Government have found the money for the maintenance of hospitals. Under the Bill the people who are taxed will find the money. Although it has been stated that in the past the Government subsidies have been distributed fairly and with justice, that might be so; I do not know. But now that a special tax is to be imposed on the people, there should be some basis on which the funds will be distributed. That basis should be set forth to the select committee in order that it might be stated in the Bill. A still more important point, in my opinion, is that the fund contributed by the tax should bear the whole of the burden of providing the benefits under Clause 11, the benefits to those receiving less than the basic wage. Not only the hospitals in the metropolitan area but all the hospitals in the country districts will have to provide free treatment for those people, and there is no provision in the Bill for their being recompensed. Is it likely that the country hospitals will be able to provide that free treatment? In the farming areas there are scores of people—

Hon. J. J. Holmes: On the bread line.

Hon. J. M. DREW: Yes, and entitled to free treatment. Yet the hospitals will not be entitled to any remuneration for the services thus rendered. I wish country members to appreciate that point, because it



will be brought home to them later. The points referred to by Mr. Lovekin and Mr. Kitson could be quickly elucidated before a select committee and the necessary provision made in the Bill.

**HON. J. CORNELL** (South) [8.56]: I supported the second reading mainly with the idea that the Bill would be referred to a select committee. The Minister said there was no justification for referring the Bill to a select committee. I think he delivered a scathing criticism on the proposal to refer the Anatomy Bill to a select committee, and said there was no reason for an inquiry, whereas events proved that there was great need for it.

The Minister for Country Water Supplies: I agreed to that.

**HON. J. CORNELL**: The late Government did not quibble when their Bill was referred to a select committee. The then Honorary Minister, Mr. Kitson, readily agreed to the proposal. As has been pointed out, two matters could be investigated only by way of select committee, one, what is going to be the extra cost of collection to be charged against the funds, and, two, how far-reaching will be the minimum wage entitling contributors and their dependants to free treatment. A single man working on a farm or station and drawing £2 a week, in addition to receiving his keep, would be entitled to enter a hospital free of charge. One pound a week is the amount set down for board and lodging.

**Hon. C. B. Williams**: He would be better off than a man with a family.

**Hon. J. CORNELL**: Infinitely better off.

**Hon. G. Fraser**: Not too many are getting £2 a week and keep.

**Hon. J. CORNELL**: I know that a lot are getting it and many are getting 30s. a week and keep. They are infinitely better off than a man just above the basic wage with four or five children to keep.

**HON. H. STEWART** (South-East) [8.59]: It is very unusual for this House not to vote for a select committee, but I intend to oppose the motion because I think that as hospital legislation and hospital affairs in general were investigated so recently as 1928, another inquiry is not necessary. Further, the points raised by Mr. Kitson, Mr. Lovekin, and Mr. Drew are matters that could well be dealt with in Committee. They do not affect general princi-

ples. Consequently, for the first time in my experience in the Chamber, I shall vote against a select committee.

**Hon. A. Lovekin**: Do not we want to know what the Commissioner of Taxation says?

**Hon. H. STEWART**: No; I am content to support the Bill and make whatever amendments may be considered necessary in Committee. Mr. Lovekin attempts to couple up this Bill with the amusement tax measure. He has pointed out how this Chamber can increase the burden on the people by putting the Government in the way of securing another £30,000. In my view there is no need to join the two measures together. When the other Bill comes down, it can stand on its own merits.

