

Legislative Assembly,

Thursday, 2nd September, 1937.

	PAGE
Questions: Vivisection	482
Wire netting, interest	482
Bills: Workers' Compensation Act Amendment, 2a., Com.	482
Fair Rents, 2a.	498

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

QUESTION—VIVISECTION.

Mr. NORTH asked the Minister for Health: 1, Is vivisection practised in this State? 2, Is his permission necessary before any person can practise vivisection?

The MINISTER FOR HEALTH replied: 1, Only in its simplest form, by inoculation of small animals in the diagnosis of disease. 2, No. There is no legislation in this State dealing with vivisection.

QUESTION—WIRE NETTING, INTEREST.

Mr. THORN asked the Minister for Lands: Is it the practice to charge accommodation interest on overdue wire netting instalments?

The MINISTER FOR LANDS replied: Yes; that has always been the practice.

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Second Reading.

Debate resumed from 26th August.

MR. WATTS (Katanning) [4.38]: It is my intention to support the second reading, because I think there is a good deal in the Bill that may safely be adopted by Parliament. The first provision in the measure exempts the employers of certain miners, certain workers, from being able to make claims under the Third Schedule of the Act, by adding a further paragraph to the amending Act of 1934. The reasons given by the Minister for that amendment were easily understood, and satisfactory. The next provision asks for power for insurance companies if they desire to request the employer to make a statutory declaration in connection with the amount of wages he

has paid during the period of 12 months. That has been in operation for some time, and many employers have been only too willing to comply with the desire of the insurance companies concerned to have such a declaration. I entirely agree that insurance companies should be in a position to demand such a declaration, so that they may obtain the information they require in a manner which precludes, so far as statutory declarations can preclude, any inaccuracy. The next amendment is one with which I cannot agree, in that it seeks to remove from the Workers' Compensation Act two exemptions which have been of advantage to members of the farming and pastoral communities. It appears that under the existing law, unless a worker is employed in one of the occupations referred to in the Fourth Schedule of the Act, the principal is not liable for injury sustained by contractors' workmen except in cases where the work that is done is directly a part of or a process in the business of the employer. The exemptions in Section 11, which the Bill proposes to delete, were inserted to give farmers and pastoralists protection from the necessity to insure in regard to certain work which, while it would be undoubtedly a part of or a process in the business of the farmer or pastoralist was of such a nature that I think there were very sound reasons why the farmer or pastoralist should be exempted from the other provisions of the Act requiring the principal to be liable as well as the contractor. The exemptions referred to were in regard to clearing and fencing contracts, and certain agricultural works such as threshing and ploughing, which were specially set out in the two provisos it is now sought to delete. I have perused the "Hansard" reports for the year 1924 when the late Mr. McCallum brought down the Bill which gave rise to the present Workers' Compensation Act. From them it appears that these exemptions were not to be found in the Bill he brought down. They were inserted after a conference with another place, and it appears to me there were sound reasons for their finally being accepted by the Minister in charge of the Bill. Many of the contracts that are dealt with by these provisos are entered into by farmers and pastoralists without any certainty that the contractor is going to employ labourers. The work which is referred to in the same section of the Act as being part of or a process in the business of the

employer in other cases would definitely permit, I think, the employer to know something about what was being done, while from the very wording of the section it would be directly a part of or a process in his business—the work of clearing and fencing in particular—but would be of such a nature that the farmer concerned would very often know nothing whatever about it and would exercise no jurisdiction whatever on or over the contractor who is doing the work. He would have no knowledge, as I see it, of what steps his contractor was taking, nor of the class of workman his contractor would employ to get the work done. I submit that in the circumstances he is not in the position to give that contractor, and more particularly his workmen, if he has any, any supervision at all. It seems to me that there is a possibility of an increased premium being payable which, if this Bill becomes law, will fall upon the farmer who is in no position as yet to pay any such increased premium. The Minister did not give us any indication whether he had considered that aspect of the question. If he has done so I shall be glad if, in his reply, he will give the information I seek. Even supposing there would be no actual increase in the premium it is apparent to me that the farmer will in every case, where any such work is being done for him, be obliged to insure where he is not now obliged to insure, and that he will find himself obliged to pay additional moneys for the protection he will have to obtain; whilst at the same time he will not be in a position to supervise or control to any extent the contractor or the workmen who are concerned. Under the existing law insurance is supposed to be compulsory. Some people say that compulsory insurance is more honoured in the breach than in the observance. If the law were obeyed—we must assume that in the majority of cases it will be obeyed—the contractor would himself be compulsorily liable to insure such workmen as he might employ, and in that event the position of the workman who was injured in the course of the work concerned would be quite satisfactory. I know of no reason that would actuate me in saying that the workmen engaged in this class of work should not be covered by insurance. Far be it for me to suggest that the men who are engaged in a clearing contract on a farm should be deprived of the rights that are given to other workmen in other occupations. I do not suggest that a man employed by a contractor should not have the benefit

of the Workers' Compensation Act, but I am suggesting that in the peculiar circumstances of the case the exemptions that exist already should be retained, and that some effort should be made to see that the contractor himself complies with the law and covers the workmen he employs. In consequence, unless some very sound reason and satisfactory explanation can be given to me concerning these charges, to which I have referred as a possibility, I shall be obliged in Committee to oppose the passage of the clause. The next provision is for the payment of £600 compensation on the death of any worker who has dependants. Heretofore the compensation payable has been worked out at 156 times the average weekly wage earned by the worker, and the method of working out has been carefully stated in the schedule of the Act. There will be a proportion of cases where less than £600 has been paid. If one were to take the employees who are employed at the basic wage and no higher, that sum multiplied by 156 would in all cases, I think, now exceed £600. There are not lacking cases where persons are employed at somewhat less than the basic wage, probably and principally at such places as farms, and in the case of single men whose wages, with an allowance for keep added, will not be the equivalent to the basic wage. I wish to make my views clear on this clause, to which I am not going to object for reasons I propose to give. I have discussed this particular clause and the result that may be expected with regard to premiums, with persons concerned in the insurance that is necessary, and I have ascertained that while there is a percentage of claims in which less than £600 will be paid under the existing law, that percentage will be a small one only. Consequently, the risk entailed of an increase in the premium is negligible. It is hardly reasonable, as the Minister stated, that the dependants of "A" who receive £600 because he was employed at 1s. or 2s. extra per week, while the dependants of "B" will receive a sum substantially less because the latter was in receipt of smaller wages, should be placed in that relative position, and that there should be a distinction between the receipts of the dependants of "A" and those of "B" for that reason only. In view of the information I have garnered, which I believe to be accurate, I do not intend to stand in the light of the Minister with reference to this particular amendment. I believe there is no really sound reason

why, in the circumstances I have just mentioned, there should be this differentiation under the law as it stands to-day. The next proposal in the Bill is the provision which, without an increased allowance for medical expenses beyond £100, will require insurance companies to supply certain artificial aids to workers who have been injured or have sustained injuries, for which artificial aids are required. I understand it has been the practice in recent years to supply those requirements where they have been needed, and that the insurance companies have not complained about having to supply them, where there were reasonable demands for such aids. That being so, the Bill will merely carry out, in accordance with the law, what has been in operation for some considerable time. In the circumstances there can be no objection to that amendment. The next amendment is one that refers to the payment by the employer of the expenses of his workman when the latter has to submit himself to a medical practitioner for examination. I have satisfied myself on this point also, and I have found that in no case where the workman, under the provisions of the First Schedule to the Act, has been required to submit himself for such a purpose—at any rate not so far as I have been able to ascertain—has there been any refusal on the part of the employer to pay the man's expenses for transportation and reasonable expenses for lodging, while the man was compelled to remain away from home for the purposes of that examination. As the amendment does not go further than providing for reasonable expenses for travelling and for the cost of meals and lodging, not to exceed 30s. a week, while the worker is proceeding with the medical examination at the request of his employer, I can see no objection to be raised there either. The next amendment is, I suppose, one of the most important in the Bill. It provides that where a lump sum is paid for compensation and that amount is in excess of £50, the destination of that sum is to be left in the hands of the magistrate of the local court. Similar provisions to this have been in operation with regard to dependants since, I think, the inception of the Workers' Compensation Act in 1924. I have had some experience with regard to the decisions of magistrates of the local court regarding such sums as have been made available for the dependants of deceased workers, and that

experience, although I admit it to be fairly limited, has convinced me that magistrates are reasonably disposed, and if a good case can be submitted for handing over the money to the widows or other dependants who are anxious to receive it, even in a lump sum, the magistrate will not object to that money being paid over. The Minister, however, in seeking to secure this further amendment of the law, so that any lump sum payment in excess of £50 shall be subject to inquiry by a magistrate before it is disposed of, pointed out, that in his opinion, it was necessary because of the pernicious habits of salesmen and others who, when they became acquainted with the fact that a worker was to receive a considerable sum of money, pestered and worried him until ultimately the money was spent in some manner that was unwise. I think that was the gist of the Minister's observations on that point. There seemed to me to be a substantial distinction between such payments made to the dependants of a deceased worker, and those made to the injured worker himself. It appeared to me at first sight that it was rather extraordinary to endeavour to protect a worker, who was still alive and in possession of his faculties, from such persons as salesmen and others. I looked for some other reason that could have actuated the Minister in inserting this particular amendment in the Bill, but I could find none. I have no objection to the proposal, although it did appeal to me at the time that it would hamper the reasonable activities of the individual concerned. On further considering the matter, I have come to the conclusion that if those who represent the workers in such a matter as this, consider the question almost entirely from his standpoint and not from that of anyone else concerned, and decide that the worker desires this hindrance to his rights regarding the receipt of this money, it is no longer my business to object to the proposal because those I refer to are undoubtedly in a better position—I presume they are in that position—to know what the worker requires. The next amendment limits the time within which there has to be reference of a matter to a medical referee, to one month. I regard that provision as quite reasonable, and I have no objection to it, nor yet have I any objection to the first proposed addition to

the Third Schedule of the Act. With regard to the second proposed addition to that Schedule, which refers to furunculosis dermatitis, or yolk boils, I am not able to give any satisfactory verdict. I carefully perused the Minister's observations on this question, and I am not really satisfied that there is any specific necessity to add this particular malady to the Schedule in question. The Minister did not tell us much about it and I am hopeful that, at some stage between now and the consideration of the matter in Committee, he may give us some further information on the point. Probably in his reply the Minister will be good enough to meet us in that respect.