**HON. W. H. KITSON** (West—in reply) [9.1]: In moving the motion to refer the Bill to a select committee I did not speak at any length, because I was of opinion that members would realise the importance of various points raised during the second reading debate. I did not interrupt the Leader of the House when replying on the second reading, although I feel convinced that he made several statements which, probably through misapprehension on his part, are not quite in accordance with the facts. To my certain knowledge, they are not as I understand the facts to have been some considerable time back. The special points on which a select committee would be of value to this Chamber are not only points of principle, but also matters vitally affecting the very people Mr. Stewart represents. But apparently the hon. member on this occasion is not even prepared to consider their interests. Along with Mr. Drew, I would warn country members that there is in this Bill a grave danger to the majority of country hospitals. These institutions are likely to find it absolutely impossible to carry out their functions under the Bill, unless they can, as the result of amendments, get something of a definite character which will recompense them for the losses they are bound to incur in the event of the measure passing. On the second reading I pointed out numerous matters which should be investigated, and on which the House should have further information. I believe that the information can be obtained without any great delay. The last select committee occupied only a few days, and this one need not occupy a longer time. If the

select committee is appointed I shall use my best endeavours to have the report presented on the date suggested in the motion. I do not propose to do anything which will delay the matter. In view of all the circumstances, I suggest to hon. members that the reasonable course is to refer the measure to a select committee. If that body cannot bear out the statements which have been made in opposition to the Bill, the House will be quite justified in carrying the measure as it stands. I sincerely hope that the Bill will be referred to a select committee. That course would result in advantage to the Government, the hospitals, and the public.

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

Ayes	..	..	..	11
Noes	..	..	..	14

Majority against	..	..	3
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#### AYES.

Hon. J. Cornell	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. A. Lovekin
Hon. G. Fraser	Hon. W. J. Mann
Hon. E. H. Gray	Hon. J. Nicholson
Hon. E. H. Harris	Hon. C. B. Williams
Hon. J. J. Holmes	(Teller).

#### NOES.

Hon. F. W. Allsop	Hon. G. W. Miles
Hon. C. F. Baxter	Hon. Sir C. Nathan
Hon. J. T. Franklin	Hon. E. Rose
Hon. E. H. H. Hall	Hon. H. Seddon
Hon. V. Hamersley	Hon. H. Stewart
Hon. G. A. Kempton	Hon. H. J. Yelland
Hon. J. M. Macfarlane	Hon. C. H. Wittencoom
	(Teller).

Question thus negatived.

### BILL—UNIVERSITY BUILDINGS.

#### *Second Reading—Amendment, Six Months.*

Debate resumed from the 26th November on the motion for the second reading of the Bill, and on the amendment (six months) by Hon. H. Seddon.

**HON. H. J. YELLAND** (East) [9.11]: It appears to me that members generally did not fully grasp the purport of the Bill when it was discussed last, and therefore I shall take the liberty of addressing myself to it at length to-night. An instance in point is the speech delivered by Mr. Hamersley. That hon. member stated that he deprecated the necessity for the University applying to the

Government for assistance at so early a stage of its existence. The fact is that the position is exactly the reverse. In my opinion the statement shows that members have not fully grasped the situation. The Government are coming to the University for assistance. The Government have made to the University certain promises which they have not been able to fulfil.

Hon. J. Cornell: The Government, or a Government?

Hon. H. J. YELLAND: When I speak of the Government, I speak of those in control of the finances of the State at the time the promise was made.

Hon. J. Cornell: A Government, then.

Hon. H. J. YELLAND: If the hon. member desires that correction, he may have it. At any rate, the Government of the day must honour any pledges made. The Government have now come to Parliament to endorse what has been agreed to. The University authorities are able to get the Government out of the difficulty in which they find themselves owing to the very strenuous times through which we are passing. Mr. Hamersley further said that the whole of the University's trust funds have been exhausted. The fact of the matter is that it is proposed to apply those trust funds to certain other purposes. This Bill is necessary in order that the moneys in question may be transferred from their present securities to the Government, so that the Government may be enabled to carry out the work which they have promised to do. The late Sir Winthrop Hackett, when making these bequests, gave certain funds for specific purposes. First he gave a certain proportion, no amount being stated, for the erection of a hall and other suitable buildings at the University. Money has accordingly been utilised in that direction. Under another portion of his bequest, being the second trust, the moneys had to be invested and the interest applied towards bursaries and the upkeep of the buildings to be constructed under the first trust. I think that is clear. The first trust has been utilised in the erection of a magnificent block, now almost completed. The other portion of the trust has been invested in various securities throughout the State, and it is considered that those securities can now be utilised, with the approval of Parliament, in other directions, thus permitting of the erection

of further buildings necessary for the housing of the University.