Mr. Thorn: The Minister has never had a sweat boil.

Mr. WATTS: In discussing this matter with an assurance officer earlier in the week, I was informed by that gentleman that he had had no special experience with this particular ailment.

Hon. C. G. Latham: He would not, seeing that he is in an office.

Mr. Hegney: He is not a shearer.

Mr. WATTS: He pointed out to me that the malady was not included in the schedule, and it was quite possible that men in the shearing industry might have suffered from this type of boil, but, knowing it was not included in the Schedule, made no applications, from the standpoint of insurance, in consequence of that position. I have been advised by those engaged in the pastoral industry with whom I have discussed the matter to some extent, that it is a malady that is quite easily prevented. The main trouble—here again I would like the Minister to discuss this phase with the House, if he will—is the absence from the clothing of the workmen of any protection that could very easily obviate the friction of which the Minister complained. One gentleman went so far as to say that if the shearers were to change their clothing more often, it was extremely unlikely that the malady would arise. If that be so—if the Minister has any information on the point, I wish he would mention it to us—it seems somewhat unreasonable to argue that the worker should be allowed to neglect these necessary precautions in an industry the very nature of which gives rise to a considerable amount of unpleasantness and dirtiness, and then, should he suffer from this complaint, enable him to make a claim

under the Act, with a view to securing compensation. I do not say that the Minister cannot convince me that this addition to the Schedule is necessary. If he can do so, I shall be only too pleased to withdraw my objection.

MR. NEEDHAM (Perth) [4.57]: The member for Katanning (Mr. Watts) has presented a very fine analysis of the Bill and, in outlining the amendments, he indicated that, in his opinion, they were necessary. When one considers workers' compensation legislation, one's mind naturally reverts to the time when the late Mr. McCallum introduced a very comprehensive Bill in this Parliament. It was admitted on all sides that the workers' compensation provisions then fashioned as a result of Mr. McCallum's efforts, represented the most advanced of their kind, at any rate in Australasia. Others went so far as to say that the legislation was the most comprehensive in the British Commonwealth of Nations. My memory travels back to 1896 when some such legislation was introduced in the House of Commons. Prior to that year, injuries experienced by workmen were not considered of any moment. The worker had to prove, in a very costly way, that his injuries had been sustained in the course of his duties. Thank goodness that sort of thing has disappeared, and most of the Parliaments of the British Commonwealth of Nations have passed legislation with the object of protecting and assisting the injured worker during the period of his incapacity. Experience that we have had has indicated the necessity to amend the Workers' Compensation Act, and the amending Bill now before us embodies proposals that are worthy of favourable consideration. The question of workers' compensation has a very important bearing on the homes of our people. When sickness makes its presence felt in the home there is naturally anxiety on the part of the sick person, if he is the bread-winner, to return to work as soon as possible. In most cases these workmen have taken the precaution to protect themselves against sickness by being members of a friendly society. By adopting such a course, they provide themselves with some assurance that during the period of their incapacity those dependent upon them will receive some assistance. Had they not taken that precaution, the anxiety following upon

their incapacity, or indisposition, would have tended to retard their recovery and prolong their illness. That applies to cases of ordinary sickness. It is intensified when workmen are stricken down by injury. Thus there is every necessity for doing all that is possible to assist them, so that those dependent on them will not suffer during the period of their unemployment as the result of accident. The specifying of the amount of compensation to be paid by the employer is a very important factor. I think the reason this amendment has been introduced is to protect the injured worker from exploitation; for there are unscrupulous employers—very few and far between, I am glad to say—who take action which, in a sense, deprives the injured worker of the proper benefits due to him under the Act. Taken all in all, the amendments are very good. They are necessary, particularly those referring to the amount of money to be paid to the dependants of a workman, in the event of his injury being fatal. The Minister pointed out when introducing the measure that the principal Act limits the amount of compensation to £400 in the event of the fatal termination of injuries. I have always felt in connection with this class of legislation that it is a difficult matter to place a value on human life. I do not think it is possible to place a proper value on human life, to give an adequate cash compensation to the workman for injuries received or to the dependants of a man who has lost his life as a result of injuries received, but the amending clause providing for the payment of £600 to dependants saves all the trouble and delay which now takes place in endeavouring to assess the amount between £400 and £600 to which such dependants are entitled. The process will be simplified and it will not be hard on the employer. I think that industry can bear that additional amount of tax, and in the long run more assistance will be given to the dependants of the men concerned. When the amending measure was before us last session, representatives of the Health Inspectors' Association waited upon me to ascertain whether there could be an amendment to the Third Schedule of the Act which would include them, so that they might be provided for in the event of their contracting disease in the course of their duty. I introduced a deputation to the Minister on that occasion, and the Minister said that,

having gone carefully into the matter, he found that under the Act as it at present stands health inspectors were included, provided that they could prove they had contracted the disease in the execution of their duty. I had a further communication to-day from the Health Inspectors' Association asking whether an amendment could be included in the schedule. I told them it would be a question for the Minister to consider. It is true that these men are liable to contract diseases in the course of their work. There are records of men who have been so afflicted, and have been unable to carry out their duties for some months. They did not, however, receive any compensation from the Government or from the body employing them. This is a very important question but I am accepting the assurance of the Minister that these men are protected. With these few observations, I support the second reading of the Bill.

MR. McDONALD (West Perth) [5.7]: I wish to support the second reading of the Bill. It represents some increase in the benefits to the workers, which everybody would desire to see granted as far as possible, provided such increases do not bear too heavily upon industry.

Mr. Marshall: They would be insignificant as far as industry is concerned.

Mr. McDONALD: They are appreciable; but I support the proposals made. There could be no real objection to the workers receiving benefits of this kind. Everybody would desire to see them receive the fullest possible compensation for any injury sustained, or any disease contracted by them. It is, however, a question of the burden and expense placed upon industries in this State not only in competition with industries in the other States but with industries in other countries, by the granting of additional benefits by way of compensation to workers. I think the member for Murchison (**Mr. Marshall**) will agree that if a heavy burden is imposed on industries here, the result will be that we shall not be able to compete with similar industries in the Eastern States or overseas. So that, instead of the worker getting increased compensation, he might, in the event of the burden being too heavy for local industry to bear, find himself in the worse position of having no job at all. If an industry is unable to compete with those engaged in a similar industry elsewhere, there can be no employ-

ment for him, and no wages, and of course no compensation. We have not arrived at this stage, however, and the improvements, with one exception, made by the Bill will assist the worker and the House is justified in agreeing to them. I have made a comparison of the various statutes dealing with workers' compensation in the different States and I find that they differ considerably in many respects. Our statute has been stated by the member for Perth to be the best in the world. That is a very happy circumstance. However, I think it should be possible for the different States of Australia to arrive at uniform workers' compensation legislation as far as basic principles, the amount of compensation to be paid, and the conditions on which it is paid, are concerned. That would put the industries in the different States on the same footing. The International Labour Office at Geneva is always issuing conventions after meetings of representatives of the various nations, with the idea of securing uniformity of social legislation throughout the world. If they are doing this and securing a fair measure of success in the different countries of the world, it might be possible for various States in Australia by agreement to obtain some uniformity in much of their social legislation, including that dealing with workers' compensation. I do not intend to traverse the various clauses of the Bill, but to refer to only one part, namely, that dealing with the deletion of the provisos which now protect the farmer, where he is the principal and a contractor employs workmen. That protection of the farmer is an exception to the general principle of the Act, but one which I support, and I propose to vote against the clause of the Bill which removes that section. I think that the exemption was made in the case of a farmer as the principal on account of the difficulties under which he works as compared with people who work in towns and cities. He is not in a position to get ready advice and information as to what his liability may be. Before he can insure he may have to travel many miles in order to get in touch with the local insurance agent and then the provision operates for only two days. Suppose a man contracts on a Monday. It may not be convenient for him to go into town until the week-end. In the meantime an accident happens. The farmer is not immediately liable, because the contractor should protect the workman, but he becomes secondarily liable if the contractor has failed to take out insurance. The

original exemptions were placed on the Statute Book having regard to these facts and I should be reluctant to see placed on the farmer an added burden which might, in many cases, be in the nature of a trap for him, something of which he would not think, something against which he could not readily guard. I should not like to see this added burden cast upon people who already labour under considerable difficulty as compared with people in towns. I would commend the idea in the Bill that the money received by way of a lump sum be paid into a magistrate's court. The member for Katanning said that the Minister had some knowledge of the requirements of the workers. I claim at all events an equal knowledge in that respect. I know so many cases wherein men who have come into the possession of £300, £400, or £500, and who have had no idea of how to invest it have fallen victims of their own improvidence, and not necessarily from any wrong action or sharp practice on the part of salesmen. The money a man receives that ought to be available to help him through his disability and be of some protection later is dissipated in the most ridiculous way. I am glad to see that clause included to ensure that when the money is received, there will be a reasonable chance of its being utilised for the actual benefit and protection of the worker. I now wish to refer to the question of medical charges allowed under the Act. Our Act allows medical and hospital expenses up to the sum of £100. The member for Yilgarn-Coolgardie (Mr. Lambert), in the course of his speech on the Address-in-reply, made some comments on the charges of the medical fraternity. I do not think the hon. member would have made those charges had he possessed a full knowledge of the facts. When it comes to assessing the fee payable to a doctor for attending a difficult case, or performing an operation, it is a good deal a matter of opinion, just as I might say to the member for Fremantle (Mr. Sleeman) that it is a matter of opinion when it comes to paying for the services of a lawyer. People might legitimately differ as to what constitutes a reasonable fee. That applies particularly to medical services.

Mr. Marshall: That was not quite his argument.

Mr. McDONALD: I shall deal with his argument later. The member for Yilgarn-Coolgardie made some very sweeping and ill-founded suggestions that the doctors, as a whole, were making entirely unjustified

charges for their services in workers' compensation cases. We are all aware that in every occupation, whatever it may be, there can be found some who from time to time exceed the bounds of reasonableness. On the whole I think it can be said that 99 per cent. of the medical profession have been fair. What the hon. member failed to mention, and what is very material, is that when questions arose between the Underwriters' Association and the various insurance companies and the doctors, as to what constituted a reasonable fee, there was, at the outset, some difference of opinion and a certain amount of friction. Representatives of the British Medical Association met representatives of the Underwriters' Association and said, "We wish to ensure that nothing shall be charged that is not completely fair to both sides." They formed a sub-committee of both associations, who met for some time until finally the committee were put on a firm basis in 1935. The sub-committee consist of three leading members of the medical profession, and three members of the Underwriters' Association, who meet every month and deal with all accounts for medical expenses referred to them by any insurance company, as well as all accounts for medical expenses that doctors might refer to them when they consider the insurance companies are not treating them fairly. The committee are entirely honorary; they receive no payment at all. When they first met on the revised basis in 1935, in the first year or so they examined all the accounts sent in by doctors and insurance companies dealing with workers' compensation cases.

Hon. C. G. Latham: That must have entailed a lot of work.

Mr. McDONALD: A tremendous amount of work; they spent hours every month going through the accounts. Although no objection was made to any account, they went through the whole of them because they wished to form an appreciation of the whole position and determine what was a fair basis of remuneration for the doctors. Having examined something over a thousand accounts sent in by medical men to insurance companies they were able to come to an understanding as to what constituted fair charges for the great variety of services rendered under the Workers' Compensation Act. That basis, which is acceptable to the doctors and to the Underwriters' Association, is now observed and has been observed for some considerable time past. The committee have

reached the stage when they can confine their scrutiny to disputed accounts and of these they get very few, perhaps two or three, where there is room for a genuine difference of opinion. I am informed by the representatives of the British Medical Association that they deal with any question of over-charging without the slightest hesitation, and that the scheme is working satisfactorily. Very few complaints are made by insurance companies, who are the people that have to pay the bills, as to any unfairness in the charges, and a leading member of the Underwriters' Association informed me last week that the underwriters, under this system, were quite satisfied that they were receiving a fair deal from the doctors. Although there may have been some over-charging in past years it is quite misleading to suggest to the public that the medical fraternity are now making unfair charges in workers' compensation cases. That is all I wish to say. I feel that I must oppose the elimination of what I regard as very fair protection to the farmer on account of his special circumstances. Apart from that, I consider the Bill an improvement to the law, and will support it.

MR. HUGHES (East Perth) [5.22]: I regret that the Bill does not deal with a number of other matters connected with workers' compensation. I feel that it will operate more unfairly against the workers. The man who needs the sympathy of the people is the man who has received an injury and is unable to carry on his occupation. He does not know but that he might be disabled for all time. If the doctors have been getting out of the insurance companies a few pounds to which they were not entitled, in my opinion, the doctors are only getting what the insurance companies have got out of the workers. Hence it is a case of Greek meeting Greek. I think it very unfair to the companies to suggest that the doctors are in any way exploiting them. As a matter of fact, we often complain and feel aggrieved when doctors sign a man up as fit for work before he is fit.

Mr. Sleeman: That is often done.

Mr. Marshall: It is done in a majority of cases.

Mr. HUGHES: That is a difficult problem to handle. Whether a man is fit for work or not is often an acute point of

medical opinion. There was a case recently. A worker was off work for some months with a bad back. His own doctor said he was unfit for work—totally incapacitated. Another doctor also said he was totally incapacitated. A medical referee was asked for, and he said the man was 100 per cent. disabled. The insurance company went to a board of appeal, and the three doctors constituting the board said the man was fit for work. That, unfortunately, is a matter of medical opinion. I know that the doctors are in a very difficult position, particularly with injuries such as strains to the back, when there is always a suggestion from the company that the worker is swinging the lead. I handle a fair amount of business of this kind and I have never found any doctor unduly prejudiced against the insurance companies. I believe that, as far as they are able, they give an opinion on the man's condition, though they readily admit that where the injury is not visible, it is very difficult to say whether a man is malingering or is really injured. I should like to see some provision introduced, even if the workers had to bear the cost, a sort of second barrel for insurance for men who are injured and fail to obtain compensation. Frequently after a man has been injured there is a long medical argument as to whether he is fit for work or not, and after considerable differences of opinion amongst the medical experts, he is turned over to the lawyers. Then there is another series of differences of opinion between the legal experts. Meanwhile, the unfortunate worker is languishing for food, being frequently left without his half-pay and in a state of destitution. It would be very easy for us to establish this second barrel by State insurance, so that a man who was off work from sickness or accident and did not receive workers' compensation could have a fund available to him. For that service, as I have said, the workers would be willing to pay. I happen to be the secretary of an industrial union, and we are continually finding ourselves up against the problem of the worker being off work owing to injuries sustained at work or through illness. Of course, it is not possible to determine at the outset whether he is entitled to compensation or not. To meet such cases, we established, in connection with the union, a provident fund

to which members of the union contribute, male members 1s. a week and female members 6d. a week. The moment a member is off work through accident or sickness, he receives assistance—half-pay for the first six months, quarter pay for the next six months, and a diminishing amount thereafter. Thus, when one of our members falls sick or is injured, he does not suffer stress or mental anxiety owing to uncertainty as to whether any money will be available for the wife and family.

Hon. C. G. Latham: Would such a man get half-pay from the insurance company?

Mr. HUGHES: He would not get the double payment. If it is a workers' compensation claim and he gets half-pay from the insurance company, he does not benefit from the provident fund. If the payment of compensation is in doubt, he receives half-pay from the fund. If later it is determined that he is entitled to workers' compensation, he is obliged to refund the amount received from the provident fund. So that we have now quite solved the problem of the worker needing sustenance when he is unable to work as the result of injury. That additional insurance is something for which the workers in that industry are quite willing to pay, and something for which I am quite sure workers in all other industries would be willing to pay. It has been a wonderful boon. At one time when a man was off work owing to illness or accident and not receiving workers' compensation, the hat went round. Some people subscribed, and some did not. The system, when tried on the voluntary basis, proved unsatisfactory. Therefore we doubled the union contribution and amended our rules to provide that 50 per cent. of the union funds should be a trust fund to meet the obligation we were assuming of providing for our members in case of sickness or accident. The result was that the fund began to accumulate, and we had to elect between reducing the contributions or increasing the benefits. The members decided that they would continue to pay the 1s. per week, but would increase the benefits. After four or five years, therefore, we have added another benefit in the form of a payment of £20 death benefit payable on the decease of a member. The 1s. per week cannot be regarded as a flat rate, nor of course the 6d. per week for girls. However, this State has established a wages tax, and I think we

could deflect from the wages taxation sufficient funds to provide a safety valve of compensation to an injured worker not entitled to workers' compensation. This would not in any way affect the liability of employers to cover their workers against injury sustained in the course of the industry. Of all things that could be provided for the benefit of the workers of Western Australia, one of the best is a means of providing for workers when disabled. That is the time when the worker is in a terrible plight. I hope the time is not far distant when this State will be able to do something of that nature. I deny that it is something which can be done only by the Federal Government. I do not see why we should sit down and wait for the Federal Government to put into operation something of a practical benefit to Western Australia. Since it can be done for a section of our workers by means of a self-contributing scheme, it is a simple matter to establish it for the protection of all workers throughout the State. As regards the administration of the Workers' Compensation Act, we should cut down the time that it takes a worker to get to the court. The member for Kalgoorlie (Mr. Styants) has complained, and rightly, that when a worker is injured he frequently does not get his half-pay week by week as it is due, the worker thus being placed in an awkward position. Under the law the payment is due week by week; but where there are questions of medical testimony and probably an abstruse legal point to be settled, payment is frequently held up for a long time. In the first place, to start proceedings takes 21 days. The worker should not be held up for those 21 days. The case is one where the other party could reasonably be told, "You do not need three weeks to prepare your defence. Here is a worker without the means or wherewithal to live, and we shall cut your time down to an absolute minimum." As you, Mr. Speaker, are probably well aware, while the worker is waiting for a determination whether he shall obtain worker's compensation, he suffers much mental anxiety. As doctors admit, in many cases the delay in settling whether the worker is entitled to compensation or not develops a nervous tendency which retards recovery. We ought to facilitate the hearing of such actions. The time of waiting should be reduced to a minimum, and cases of that kind should

take precedence over any other proceedings in the Court. No fees whatever should be charged to a worker in respect of his application to the court. He should be given every facility to get his case before the court and adjudicated upon. Another factor operating unfairly to the worker is that if he loses his case in the lower court he is required to lodge £15 as a deposit before he can appeal. Of course £15 is neither here nor there to an insurance company, but it represents a lot of money to a worker who has been unable to work for perhaps 13 or 14 weeks owing to an injury. He has either to find the deposit of £15 or get some friend to find it for him. That is a trouble encountered in many cases of the administration of the law. To fine one man £20 for an offence is no penalty at all in some cases—not as great a penalty as a fine of £1 would be to other men. The burden which the deposit of £15 represents to the worker is not felt on the other side. Wealthy institutions like insurance companies, if they want to appeal, can put up the deposit of £15 without any difficulty. We ought to remove that bar on the worker's right of appeal, so that in the case of claims for worker's compensation there shall be an unrestricted right of appeal whether the worker can find £15 or not. It may be said that if the deposit of £15 is done away with, all sorts of frivolous appeals will be encouraged. I do not think there is anything in that objection, because no lawyer would be inclined to take on a frivolous appeal in a worker's compensation case, knowing full well that unless he wins the case in the Appeal Court he will have been acting in an honorary capacity.

Mr. Fox: But some lawyers are bad judges.

Mr. HUGHES: That is so.

Mr. Marshall: There is one bad judge in every case that is heard.