Hon. J. M. Macfarlane: At what cost to the country?

Hon. H. J. YELLAND: I am coming to that. I want to deal with the matter in its logical order. The moneys set aside for bursaries and the upkeep of buildings must, of necessity, be interest-bearing moneys. It would be impossible, under the Trustees Act, to take that money out of its present interest-bearing avenue and utilise it where interest would not be receivable. Therefore it has been necessary to stipulate that the moneys re-invested in the erection of portions of the University block shall bear such a rate of interest as will enable those moneys to be utilised for the purposes set out in the original trust. Therefore the question of interest has to be added to the alteration of the avenues of investment and they must receive the interest in the usual way to pay bursaries and for the maintenance of the buildings. In this particular instance, if Parliament approves, the trust is to be permitted to change the avenues of investment in the form of a loan to the Government, and buildings will be erected and the Government will pay back to the University the amount—

Hon. A. Lovekin: Have the Government authority to borrow under the Financial Agreement?

Hon. H. J. YELLAND: The hon. member will be able to query that during the Committee stage.

Hon. E. H. Harris: Did you not look into that matter before you began to put up a case for it?

Hon. H. J. YELLAND: I believe the position is quite satisfactory.

Hon. J. Cornell: Why believe it if you have not considered it?

Hon. H. J. YELLAND: There are two amounts involved. The first is that of £25,000 representing dividend duties paid in connection with certain securities realised.

Hon. A. Lovekin: Was it not £21,000?

Hon. H. J. YELLAND: The £21,000 was paid into the Treasury and the Treasury decided it was an unfair advantage to take of such an institution as the University, and decided to refund it, with interest, and the amount of £25,000 was agreed upon as the sum to be returned. When the Hackett buildings were being erected a contract was

entered into for £181,000. That included the erection of arts faculty buildings, which ran into £20,000. The Government decided they would allow the application of the £25,000 to that particular purpose, and on the £181,000, which is the contract price of the present buildings, the £25,000 is really that which is to be refunded by the Government, being the amount of the dividend duty plus interest. The other portion of the money, £60,000, is to be applied to the erection of physics, chemistry and science faculties buildings. The accommodation at present is far from satisfactory. It is the duty of the State to erect such buildings as these, as has been done throughout the whole of the Commonwealth and in other parts of the world.

Hon. G. W. Miles: And the State cannot pay its way.

Hon. H. J. YELLAND: If the Bill is rejected, the £25,000 will have to be paid by the Government forthwith. The University has added that to the amount it had in hand when it accepted the contract for the present buildings at £181,000. Hon. members are aware that at the present time the whole of the Hackett bequest in this connection has been utilised in the existing structure, and to complete it the £25,000 due by the Government is now required.

Hon. C. H. Wittenoom: That is absolutely recoverable by law.

Hon. A. Lovekin: Under what authority can the Government refund dividend duty, and out of loan money?

Hon. H. J. YELLAND: The fact that it has been placed in the contract is recognised as a liability of the Government. If the Bill is rejected, it will mean the Government will have to find the money right now. That would inconvenience the Government. With regard to the £60,000, a difficulty arises. The University has undertaken to erect three buildings. The original estimate was £76,000—£33,000 for the physics building, £35,000 for the chemistry building, and £8,000 for the agricultural building. These structures were to be under separate roofs. The estimate for placing the buildings under the one roof was £60,000. The Government of the day, anxious to redeem the pledge made, have asked Parliament to honour the undertaking entered into by their predecessors. It was the duty of the Government to bring the matter before the House and

provision is made in the Bill to raise the money without immediately draining the Treasury. Under the Trustees Act trust moneys cannot be utilised except by Act of Parliament, and to transfer liabilities from one avenue to another, the Bill is required. It provides for the transference of securities from certain investments to others, and the Government replaces the money plus interest. The University can raise the money, and the Government cannot. The University will lend the money to the Government at 5 per cent., redeemable in 30 years. As I have already stated, if the Bill is rejected the £25,000 will have to be found forthwith, but if the Bill is passed the Government need not commence making payments until the buildings have been completed in two years' time.

Hon. E. H. Harris: Have you estimated the amount of interest the Government will have to pay.

Hon. H. J. YELLAND: I am taking the calculation of the Minister that £5,500 per annum will be the amount of the repayment plus interest, and payment will begin 2½ years hence. Payments will be made out of Consolidated Revenue in half-yearly instalments, and the £25,000 will be paid off in 6½ years' time. An important fact that we must remember is that the work will be local. I am advised that about half of the £85,000 will be paid in wages. Then there will be the utilisation of local bricks, stone and timber, whilst locally-manufactured tiles will be used on the roofs. I think it was an American statesman who, a little time ago, said that it was during times of stress that the Government should embark upon new works, and private enterprise should be allowed to take on similar duties in times of prosperity.

Hon. W. J. Mann: If they are not careful, the Government will be prosecuted soon for not paying their debts.

Hon. H. J. YELLAND: We must realise at the present time that the University buildings are centred at Irwin Street and at Crawley. At Crawley there is the administrative block and buildings devoted to arts, engineering, biology and geology, whilst at Irwin Street there are the physics, chemistry and agriculture sections.

Hon. A. Lovekin: There is psychology at the University.

Hon. H. J. YELLAND: I have not taken psychology into consideration. When all the buildings are at Crawley the difficulties of administration will be removed and costs will be reduced. Another fact that must not be overlooked is that the Irwin Street property will revert to the Government, and the buildings there may be converted into offices or used for other purposes that the Government may desire. A little while ago the University of Sydney built a physics laboratory and lecture room with all the necessary equipment at a cost of between £80,000 and £90,000. We propose, with £60,000, to erect buildings for three faculties.

Hon. A. Lovekin: Lang is over there.

Hon. H. J. YELLAND: Recently in Adelaide, £60,000 was spent on physics and engineering faculties. With regard to our buildings, we find we can erect them at a considerably lower price than the buildings have cost in the other States. There is a special need for these buildings. I am speaking from an internal knowledge of the working of the University. The manner in which the professors and their assistants are hampered for want of room in Irwin-street is causing a great deal of dissatisfaction, and is not in the best interests of the university and the advancement of our education system. One has only to visit the Irwin-street buildings to see the distressing conditions under which the work has to be done. When the Science Congress came to Perth some four years ago, our buildings were the laughing stock of the visiting professors and graduates. Now we shall have buildings that will be an honour to the State, situated in such a beautiful position that I believe they will be something the State must be proud of. In Irwin-street there is a wonderful equipment, splendidly fitted; but there is not the room in which to do the work. The research work has been restricted for lack of accommodation. Research work has been carried on in the Physics Department, and requests have been made for X-ray research in connection with our minerals. Professor Ross and his assistants have been greatly restricted in their activities. The professor is looked upon as one of the ablest physicists in Australia. His work has been hampered by the conditions under which he is obliged to do it.

Hon. A. Lovekin: There is plenty of room for him at the Observatory.