Mr. HUGHES: Unfortunately, when a lawyer advises a worker that he has a good case for an appeal in relation to the Workers' Compensation Act, he has to pay the penalty if his judgment is bad. If he does not succeed in the Appeal Court, he finds that he has had to do the work in the lower court and also that in the higher court for no payment. I do not think any lawyer would object to helping a worker who had a reasonable chance to win a compensation case. He would not mind giving his services to assure that the worker secured a fair

deal. If the lawyer thought his client had been wrongly dealt with in a lower court, I am sure he would not mind doing the extra work without remuneration in order that the man might receive justice. That position could very easily be remedied, and the possibility of danger arising out of frivolous appeals consequent upon the removal of the bar constituted by the requirement to lodge the sum of £15, could be obviated by providing that the necessity to lodge that sum could be dispensed with on the certificate of a judge to the effect that the case involved reasonable grounds for argument on appeal. Such a certificate could be obtained by the worker at no great expense, and that would afford the necessary protection against frivolous appeals. There is another section of the Act that is long overdue for consideration. I refer to the section that sets out that in the event of a worker obtaining a verdict in his favour for compensation and that compensation not being paid, it then becomes a charge on the plant and machinery employed in the enterprise with which he was associated. That looks all very nice in print, but it is not effective in practice. In fact, it might just as well be omitted from the Act altogether. The position is that frequently when an attempt is made to levy execution on the plant and machinery in an industry, it is found that the plant and machinery are held under a bill of sale and the worker, in consequence, has no redress at all. We could reasonably say to the man who accepts the bill of sale over the machinery and plant associated with an enterprise that has been carried on by workers upon whose labour the business depends, "If you are to have cover over these chattels as against the claims of an injured worker, you should at least make it your business to see that the persons to whom you have lent your money have adequately insured their workers under the Workers' Compensation Act." If that were the position, we would be entitled to say that the worker would have the first claim, notwithstanding the bill of sale. I have known of some pathetic instances where workers have been so injured as to be practically disabled from earning their living, and after a long interval, by the process of medical testimony and law, have succeeded in securing judgments, only to find that their claims were defeated because of bills of sale. No great hardship would be inflicted on the holder of the bill of sale, because he could

protect himself by making sure that the person to whom he had lent the money had covered himself with adequate insurance provisions. Any little extra hardship imposed on the holder of the bill of sale would be infinitesimal compared with the position of the worker who, having secured a verdict, was unable to secure his compensation in the circumstances I have outlined. References have been made to the position of the farmer. In my opinion, there would be a lot more insurance provided for by farmers for their labourers if the interests of the latter were more adequately handled. The average worker, fortunately for him, deals once only in his life with an insurance company. Officers of insurance companies are daily handling claims and negotiating settlements. They become expert in the conduct of those negotiations. It frequently happens that when the worker, particularly the farm labourer who has no industrial organisation to protect him, is injured and is referred by his employer to the insurance company, there is a lot of baggling over what the worker is entitled to receive. The man may not have much money for living expenses, and the negotiations with reference to the amount to which he is entitled are so protracted that he may become downhearted and agree to accept a lump sum that may be offered to him. The worker, who has this experience for the first time, is at a terrible disadvantage, and most decidedly all the advantage is on the side of the insurance company. In my opinion, we should provide some additional protection for the worker by stipulating that before any such claim is finally settled, it shall be certified to for the worker as representing the amount to which he is entitled. I shall probably find myself in conflict with the member for Fremantle (Mr. Sleeman) on this point. I am aware that, in Paragraph 20 of the First Schedule, we have provided that when an agreement is entered into, it must be lodged with the court and does not become binding until after seven days' notice has been given. The worker receives a notice that the agreement has been lodged but that means nothing to him. He has negotiated a settlement, and knows what it is. There is a provision that the Clerk may refuse to register an agreement if it appears to him to be inadequate. Unfortunately, the Clerk is not in any way conversant with the facts; the agreement is just one of many lodged for registration

and, even if the Clerk did make it his business to examine the terms of settlement, no information is embodied in the document on which he could form a judgment as to whether the settlement was adequate.

The Minister for Employment: I have provided an amendment that will tighten up that provision.

Mr. HUGHES: I am glad to hear that.

Mr. Sleeman: Then everything is fixed now.

Mr. HUGHES: That may not be so. I intended to suggest that before any such agreement was finally settled, it should not be binding on the worker unless it was certified to by a solicitor, to be paid for by the insurance company to examine the document on the man's behalf. The answer to that might be made by the member for Fremantle that such a provision would merely mean making work for solicitors. If a small fee of, say, £2 2s. were allowed for that work, I would not care whether it was a solicitor or an officer specially appointed for the task by the Government who undertook the work. Before the worker is finally cut off from his redress, some independent person should be available to tell him that the agreement provided the amount to which he was entitled. If that were done, and there was the necessity to provide a certificate to that effect before the agreement became binding, my objection would be met.

Mr. McDonald: As under the Money Lenders Act.

Mr. HUGHES: I had intended referring to the section in that Act. I thought when I mentioned the matter of some remuneration for the legal profession I would get some support from somewhere.

Mr. Sleeman: Is that provision not in this Bill?

Mr. HUGHES: The Registrar has not the means of doing it. The agreement simply goes down, and it does not contain any information about the facts. As the member for West Perth (Mr. McDonald) has pointed out, in the Money Lenders Act there is a section which provides that certain people may not mortgage their inheritance unless there is some provision in writing signed in the presence of a police or resident magistrate, and so on. I would like to read the section dealing with the assignment of inheritance. We know that many people who have had inheritances have assigned them away before they became due.

Many of us have never been in danger of having that temptation placed in our way. The only thing I inherited was my share of the public debt, and I believe that I have in my generation doubled that debt, so that I shall be able to hand on to my children twice the share of the public debt which my father handed on to me.

Mr. Styanis: No one is better able to pay the debt than posterity.

Mr. HUGHES: Section 13 of the Money Lenders Act of 1912 reads as follows:—

No assignment to a moneylender, whether absolute or by way of security or otherwise, howsoever made after the commencement of this Act by any person (hereinafter called the grantor) of or in respect of all or any part of his right, title, or interest, whether actual or expectant, in possession, remainder, reversion, or contingent, or of any nature whatsoever in or under any will, codicil, or deed or in, under or to the estate of any deceased person, whether the decease of such last-mentioned person be before or after the making of such assignment or before or after the commencement of this Act, shall be of any force or validity at law or in equity unless the assignment is in writing and executed by the grantor in the presence of a police or resident magistrate, or clerk of petty sessions, or solicitor instructed and employed independently of the moneylender and certified by the police or resident magistrate, or clerk of petty sessions, or solicitor as hereinafter provided.

It has been found necessary—and of course that is not a provision that we inserted, it is taken from English legislation—that in certain cases a person in necessitous circumstances dealing with a person who is much better circumstanced and in a position to take advantage of him should have some independent advice to enable him to see whether he is being rightly dealt with. The worker who is negotiating without legal assistance with an insurance company—and insurance companies are still negotiators in that sort of business—is in an equally disadvantageous position with the beneficiary or prospective beneficiary who seeks financial aid from the moneylender. It would be to the interests of the worker if counsel, certified by a magistrate, could be appointed and a small fee allowed so that he could make an examination of the facts and certify whether or not the agreement was fair to the worker. I do not think the insurance companies could complain if they had to pay these fees, because generally it is to their interest to get a settlement made. I am glad that the Minister has had that matter brought under his notice, or that

past experience has convinced him of the necessity for doing something in this direction. I hope I can persuade him to look into that section giving a charge on the chattels, and that he will give consideration to providing that that section shall become effective notwithstanding the priority of a bill of sale. The other points with regard to cutting down of time, and with regard to appeals, I think are machinery matters, and I hope the Minister will give consideration to them so that in these contests—the most unfortunate of all contests that come before the court—the worker will be placed, as far as it is possible for us to place him, on an equal footing with the insurance companies. The remainder of the provisions of the Bill have my support.

MR. FOX (East Fremantle) [5.55]: I am somewhat surprised at the mild criticism the Bill has received from the other side. It makes me a little doubtful as to whether the Minister has gone sufficiently far with his amendments.

Hon. C. G. Latham: Of course you are sure to be suspicious.

Mr. FOX: In my opinion there are several other amendments that could, with advantage to the workers, be included in the Bill. One that I consider should be added is an amendment to Section 16 in regard to lump sum payments. At present, as set out in the Bill, the amount for total incapacity under the First Schedule is £750. I want to refer to the usual practice followed when a worker meets with an accident that brings him under the First Schedule, and all accidents bring him under the First Schedule at the commencement, although when a settlement is taking place it is sometimes made under the Second Schedule. Usually after weekly payments have continued for a time, and it is mutually agreed that no further improvement can take place in the condition of the worker an attempt is made to arrive at an agreement as to what the worker is entitled to receive as a final payment for his injuries. Sometimes the worker is sent to a medical referee. Either side can appeal to a board from the decision of the referee. Even then it is often necessary to approach a magistrate in order to get him to interpret the decisions of the medical board. If the agent of the worker and the insurance company cannot agree on a settlement after the board has sat, an appeal is made to the magistrate. Then, if the worker is

able to prove that he is totally and permanently incapacitated and has received compensation for a period of not less than six months—and very often these payments extend over 12 or 18 months—and is also able to prove that the employer is in a position to pay a lump sum, the court usually decides that a lump sum shall be paid. When that lump sum is arrived at in this manner, the weekly payments are subtracted from the £750, the total allowed under the Bill, and the worker is then paid the present worth of the balance at about 4 per cent. The court makes allowance also that the employer shall be reimbursed the amount he will lose by paying a lump sum that he could invest instead of weekly payments. That is usually about £50, according to the amounts payable from the lump sum. A couple of years ago cases were decided in the Fremantle Court, this procedure being followed. But in one instance the employer went on to the Supreme Court, and the Supreme Court set aside the judgment of the lower court and told the magistrate that he should have made allowance for the estimated length of life of the applicant, and for the chances of the employer going into liquidation. So it knocked a few more pounds off the worker. It meant extra expense to the worker, and he lost a few pounds as well in costs. It should be specifically set out in the Bill how the lump sum is to be arrived at. As I have said, the procedure used to be that if, say, £100 had been paid in weekly instalments, £650 would be left. It then became necessary to find the present worth of the balance of £650 as a basis of the lump sum. The payment of £600 at death will not bear very heavily on the insurance companies. At present every worker, or rather the widow of a worker who was employed under an Arbitration Court award would be entitled to £600. One class of worker that this would affect would be those on relief work. I am sure the Leader of the Opposition will have no hesitation in voting for that, after his speech the other night in which he showed so much sympathy with the relief workers. So I do not expect any opposition from that side.

Hon. C. G. Latham: The opposition will come from your own side.

Mr. FOX: This provision is for the dependants of those workers who have met

with fatal accidents. Unless those dependants have sufficient to give them a chance to start in life for themselves, they will be thrown on the State and the State will have to carry them, although it is the industry itself that should be responsible. I was pleased to hear very little opposition to the provision for artificial teeth, glass-eyes, etc. Although the member for Katanning (Mr. Watts) said that very little opposition had been shown by the insurance companies to the supplying of artificial teeth, that has not been my experience. I have had a great deal to do with workers' claims under the Workers' Compensation Act, and my experience has been that if a worker does not make an arrangement before his teeth are extracted, he will have very little chance of getting them replaced by the insurance companies. The reason for the extraction of a man's teeth in the circumstances we are considering is invariably that some injury has failed to clean up properly, and so the doctor says to the patient, "I am afraid your teeth are responsible and so I would advise you to have them out." But if the worker has someone looking after his interests, he can go to the employer and say that he will not have his teeth out unless they are going to be replaced for him free of cost to him. In nearly every case the employer will agree to give that guarantee, but unless he does so, there is no certainty that the cost of the extraction and replacements will be met. This applies in most cases where an extraction has been ordered by the injured worker's medical adviser, and it is a question of getting the teeth out in order to facilitate the patient's recovery—which is good for the worker and good also for the employer. The State Government Insurance Office has been fairly liberal in making allowance to a man who, having visited the office in order to meet the insurance doctor, has to wait over a meal time. The State Government Insurance Office has supplied meals for men in those circumstances, but other insurance companies have flatly refused to do so. I am glad the Minister intends to tighten up the regulations regarding release from compensation. I have struck some very hard cases during the last eight or nine years. Although it is provided in the present Act that the Registrar must be satisfied that adequate compensation has been paid, it has been my experience that this provision has not been observed.

I know of cases where no consideration has been given to the workers for the release granted to employers. There were two cases in which insurance companies were not involved; the employers carried their own insurance risks. In one case the dependants were deprived of a fair amount of compensation, and in the other case the worker was deprived of the difference between £19 that had been paid him and the full amount of £750. On one occasion when a worker signed for his final weekly payment of £3 10s., an agreement was placed in front of him for signature. He did not read it and did not know what he was signing, but later he discovered that he had released the employer from all present and future claims under the Act in connection with his accident. Later he suffered a recurrence of the effects of the accident and made application for a resumption of the weekly payments, but he was told that he had given the employer a clearance and that no further compensation was payable. The worker sued the employer, but the magistrate at Fremantle ruled that the agreement was valid. Appeal was made to the Supreme Court and that tribunal ruled that the agreement was invalid and ordered the employer to resume the weekly payments. The case was taken to the High Court where judgment was given that the agreement was binding and that the worker had no further redress. Unfortunately he did not have sufficient money to appeal to the Privy Council; otherwise the judgment of the High Court might have been upset. Another man suffered a severe injury and, at the conclusion of his weekly payments, he signed a release. Later there was a recurrence of the trouble and he died, but no further compensation was payable. Those cases show the need for tightening up the law on the lines suggested by the member for East Perth. It should be obligatory on the clerk of courts to scrutinise such agreements, examine the employer and the worker, and order an examination by a doctor, to determine whether the amount agreed upon is sufficient. In many instances employers escape their obligations by getting such agreements signed, and the responsibility for the maintenance of the injured worker is cast upon the State when it should be borne by the employer. The member for Katanning (Mr. Watts) raised a point about farmers and contractors working for farmers. I suppose such contractors would include men who operate chaffcutting

machines. I cannot imagine that it would be very difficult for any farmer to enter into an agreement with the State Insurance Office for cover if a chaffcutting plant were operating for a day or two before insurance could be arranged. I am sure that every member representing a farming constituency will agree that workers employed on such plants should be insured. The member for Kataning said that the farmer exercised no supervision over the men employed by such contractors. If a man lets a contract, he should be just as eager to ensure that the proper class of man is employed on the clearing or whatever the work might be. Provision might well be included in the Bill for the insurance of such a contractor and his men while working. It is not fair that a man, on meeting with an accident, should discover that the employer is unable to pay the compensation provided by law. If the employer were a man of substance the injured worker would be able to recover compensation through the court, but where the employer is not a man of substance, the farmer should see that the employees are insured.

Mr. Seward: If the farmer employs them, yes.

Mr. FOX: If a contractor employs men and is engaged to do work for a farmer, the farmer should see that the employees are insured.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. FOX: Before tea I was discussing the necessity for farmers being compelled to insure their employees, whether they were employed by a contractor or not. As the member for Mt. Marshall (Mr. Warner) has frequently pointed out, it is difficult for farmers at times to find the money wherewith to pay the premiums. In many instances, the farmers are under lien either to the Agricultural Bank or to private banks or private people, and where such is the case, and the farmer is employing workers, the party which has the largest equity in the farm should be responsible for the compensation.

Hon. C. G. Latham: Unless you make that the law, you cannot bring that about.

Mr. FOX: It is desirable that something like that should be put into the Bill. Most people who have had to deal with these questions know of cases where men have worked for farmers and found that the farmers had no money with which to pay them. I do not say that the farmer is dishonest, for he

would pay if he could. He might be able to pay a pound or so, but when it comes to a question of losing a limb or a finger, and to compensation running into £50 or £100, possibly he cannot pay.

Hon. C. G. Latham: He could not pay the compensation if he could not pay the premium.

Mr. FOX: If the Agricultural Bank has a lien over the farm, or there is some other mortgagee, the obligation should be cast upon either the institution or the individual concerned to provide the premium. It should be a charge upon the estate. That is only just and reasonable. I wish now to deal with the proposal to amend Section 10 of the principal Act whereby employers must verify by statutory declaration, if requested, the particulars supplied to the insurance company. An unscrupulous employer could evade part of his obligation, if he so desired.

Hon. C. G. Latham: That could be done under the existing Act, without this Bill.

Mr. FOX: He can evade part of the payment if he likes, but the Bill will tighten up the law considerably. I do not know what prompted the Minister to bring down this clause. The dishonest employer could evade a fair amount of the premium he should pay. Many business places employ a large number of casual hands. There may be a hundred people working to-day, 200 to-morrow, 300 the next day, and probably a lower number for the rest of the week. In such circumstances it would be easy for the employer to pay far less premium than he should pay. The honest employer has nothing to fear. I think the clause is desirable and should be retained in the Bill. On the question of the delay which sometimes occurs in referring matters to a medical referee, the clause in question provides—

Mr. SPEAKER: The hon. member is not entitled to discuss clauses at this stage.

Mr. FOX: We learn every day. The clause in question limits to one month the period when the aggrieved party must apply to a medical referee. Usually, after the weekly payments commence, they are continued for a certain time, when the employer has the worker examined. It is not always difficult to get a certificate to say the employee is fit to return to work, notwithstanding that the doctor who has been attending the patient since the accident has certified that he is still unfit for work. When that time arrives, the employer says nothing and the worker is left without any pay, in most cases; and, unless he has a

strong union behind him, he cannot get the £2 with which to approach the court and have a medical referee appointed under the Act. I should like to see it made obligatory upon the employer that within one month he must approach the medical referee or else forfeit his right to do so. I feel sure that would wipe out many of the bad results following upon the Act itself. The employer will then know that the worker can take out a summons and proceed in the court and he will know also that the proceedings in the court will cost him a great deal more than if he appealed to a medical referee. I hope the Minister will give some consideration to the amendments I have suggested.

THE MINISTER FOR EMPLOYMENT

(Hon. A. R. G. Hawke—Northam—in reply) [7.37]: I desire to express my appreciation of the remarks of members who have discussed this Bill.

Hon. C. G. Latham: You should thank those who did not discuss it.

The MINISTER FOR EMPLOYMENT: I thank them for the friendly reception they have given to the measure, and to most of its provisions. I intended also to thank those who did not speak to the question, for their silent consent to the contents of the Bill, thus saving the time of the House. It would appear that only two provisions of the Bill are likely to receive any opposition, namely those dealing with the deletion of the two provisos to Section 11 of the Act, and the inclusion of yolk boils as a disease in the Third Schedule of the Act. The Bill contains a clause aiming to delete the two provisos to Section 11, because it has been found that a number of workers employed by contractors carrying out work in the agricultural areas have not been insured, and consequently, when injured as a result of their employment, they have not been able to obtain compensation. The legislation we are dealing with is the Workers' Compensation Act. We are endeavouring to protect the workers, and to compensate them when injured. Therefore there is every justification for seeking to eliminate what has been found, as the result of experience, to be a weakness in the Act. I pointed out, when explaining the provisions of the Bill, that principals and contractors, and even some subcontractors, were all equally liable, except as regards farmers when letting cer-

tain types of contract to contractors. I anticipate no difficulty whatever in the event of these two provisos to the Act being deleted. In fact, at the present time numerous farmers take the precaution of making certain that a contractor employed by them insures his workmen against compensation, before the contract is let. There is no obligation upon the farmer to do that. He need not do it. He is not responsible in the matter as the Act is now framed. The farmer feels, however, that there is a moral responsibility upon him to ensure that workers indirectly employed by him shall be protected in the event of injury. If this provision of the Bill is approved by Parliament, all a farmer will have to do when letting a contract is to insist that the contractor shall provide proof of having insured the workers against injury, before the contract is let. There is nothing impracticable about that.

Mr. Thorn: No. It is only shifting the onus.

The MINISTER FOR EMPLOYMENT: There is nothing difficult about it.

Mr. Doney: Isn't there?

The MINISTER FOR EMPLOYMENT: There will be no increase in premiums. It is quite certain that contractors to-day, when giving a farmer a price for work, include in that contract price a charge to cover an insurance policy under the provisions of the Workers' Compensation Act. So the farmer to-day is paying, in the price he pays to the contractor to carry out the work, for the men to be insured under the provisions of the Act.

Mr. Thorn: Yes; but you are placing the responsibility on the farmer, and if he happens to slip he would be responsible.