Hon. H. J. YELLAND: Work in physics is not done at the Observatory. The conditions of the chemistry section are worse. Professor Wilsmore is one of the nation's foremost chemists, coming about fifth on the list. He did research work during the war, and we are most fortunate in having so able a professor attached to the University. He is obliged to work in little rooms, and is expected to carry out research work under conditions which would not be tolerated elsewhere. He has been engaged in dealing with plant poisons, the Zamia plant and in other directions of the kind. Professor Paterson is also hampered in his agricultural work. Dr. Teakle is trying to do his research work in a cubicle 8ft. by 8ft., which is a disgrace to any establishment. The conditions under which the agricultural work is done are worse than would be found in any ordinary agricultural college in the Eastern States. This work is coming to the fore. We know that a small laboratory has been established at Beverley by the Council of Scientific and Industrial Research in connection with the Braxy-like disease, the red-legged mite and the lucerne flea, and other pests of the kind. Australia is looking to the advancement of our agricultural research. If it is essential to have a laboratory like this one at Beverley to carry out certain work, it is more essential to have a central research station such as the University, fully equipped for all investigations. There is certainly need for these buildings. I have shown there is need in this direction, and that the Government cannot provide the necessary funds. The University, however, is prepared to find the money.

Hon. A. Lovekin: High finance.

Hon. H. J. YELLAND: It is not high finance, but common sense. The University is prepared to utilise its own resources for the advancement of its own work. This amounts to taking its own resources out of the hands of the general public and placing them in the University buildings, but with a guarantee from the Government of the amount they have promised to supply them with. Some members are dissatisfied with Clause 5, especially the proviso which sets out that if the University incurs a loss in the

realisation of any investment by reason of not receiving the nominal value thereof, and provided that the Treasurer has consented to such realisation, such loss shall be deemed an expenditure in the erection of the buildings and their interest accordingly as if it were a progress payment. The necessity for the inclusion of that clause is due to the Trustees Act, under which no trustee is permitted to do certain things that will reduce the assets which he possesses, and from which the trust moneys are available, that is interest in this case. Whilst I do not think it is necessary to insert that clause from the point of view of the Bill, it is necessary under the Trustees Act. The loss is not going to be as colossal as some people think. One member suggested it would be somewhere in the vicinity of 30 per cent. or a total of over £20,000. I have made inquiries as to the avenues from which the realisation of the assets will come. I find that the loss will be very small. Without the sanction of those who hold these assets I cannot divulge very much, but I assure members that the loss will be very small. I do not think they would object to a loss of £2,000.

Hon. J. M. Macfarlane: They would on that statement. You are not clear enough.

Hon. H. J. YELLAND: I could give members more information, but if an amendment is moved to this clause restricting the loss to, say, £2,000, members would probably agree to it, and the University would be assisted and the Government protected. I hope members will give the University the opportunity to carry out this work. It will create a lot of employment, it will mean the completion of the buildings en bloc, it will give the Government the free use of the Irwin-street properties, and will assist greatly in the administration of the institution. I support the Bill.

**HON. E. H. HARRIS** (North-East) [9.43]: As soon as members were apprised of the fact that the Government, who have no money, proposed to receive a loan from the University authorities to carry out certain works, on which loan the Government would ultimately have to pay an interest bill of £167,000—

Hon. H. J. Yelland: Where did you get that?

Hon. E. H. HARRIS: They woke up. One member pointed out that the amount

was £340,000, but I think he was compounding the interest. Mr. Yelland by interjection said that £5,000 was payable in interest for 30 odd years.

Hon. J. M. Drew: In interest and principal.

Hon. E. H. HARRIS: That is a decent sum. The amount of money the Government are called upon to pay in interest will exceed the sum it is proposed to spend at the University. This afternoon representatives of the University explained matters to members who chose to hear them. It was pointed out that perhaps we were not apprised of the facts. I was thinking of the saying, "Beware of the Greeks when they bring gifts." These people came to the Government and put up the suggestion that they would realise on some securities of theirs which, I understand, they cannot do unless the Bill is passed, and that they should get the assistance of the Government and complete the buildings at the University. It was also pointed out that this would provide employment. The object is a laudable one. The question arises as to what responsibility the Government accept in connection with the matter. I looked through the file a few days ago, and I noticed that the then Premier, Mr. Collier, said, in 1927, that he would find the money for the physics and other buildings. On the 12th of August, 1928, he promised to find £25,000 in two years. On going through the file, I have not been able to find any reference to the provision of an amount on the Estimates in fulfilment of the promise made by Mr. Collier, although a statement was made to us by a gentleman who was present and who said that a sum of money had been provided.