The MINISTER FOR EMPLOYMENT: We place a similar responsibility upon every principal employer in the State who lets a contract to a contractor. Once farmers know that they have a responsibility to workmen carrying out work in connection with farms or some portion of farming activities, they will be pleased, in my opinion, to take the necessary precaution of making certain that the workers to be employed by the contractor are insured. There need not be any fear on the part of any hon. member opposite that the clause will place upon the shoulders of the farming community either financial burdens or other difficult responsibilities. The farmers will prove themselves

quite as capable of dealing with the new position as other principal employers have proved capable of dealing with it in the past. I emphasise the point that the objective being aimed at by this provision of the Bill is that of making more certain that protection shall be provided for the workers concerned in the event of injury being suffered by them. That is the objective which the passing of the clause will achieve. The farmers will not suffer any disability or any financial loss. The one effect of passing the clause into law will be the beneficial one of giving to workers employed by contractors that protection to which those workers are entitled under the Workers' Compensation Act. Regarding the proposed addition to the Third Schedule of the Act, for the purpose of giving shearers cover in case of contracting yolk boils, it is my opinion that the provision does not require any additional explanation beyond that which I gave in moving the second reading. Shearers undoubtedly are highly susceptible to the contraction of the disease. It may be, as suggested by the member for Katanning (Mr. Watts), that shearers would obtain a certain amount of immunity against it if they changed their clothes more frequently, or if they wore silk underwear, or did something else of that description. The point is that shearers ought to be protected against the disease because of the fact that the shearing industry is one in which the workers are especially liable to contract the disease.

Mr. Watts: Cannot it be contracted in any other way?

The MINISTER FOR EMPLOYMENT: It may be possible to contract the disease anywhere, but shearers are especially liable to contract it because of the conditions of their employment.

Hon. P. D. Ferguson: Have you any idea what percentage of shearers do contract the disease?

The MINISTER FOR EMPLOYMENT: I have no idea of the percentage. The fact remains, however, that quite a number of shearers do contract it. I can assure hon. members that no shearer desires to contract it, or enjoys it once he has contracted it. Not only does it destroy his earning power, but it involves him in considerable physical pain and expense in connection with medical treatment and the like. As I pointed out when presenting the Bill to members, the shearer has a comparatively short sea-

son in which to earn his wages, and if at any period during that season he is stricken down with this disease, his position becomes indeed serious and difficult. Therefore I hope, and believe, that this provision in the Bill will receive the unanimous endorsement of the House. The member for East Perth (Mr. Hughes) and the member for South Fremantle (Mr. Fox) referred to the desirability of tightening up the parent Act as it affects final agreements entered into between the injured worker and the insurance company acting on behalf of the individual employer. The Bill was drafted some time ago. Since then a number of members of this House and representatives of the workers' organisations interviewed me and stressed the necessity for some action to be taken to prevent employees from exploitation through being persuaded to sign agreements that give the employers full and final settlement with regard to the injuries suffered by their men. As a result of those representations, I have had an amendment drafted that, in my opinion, will have the effect of tightening up the paragraph of the schedule dealing with that particular matter. The amendment will appear on the Notice Paper for Tuesday next, and before we reach the appropriate stage in Committee, each member will have an opportunity to study it. It is true, as the members for East Perth and South Fremantle stressed, and as other members have mentioned to me privately, that this type of agreement has been used by a number of insurance companies for the purpose of defrauding workers of a considerable percentage of the money to which they were justly entitled. I do not blame the employers. They receive no benefit as a result of action of this description by the insurance companies. I do not believe that all private insurance companies use the provision in the Act regarding final agreements in the way I have just mentioned. The fact remains, however, that a number of them do deliberately persuade and influence workers to sign final agreements, knowing full well that the workers will not receive anything like the amount of compensation to which they are entitled. Once again I thank members for the reception they have given the Bill. The Government have been careful to frame it in such a way as not to give anyone an opportunity to say that we are asking for the world on behalf of the injured workers of

the State. The Government ask for those improvements that they feel they are entitled to request, in order that adequate protection shall be given to workers who are injured in the industries of the State.

Mr. Marshall: In the light of experience.

The MINISTER FOR EMPLOYMENT: Therefore I anticipate that the Bill will receive in Committee, if not the same full measure of approval as at the second reading stage, at least a measure of approbation sufficient to pass each clause so that the Bill, as it stands, together with the addition I have indicated, may be forwarded to the Legislative Council and in due course become the law of the land as part of the workers' compensation legislation of this State.

Question put and passed.

Bill read a second time.

In Committee.

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

Clauses 1 to 3—agreed to.

Progress reported.

BILL—FAIR RENTS.

Second Reading.

Debate resumed from the 26th August.

MR. HUGHES (East Perth) [7.59]: I notice that this Bill appears as No. 13 on the file; I trust members are not superstitious. Of course, the measure is mere kite-flying. The Bill has been introduced although every member of the House knows that it will be rejected in another place, and every member knows, too, that the Government will take that rejection lying down. In those circumstances, there is nothing very much at stake in the discussion of the measure. It merely seeks to throw dust in the eyes of the electors of Kalgoorlie. I cannot understand those particular electors; they seem to be losing their virility. I do not think they would have been so easily placated in the days when we pioneers went to the fields and blazed the track. In those days we had housing problems, but we did not come to Parliament to solve them. Evidently the old stock must be weakening. Of course, after we blazed the track we had the

Paddy Lynchs, Phil Colliers and other nonentities and celebrities coming to the goldfields.

Hon. P. Collier: I was there before you.

Mr. HUGHES: No, you were not.

Hon. P. Collier: Then not long after.

Mr. HUGHES: You did not come until we blazed the track. You would not come until we provided a railway from Southern Cross to Coolgardie.

Hon. P. Collier: Were you on the construction of that?

Mr. HUGHES: It is no use the ex-Premier saying that he was there before us. He would not come until we gave him some of the comforts of civilisation, and when we afforded him those comforts he set about energetically and successfully to provide himself with a lot more. When the member for Boulder was making his way in the political firmament we boys of Boulder used to sit at his feet admiringly while he used to deliver some of those red speeches which would make the Communists of to-day look very pale. We thought that by sending him here all the problems of the day would be solved. They were not solved. I do not suppose there is any landlord in the country who will raise any objection to the Bill. It is drawn up in such a way that if it were to become law it would be bound to defeat its own object, because the basis of the Bill is the capital value of the house concerned. The capital value of the house must be deduced from the rent the house will provide. Consequently the very basis upon which the rent is to be assessed is the rental value for the time being. I made investigations in 1936 into the matter of fair rents and I found that cottages in East Perth that were rented at 8s. a week prior to 1910 were bringing 18s. a week in 1929. Consequently those houses have increased tremendously in value because the person investing in a house, as an investor, naturally takes into calculation what rate of interest will be returned on his money. The most elaborate palace in the centre of Australia would not be worth as much in rental value as a three-roomed or four-roomed house in the city because nobody wants to rent a palace in the centre of Australia. So that the very first thing a magistrate would have to do in assessing the capital value of a property would be to see what rent the property was bringing in and after deducting

rates and taxes and other outgoings from that rent, would then see what balance would return a reasonable amount of interest. Therefore he could not by any stretch of imagination reduce the rent that the property was bringing at the present time. From that aspect alone the Bill would not have any great effect. I am satisfied that if the Bill became law it would probably increase rents to the workers in the city because it provides for a return that not many landlords are getting on house property to-day. It provides a rate above the bank rate after deducting $1\frac{1}{2}$ per cent. for the overdraft rate, roughly 7 per cent. after deducting rates and taxes, repairs (including painting), maintenance and renewals, insurance and depreciation. There are not many landlords getting 7 per cent. clear after deducting renewals, rates and taxes and depreciation. Therefore, if the Bill did become law it would not affect the rents in the metropolitan area unless it be to increase them. I am wondering, after hearing the member for Yilgarn-Coolgardie (Mr. Lambert) the other night or, rather, reading that he had become a champion of the insurance companies, whether the member for Brown Hill-Ivanhoe (Hon. F. C. L. Smith) had suddenly decided that landlords should extract more rent from the workers. Unfortunately even if we did secure a reduction in rents in the metropolitan area, the worker would only enjoy the advantage for a short-lived period because the basic wage is in part arrived at by calculating what rents are paid. If it were shown that there was a decrease of 2s. a week in rents payable, at the very next quarterly adjustment the basic wage would be brought down 2s. Therefore, if the workers in the industrial centres obtained a reduction in rent the amount would be taken off the basic wage. Unfortunately in the event of a rise in the rents, workers might not get the advantage of an increase in the basic wage so quickly. What the workers of the metropolitan area need to help them solve these problems is a statistical bureau of their own which could employ people specially designated to gather information to submit to the statistician before he fixed the basic wage. It is frequently said that the allowance for a four-roomed house in the metropolitan area is 13s. 6d. a week. I do not think there are many four-roomed houses available

around the city of Perth at 13s. 6d. a week. The people who are obliged to rent houses are in the unfortunate position that if they succeeded in getting their rents reduced that reduction would bring about a reduction in the basic wage. Accordingly a Bill like this does not assume very much importance. I am reminded of the Greek philosopher who claimed to have so conquered matter by spirit that it was of no consequence whether he lived or died. He was asked why he did not commit suicide and he replied "Because it does not matter." That is the position of the worker as far as the Fair Rents Bill is concerned. What we should do for the worker, and what we could do, is to provide some new means of enabling the worker to own his own home. What prevents this is the problem of the financing of such a home. The average worker over a lifetime easily pays in rent much more than the value of a comfortable home. Unfortunately he cannot get a home because of the difficulties of financing it, and because of the excess charges that are met in the process of financing. We shall solve the housing problem to a large extent when we have enough courage to break new ground and get away from the old order. There is no doubt the saying "sound as houses" is a saying full of substance. Take the man who wants to buy a home. For this I am going to use the figure £850, because the relative proportions apply whether you take a lower figure or not. Suppose a man is buying a home at £850. It is fairly easy to get a mortgage of £600 at an interest of $5\frac{1}{2}$ per cent. That security is so good that the law will allow trustees to invest trust moneys in it, on a first mortgage. Throughout all the depression I think if we could ascertain the number of first mortgagees that lost their money, we could count them on the fingers of one hand. Because the first mortgagee, coming into a 66 per cent. value, is in such a safe position that unless there were an absolute collapse of the whole community he is taking no risk at all. I venture to say that if the Commonwealth Government owned all the mortgages, including farming and pastoral properties—that suffered so much—to the extent of 66 per cent. they would not have lost a penny over the depression. Of course if we were like the member for Yilgarn-Coolgardie (Mr. Lambert) we would never have to go into the question of financing a paltry £850 because we would be able to pro-

vide that in cash. I think it will be found that there are very few first mortgagees, particularly on city properties that have lost their money as a result of the depression. When one goes to finance a house, say, on the £850 basis, the prospective purchaser pays, say, £50 deposit, leaving a balance of £800. He can get a first mortgage at $5\frac{1}{2}$ per cent., but the great difficulty that faces him when financing the building of a home is the obtaining of that £800 margin on second mortgage. The second mortgage is generally available to the builder at 7 per cent. But the builder wants ready cash, and he has to sell his equity in the house, and in order to sell his equity of £200 he gets about from £125 to £140 for that equity. So, for the equity of the buyer who gets £200 security carrying 7 per cent. he pays only about from £125 to £140. So his investment returns him 10 per cent. In the process of financing there is a dead loss to the purchaser of the difference between this value and the saleable value of the second mortgage. But of course the purchaser of the house has to go on paying the full value. If the builders could afford to carry their equities, they would do all right. Their reason, of course, is that the second mortgage buyer wants the higher rate of interest, because he is taking the risk. Undoubtedly holders of second mortgages lost money during the depression. Any number of people who are industrial workers, and those who are a little more fortunate than that, are aware that the first fall in the price of a house comes off the equity purchaser, and if the value falls further it then comes off the second mortgage. But notwithstanding the depression, and a drop of over 30 per cent. in house values, they never fell below the face value of the second mortgage. That shows what a safe investment the first mortgage is, and it shows that to get an £850 house the purchaser has to pay over and above builder's profit £60 or £70 to make up the full interest rate. That makes it very difficult for a purchaser to get anything like a home. Notwithstanding that, he goes on paying for years, until finally he gets rid of the second mortgage, and then has to tackle the first mortgage. I hope I shall be pardoned, Sir, if I digress for a moment into the Federal election, which seems to be the order of the day. I should be very interested to know what Mr. Curtin means when he talks about monetary reform. I have tried to find out from him just what he means, but have never succeeded. I think

that if we had the courage to break away from the old traditions of financing and to say to every man who wants a home, or who has a farm or a pastoral property in Australia—

Mr. Lambert: Or a legal profession.

Mr. HUGHES: There is no security in that, so I would not advise the hon. member to risk anything in it.

Mr. Lambert: It is the best security in the world.

Mr. HUGHES: I think we could safely say to-morrow to every man who has real estate in Australia, "Instead of going to the private moneylender and getting your first mortgage for two-thirds of the value, which is just as safe as gold, if you build a house, or take over real estate, you can go to the Commonwealth note-issuing department and get two-thirds of the value of your real estate in notes, on condition that you pay back those notes over a period, bearing a small interest of, say, 1 per cent. to cover handling charges, and build up a reserve." We then would solve the problem of people who want to build their houses. In the case of a man with a mortgage of £600, we would save him the payment of nearly £30 per annum in interest, and the security backing those notes would be just as good as the security backing a mortgage. What is the difference between issuing a piece of paper to two-thirds of the value of real estate and calling it a mortgage, and issuing bank notes and calling them a security? But of course the old traditions die hard. The moment anyone suggests using the currency to make available to the workers credit facilities, vested interests come to light and prefer a charge of inflating the currency. Why, every currency in the world has been more or less inflated, and deflated, too.

Mr. Marshall: Both ways, constantly, too.

Mr. HUGHES: I recall the late Professor Shann, under whom I had the privilege of studying economics, though members might not appreciate that fact from my speeches in this House. He was a rather broad-minded man for a university professor.

Mr. Lambert: He was adviser to the Bank of New South Wales.

Mr. HUGHES: When he came to this State, unfortunately for the last time, I met him in the tram and said, "Well, you deflated the currency, and now you will have to inflate it to put it back where it was." He replied, "Not inflate it, but reflate it."

Mr. Marshall: Or re-inflate it?

Mr. HUGHES: One of the disabilities we in this community suffer is that we are bearing a tremendous burden of debt on which we have to find interest, which makes the price of money very dear. If we did not owe such a large amount by way of public debt so that people can get 4 per cent. on a gilt-edged security, the price of money would fall. I remember reading in one of John Ruskin's works a statement about his father and other business men in London discussing the public debt. One of them suggested that we should not have a public debt, that we should raise the money required year by year by taxation and not burden posterity with debt. Ruskin said his father exclaimed. "What, no public debt! Where are we going to invest our savings?" We suffer considerably because the enormous public debt and the demand for money are keeping interest rates up.

Mr. Lambert: You know the Jews say, "Thank God for the man who invented interest."

Mr. HUGHES: I wonder whether we should thank God for inventing the hon. member.

Mr. Lambert: I do not know that we should thank Him for inventing you.

Mr. HUGHES: I commend to the hon. member a little pamphlet of which I have half a dozen copies. It is not a very popular pamphlet, but it is worth reading whether one agrees with the contents or not. It is a pamphlet on the man who is going to be, if not literally, then de facto the leader of the hon. member's party in the Federal House—the real leader. The pamphlet is entitled, "The Lang Plan," and has been written by a student of the Sydney University. It is very interesting, because it contains a lot of valuable information about debt adjustment. We all know that there were tremendous European debts owing to the United States of America and to the British Government. Russia was not the only country that refused to pay its debts. Mussolini was relieved of 87 per cent. of the debt Italy owed to Great Britain.

Mr. SPEAKER: I trust the hon. member intends to connect those remarks with the Fair Rents Bill.

Mr. HUGHES: Undoubtedly. I am going to show that the making of credit facilities available to the people is bound up with the question of cheap money and fair rents.

Mr. SPEAKER: I have given the hon. member a good deal of latitude, and I cannot see that his remarks have anything to do with the Bill.

Mr. HUGHES: Is not the problem of cheap money and the making of cheap money available one of the fundamental principles for providing the people with cheap housing accommodation?

Mr. SPEAKER: That is not what this Bill provides for at the moment. I suggest that the hon. member deal with that question under a separate motion.

Mr. HUGHES: I am sorry that we have to waste time on a Bill like this, because if we had given some time to discussing the fundamental relationship of the financial problem of providing house accommodation for the people, we would be getting down to bedrock.

Mr. SPEAKER: I suggest that that could very easily be done on a motion, of which the hon. member would have to give notice, but it cannot be done on this Bill.

Mr. HUGHES: I have tried several times to do things by motion, but they have not survived you, Mr. Speaker.

Mr. SPEAKER: There would be no harm in trying again.

Mr. HUGHES: I bow to your ruling. I am sorry I am not allowed to show the relationship that exists between heavy debts and high interest rates. I submit that we would be quite safe in issuing public notes against real estate. If a man owned a building in the city valued at £20,000 and took his title deeds to the Bank, he would have the equivalent of nearly £15,000 in notes, because any bank would give him a first mortgage to that amount. I believe that the principles I am advocating could be applied quite as well to farming properties, and thus the farmers could be relieved of enormous amounts of interest without endangering the stability of the security. If we destroyed the value of the first mortgage, if we relieved the first mortgagee, we would make more money available, and second mortgage rates would fall. Then there would be made available to the workers the facilities to acquire homes of their own. The question of providing the people of the goldfields with cheaper rent accommodation, if the Government were really serious about the matter, could be tackled effectively, and at the same time we could

provide means for giving training to the youths of the community who have lost their opportunity to learn a trade during the past six or seven years. The Government have the State Sawmills at their disposal. They have large quantities of timber, and experiments could be made in Kalgoorlie particularly where housing accommodation is needed. When the vocational training system for returned soldiers was in operation, one of the principal avenues was in training the men for the building trades. We saw the men putting up a brick wall, knocking it down, putting it up and knocking it down again. I believe that with a little consideration and a determined resolution to cope with the problem, we could get 500 or a thousand boys in Kalgoorlie and, under suitable instructors, provide them with building materials, and set them to work in groups of the various trades to learn that job through the expedient of building practical houses. At first their work would not be very effective, and some of the construction work would have to be destroyed, but after the boys had done their work two or three times, it would probably be sufficiently good for it to be allowed to stand for purposes of habitation. We know there is a keen demand for houses. When the boys had built a house, although it might not be a 100 per cent. house, it could be assessed at its true value, and the difference between the cost of constructing it and its true value would be the loss incurred in training the boys to do the work. The house could then be made available to anyone who wished to purchase it on liberal terms covering, say, eight years. The house would become a revenue-producer, the revenue itself going back into the fund. In the course of three or four years, not only would a sufficient number of houses suitable for the Eastern Goldfields have been erected, and the accommodation that is so badly needed provided, thereby bringing down rentals, but we would have provided an opportunity for perhaps a thousand boys, who had lost their chance to learn a trade because they had the misfortune to become ready for work at the beginning of the depression, to get a start on the threshold of life. If it cost the country £100,000 to give the boys this opportunity, I know of no better way in which public money could be expended. There would be no need then for a Fair

Rents Bill. Many houses that are occupied on the goldfields did not cost more than £200 to build. When I was a boy, if people lived in a house costing £150, they were thought to be ready to move to Lamington Heights amongst the people. With the aid of the State Sawmills, the Government could readily make available £10,000 or £20,000 worth of timber, gather up these boys and institute a practical vocational training scheme whereby those houses which are so badly needed would be provided, and the boys themselves given the opportunity to learn a trade. I used to be very enthusiastic about State enterprises once. I find now that when one is dealing with a State enterprise, it deals with the customer on the same principles as the ordinary capitalistic enterprise would do. There are many disabilities about them that the capitalistic enterprise has not got. They are practically as dead as the dodo in this State, and there is no enthusiasm for them even amongst industrial workers. If a State enterprise can be justified, it can be justified by using its resources in this way, for the readjustment of prices in a market where the prices are necessarily inflated, as we are led to believe they are inflated in the matter of housing accommodation in the mining areas. I do not know why the people of Kalgoorlie and Boulder do not endeavour to get together to promulgate some scheme whereby their difficulties can be tackled, without waiting for this legislation which they must know has no chance of becoming law. There are many ways in which they could solve their own problem. They are in a key position and practically control the Government of the State. In fact, I may say, the Eastern Goldfields workers virtually control the Government. They have produced the most Conservative Government ever known in Western Australia. It is a strange paradox that they should be prepared to allow their problems to be set aside and have dust thrown in their eyes by measures such as this one. When the measure is thrown out in another place the Government say to them "We would have done this but another place would not allow us to do it." When the workers of Kalgoorlie wake up to the true position they will get something for themselves, and at the same time something for the other workers in the State. The workers of Kalgoorlie have badly let down the workers in other parts of the State. I

am sorry that you, Sir, curtailed my dissertation on finance.