Hon. A. Lovekin: He said it was on the Loan Estimates.

Hon. E. H. HARRIS: Some reference was made to the money being provided from somewhere. I cannot find anything on the file apart from the promise made by Mr. Collier in 1928, and it is not until two years later, that Parliament is apprised of the fact that the Government of that day had pledged their word to provide the sum of money. I submit that if the promise indicated were given, then the necessary provision should have been made so that the University could have been assured of securing the money they were entitled to receive. One of the objects of the authorities was to trans-

fer all sections of the University from the Irwin Street buildings to Crawley so that the institution could be conducted there as a complete unit. It would probably be more economical from the viewpoint of the working of the University. We know that there is a valuable site in the Irwin Street property, and if two or three departments remain unprovided for, the buildings at Irwin Street will still have to be utilised. I do not know exactly what the position will be, but I was wondering if the idea of the Government was to dispose of that valuable asset—the property at Irwin Street—and make use of the money in other directions. The Government have been looking round for a suitable site upon which to erect offices in which to house departments that are now scattered around the city. The Irwin Street site would be admirable for that purpose. It has been suggested that instead of doing that, the Government might dispose of the land and benefit by the money from the sale. Recently I pointed out that Sir James Mitchell, when on the hustings, stated that he did not know what the financial position of the State really was. During the course of the debate, Mr. Drew and Mr. Kitson stated most emphatically that everyone in the State knew the condition of the finances. I reminded hon. members that the expenditure of money had been indulged in up to the eve of the last general elections on a more lavish scale than formerly, and while Sir James Mitchell had pointed out that he was not aware of the financial position of the State, Mr. Drew and others were emphatic that everyone knew. Now we find that no one knew anything about this particular commitment that the Collier Government had entered into with the University authorities.

Hon. J. M. Macfarlane: Do you mean the £25,000 or the £60,000?

Hon. E. H. HARRIS: Until a few days ago I had not heard of either sum.

Hon. J. M. Drew: The information was published in the "West Australian" at the time.

Hon. E. H. HARRIS: Many statements are published in the "West Australian" that hon. members have no opportunity of seeing unless they live in the metropolitan area. Many items appear on the file that have not been published in the "West Australian." Mr. Drew's interjection is no answer to the point I raised. There is another phase of

the question. The Government are called upon to spend a considerable sum of money in the interests of the University, and one objective is the utilisation of surplus labour available now. I venture to assert that Labour members in this Chamber who spoke in support of the Bill, would not be prepared to go before the hundreds of unemployed who were here the other day seeking employment, and point out to them that although the Government had no money for that purpose, they were prepared to find between £60,000 and £70,000 for expenditure at the University. I submit there is no justification for the State, having regard to the present state of the finances, to undertake any such responsibility. Should there be a legal responsibility regarding the £25,000, then the Government will have to find that amount. If there is no such responsibility, then, much as I desire to assist the University, I consider the Government may well stay their hands for the time being.

Hon. A. Lovekin: No Government can give money away without the consent of Parliament.

Hon. E. H. HARRIS: Apparently, in this instance the word of the Government was pledged without the assent of Parliament. The question arises as to whether there are other commitments of which we have not yet heard. In view of the circumstances, I do not feel disposed to vote for the second reading of the Bill, but I will await with keen interest the reply of the Leader of the House in justification of the measure.

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter East—on amendment) [9.50]: Judging from the tone of the debate, there appears to be some misconception regarding the reasons for, and the objects sought to be obtained by, the Bill. In further explanation I desire to say that there are two buildings dealt with in the Bill. The first is the Hackett building, which is now in the course of erection and will be completed in about three months. The compensation grant of £25,000 in respect to the £21,000 taken as taxation from the bequest is being given for the purpose of completing that building. The £21,000 was deducted from the bequest made to the University by the late Sir Winthrop Hackett. Later on the Government were asked to remit that amount, but found themselves unable to do so. Eventually the

Government said they were prepared to find the amount, plus interest, which brought the amount to £25,000, provided such amount was not asked for until September, 1930.

When the matter was being discussed, the University had under consideration tenders for the erection of comprehensive University buildings at Crawley, including the Winthrop Hall, the Hackett buildings, and the administrative block. Relying on the good faith of the Government in respect to the £25,000 being available in September, 1930, the University accepted a tender for the work. In the plans there was included the necessary accommodation for the Faculty of Arts, the provision for which was not strictly within the terms of the bequest. When the tenders were considered, it was found that the lowest tender for the whole building was in excess of the amount provided by the bequest to the extent of £25,000, which amount was the estimated cost of the Arts portion of the structure. The matter was placed before the Government, and in order that the tender might be accepted, the Government agreed that the £25,000, which had been promised, should be paid on account of the Arts buildings, and on that agreement, the tender, as previously stated, was accepted and the buildings are now nearing completion. If the Bill is defeated, the Government will not be able to honour the promise in respect to the £25,000 and difficulties will be created for the University in meeting its commitments in connection with the contract.

On completion of the Hackett buildings, the University will be able to house all faculties with the exception of the Departments of Physics, Chemistry, and Agriculture with the Faculty of Science, which will, for the time being, have to remain in the old buildings in Irwin Street. With the Departments of Physics, Chemistry and Agriculture at Irwin-street the University will be in a dismembered state. The inconvenience of that is obvious, and it was pointed out to the Labour Government during the Centenary year. In keeping with the determination of Parliament that the University should be a free one, the Government then agreed that they would, over a term of years, find sufficient money to erect at Crawley buildings to accommodate the three remaining departments, and that the plans for the first of the buildings, the Physics Department,

should be proceeded with at once and the money for that purpose was placed on the draft Estimates. Unfortunately the amount earmarked—£33,000—did not survive the pruning knife. If Parliament approves, the arrangement set forth in the Bill will permit the Government to finance their promises to the University. It was a Shylock action to tax the bequest and for that reason the £25,000 should be made available at the earliest moment. By providing the remaining £60,000 the Government are doing something in furtherance of Parliament's decision that the University should be free. Moreover the scheme of finance in the Bill is a particularly attractive one from the point of view of the Government. Under it, very cheap 5 per cent. money will be used. If we deny ourselves the money and later on have to provide the £85,000 from loan moneys, the cost to the State may be over 6½ per cent., when brokerage and other charges are taken into account. The completion of the present Hackett buildings and the remaining departmental buildings at Crawley are necessary in the interests and efficiency of the University and the students. To meet the situation, the University has gone a long way in its suggestion that the money should be found immediately from the University permanent endowments, and that the Government should replace those endowments by half-yearly payments over a period of thirty years. The half-yearly payment will be £2,750, and that amount will embrace both the principal and interest. The scheme is not a new one. It has been adopted in South Australia where the Trustees of the Public Library, Museum, and Art Gallery provided sufficient money from the Morgan Thomas bequest for the erection of additional buildings. The proposal enables:—1, the Government to honour their promise without creating financial embarrassment; 2, the whole University to be brought together in the interests of efficiency and economic working; and 3, employment to be provided for a large number of men at a time when unemployment is a serious menace to the State's activities. At present the wages bill of the Hackett Buildings is from £675 to £690 per week, and it is estimated that the proposed new science building will necessitate approximately the same weekly expenditure in wages.

The point has been raised that the University will suffer serious financial loss by realising upon its investments at the present time. In reply to that criticism I am advised that the bulk of the money required can be raised by loan without realisation, and the loss upon realisation of the remainder, according to the present price of stock, will be considerably under £1,000. In fact, it may not be necessary to realise stock at all, as the stock may have matured by the time the money which it represents is required for the buildings. Mr. Seddon referred to the value of the University to the community and the work that was being done by graduates in various departments of the State and in outside employment. A list showing some of the positions held by graduates has been laid on the Table of the House. In my opinion it supplies sufficient evidence that the University is doing educational work which is having practical results of which the State may feel justly proud. Mr. Lovekin suggested that the proposal in the Bill was a method of borrowing money, and that in consequence it was contrary to the provisions of the Financial Agreement Act. I placed that point before the Crown Solicitor (Mr. J. L. Walker) and I am assured by him that there is no doubt in his mind that the provisions of the Bill do not in any manner constitute or amount to a borrowing of money by the State. He suggests, however, that in order to make the provisions of Clause 7 consistent with the other clauses of the Bill and with the Title thereof, and to remove the possibility of any misconception, a new Clause 7 should be substituted for the present Clause 7, as follows:—

7. In order to provide the moneys necessary for the completion by the University of the said buildings at Crawley, known as the Hackett Buildings, and for the erection of the further building mentioned and provided for in Section 4 of this Act, the Senate is hereby authorised to sell and realise upon so much of the funds and investments now controlled by the University, and known as the Hackett Bequest, as may be necessary to raise a sum of money equal to the aggregate sums of principal and capitalised interest mentioned in Section 5, and to use such sum for the purposes aforesaid: Provided that as and when the payments provided for in Section 6 are made by the Government to the University, the Senate shall as soon as practicable use and apply such payments to restore the moneys realised by such sales and realisation, and thereby make the same again subject to the present trusts applying to the Hackett Bequest.



Hon. A. Lovekin: Then there was something in the point.

The MINISTER FOR COUNTRY WATER SUPPLIES: I do not know that there was very much in the point, but the new clause will serve to make the provision plainer. This was referred to the Attorney General also, and he held the same opinion as the Crown Solicitor. When the Bill is in Committee I will, in acceptance of those views, move the insertion of the proposed new clause. The papers relating to the matter were tabled on Thursday last, since when members have had opportunity to peruse them. Therefore, as members are now familiar with the facts, I feel there is no reason why the Bill should not pass on the voices.

On motion by Hon. A. Lovekin, debate adjourned.

*House adjourned at 10.6 p.m.*

## Legislative Assembly.

*Tuesday, 2nd December, 1930.*

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

### QUESTION—UNEMPLOYED, ARRESTS.

Mr. SLEEMAN (without notice) asked the Minister for Police: What offence was committed by members of the unemployed previous to their arrest to-day, and if no offence was committed was one anticipated seeing that a motor conveyance was available on the spot ready for the men to be bundled into it?

The MINISTER FOR POLICE replied: I did not know any offence had been committed, or that any arrests had been made. I cannot answer the hon. member's question, but will do so if he will give notice of it.

Mr. Sleeman: I will give notice accordingly.

### BILL—LICENSING ACT AMENDMENT.

Introduced by the Attorney General and read a first time.

### BILL—FORESTS ACT AMENDMENT.

Read a third time and transmitted to the Council.

### BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

*Second Reading.*

Debate resumed from the 26th November.

MR. MCCALLUM (South Fremantle) [4.40]: This Bill proposes that at the end of each quarter the Government Statistician shall send to the Court of Arbitration figures indicating the variations in the cost of living, and any other information—whatever that may mean: and that the court may on receipt of that information set about adjusting the minimum rate of wages. This means all wages, because wages are fixed on the minimum rate, and they go up or down as provided by the existing law. The Bill also provides that all wages shall vary according to these figures, if the latter indicates there has been over a shilling difference in the cost of living from the time the previous rate was fixed. This means, if the Bill becomes law, that no man or woman will know from the end of one three months to the beginning of another what wages he or she will receive. The Government desire that there shall be an adjustment every quarter, and that the adjustment shall be made without the workers being heard. They will have no right to put their case, and their viewpoint will not be expressed before the decision is given. In a word, their wages will be affected without their being heard in any way. In order that we may see whether