MR. SPEAKER: The hon. member should be grateful for my allowing him to go as far as he did.

MR. HUGHES: I am indeed grateful. The problem is one that will not be solved by this Bill, but it could be solved if we got down to fundamentals. We know how acute the position is in Kalgoorlie. What we should do is to provide a vocational training scheme that would do no end of good for our youth. I have no doubt the Bill will pass this Chamber, and it may go through another place. I do not care whether it is carried or not. It can mean nothing to the workers in my constituency. If it does anything at all, it will raise rents. If it were a means of lowering the rents, the reduction would promptly be taken off the basic wage. What we want to do is to help the workers, those who cannot provide a home for themselves. We want to provide them with an easy means of finance. Some day, if I get the opportunity, I think I shall be able to show this House how we can get away from the fetish of linking our currency with gold and how we should link it with something more substantial and useful. What we want is a currency that will be the means of providing homes for the people and relieving the farmers of their interest burden. Thus shall we go a long way towards solving the problems of the people, and providing a means of getting for them better housing accommodation that will not be taken away from them by the Arbitration Court basic wage.

MR. STYANTS (Kalgoorlie) [8.40]: I support the Bill, and I agree with the previous speaker that little relief can result to rent-payers in the metropolitan area of the measure passes into law. Having closely scrutinised it, I have arrived at that conclusion, for in the metropolitan area an £800 house can be obtained for less rent than can a £300 house on the goldfields. The method by which the Statistical Bureau arrive at the figure that is allowed as rent in the computation of the basic wage is certainly open to question. I shall not suggest that the Statistical Bureau juggle the figures supplied to them, but the means by which they set about getting the figures are crude, and open to corruption. The method is, roughly, to send out, each quarter, lists to be filled in by landlords and land agents

with the amounts of rent received in respect of houses owned by them or on their books, respectively. Some of the most ramshackle contraptions imaginable are included in those returns, contrary to the provisions of the Act, which stipulates that only houses of fair average value shall be included. On the one hand, dilapidated houses or houses not up to the ordinary standard of habitableness are not to be included, and, on the other hand, houses with special facilities involving the payment of higher rents are not to be included. The information when furnished to the Government Statistician is, in turn, furnished by him to the Basic Wage Commission. From those figures the Commission compute the amount to be allowed for rent in declaring the basic wage. However, the figures submitted to the Commission are not permitted to be scrutinised by anyone except the members of the Commission. If an ordinary witness goes before the Commission, he is liable to cross-examination, and any statement he makes is subject to scrutiny. But the returns relating to rents are put in as confidential. Wherever such a condition of affairs exists, it is an inducement to dishonest persons to fake returns. And that is what is being done to-day. When I am told that the average rent in the metropolitan area for houses of four or five rooms is less than £1 per week, I reply that the figures are being faked. Those figures are not correct. A similar position obtains on the goldfields. We were told that the rent of a house of four or five rooms on the goldfields averaged 19s. 10d. per week. I say it was nearer 30s. As a result of the unsatisfactory state of affairs with regard to the amount allowed for rent in the computation of the basic wage, the Eastern Goldfields District Council of the Australian Labour Party requested the Government to appoint a Royal Commission to inquire into the methods being adopted to arrive at the figures. A peculiar feature was that, immediately following the request, the next quarter showed an increase from the figure of 19s. 10d. to one of 22s. 11d. Since then there has been a gradual rise to the latest figure of 27s. 5d. allowed as the average rent of houses of four or five rooms on the goldfields. Even that figure is not high enough. If one can secure a five-roomed modern house in Kalgoorlie or Boulder at 35s. or 37s. 6d. per week, one is particularly lucky. The average rent of such a house is £2 on the Eastern Goldfields to-day. When I speak of a modern house, I do not

mean one that is modern in terms of the metropolitan area. I mean merely a weatherboard and asbestos house. The rent of such a house containing five rooms is £2 per week in Kalgoorlie or Boulder. I refer to houses built there during the last four or five years. The point raised by the member for East Perth (Mr. Hughes) as to the results of the passing of this Bill must also be taken into consideration; that is, unless action is taken to supplement the enactment of this measure with another Bill. Otherwise the worker would be no better off, because he would get a drop in the basic wage. If we had some authority able to state definitely what the rents were, then the worker would be safeguarded in that the actual average amount paid for rent in his district would be allowed in the computation of the basic wage. That amount could easily be ascertained. A board to assess rents under this Bill would be in existence, and would be able to state definitely what were the rents in the various districts. Thus the worker would be protected against loss in that respect. I was particularly struck by the Minister's suggestion that no owner of property or agent should be allowed to charge over the amount allowed for rent in the computation of the basic wage. That method seems to me entirely fair. I assure the Minister that if he will introduce such legislation, either in connection with the industrial arbitration law or any other suitable statute, I shall indeed be glad to support it. Control of rents is nothing new. It operates in many countries, as well as in several Australian States. To control the prices of all commodities is a matter of difficulty; but seeing that the cost of this commodity, rent, is taken into consideration when the basic wage is computed, rent being one of the factors in the computation, the control of rents is much easier. At all events, it is considerably easier than the control of the price of butter, eggs, bacon, cauliflowers and such things. On the goldfields in some instances rent amounts to as much as 35 per cent. of the worker's wages, and therefore it is not unreasonable to say that that commodity should, if possible, be controlled. There is an arrangement by which miners' wages rise and fall in sympathy with the price of gold. During most of the time that that arrangement has operated, its operation has been in favour of the miner, as the price of gold has been gradually rising. I think that on the last occasion they suffered a reduction, but the

fact remains that all the advantages the miners have derived from that agreement have been swallowed up by the demands of rapacious landlords. Should the miner receive an increase of 2s. in consequence of the rise in the value of gold, he usually finds that his rent is jumped up considerably more than that amount. Thus the miners have not derived any actual benefit from the operation of that agreement. High rents represent an added burden on the goldmining industry. I believe it would pay the mining companies at Kalgoorlie to build 400 or 500 houses that could be let to miners at reasonable rentals, thus reducing the burden on the companies with respect to the basic wage. While 27s. 5d. is allowed as the rent factor in relation to the basic wage, that must represent a burden on the industry. We cannot hope that the present rate of exchange will always operate in favour of the goldmining industry, and we would be optimistic if we expected the price of gold to remain at its present high figure. It is in the interests of everyone to see that the greed of some landlords is held in restraint. All landlords on the goldfields are not rapacious. I know of some who have not increased the rentals for their houses beyond compensating themselves for increases in the rates and taxes imposed in consequence of the augmented values of their properties. Individuals in that category are by no means the common rule as regards landlords and agents generally. A policy of "get-rich-quick" seems to permeate the whole business life of the goldfields, and that is particularly evident with regard to rentals. There is no standard of values in the computation of rents. In Perth, when a figure is arrived at for the rent factor in assessing the basic wage, the worker knows that for that fixed sum he can get a decent dwelling in which to live. On the goldfields, it does not matter whether the house is constructed of asbestos and wood, of corrugated iron, or whether the premises are merely lined with hessian, all such houses are classed as four-roomed dwellings. In many instances there are no wash-houses, no bathrooms, and no coppers or troughs. The standard of comfort available for the housewife on the fields does not approach that enjoyed by women in the metropolitan area. Last year when a similar Bill was before this House, the Leader of the Opposition said that the legislation would not result in those facilities being provided. I contend that indirectly it

would have that effect because, if a fair rents court were constituted and the members of that tribunal were to visit a house for the purpose of assessing the rental to be charged and found that no wash-house was provided, nor yet a bathroom or even a copper and troughs, the rental they would fix would be correspondingly low. In my opinion, that would be an inducement to the landlord to provide those necessary facilities for the sake of the higher rental that would be fixed. At the half-yearly meeting of the ratepayers of Kalgoorlie, a resolution was passed regarding the control of rents, and I have received the following letter from the Town Clerk of that municipality, Mr. Eccles:—

At the half-yearly ordinary meeting of ratepayers of this municipality the following resolution was carried:—"That the Government be asked to introduce a Fair Rents Bill fixing for Kalgoorlie the maximum net return to the landlord at 12½ per cent." Will you please pass this on to the proper quarter.

That is the expressed opinion of the ratepayers of Kalgoorlie, as indicated at that meeting held last year. That shows that the people are prepared to accept a measure that provides for a net return of 12½ per cent., which would mean that the total capital invested in a house property would be recouped to the owner in eight years. The people there realise that even on that basis of return, they would effect a substantial saving on what they have to pay for rent to-day. In a report to the Kalgoorlie Council, which was published in the "Kalgoorlie Miner," Mr. Eccles said—

In the course of his inquiries he had found that for the most part new three and four-room houses valued at from £300 to £450 were let at rents ranging from 27s. 6d. to 35s. a week. New houses of higher values were mostly occupied by the owners. There was very little difference in rents of houses offering similar accommodation, whether old or new. The most common complaint was the absence of bath and laundry facilities, or the unsatisfactory facilities available. Many houses were out of repair, several had broken windows, some were poorly lined, and the roofs were not rain-proof. Many of the occupants feared that if the owners were forced to effect repairs the rents would be raised beyond what they could afford to pay. Most of the good houses let to tenants were returning about 12½ per cent. net on, say, an eight years' purchase, which was not excessive on the goldfields. This was borne out by the computations of the Workers' Homes Board, which on a 10 years' scheme, charged about 25s. a week on a £400 house. The board did not desire any profit

in excess of that required for administrative purposes.

Mr. Eccles is usually very accurate in the statements he makes, but on giving this report some attention, I found that he was somewhat out in his computation of the effect of an allowance of 12½ per cent. Taking his own figures, it will be found that a house valued at the minimum amount he mentioned, namely £300, with the minimum rental stated, which is 27s. 6d. a week, and allowing £10 for rates and taxes, the return to the landlord is 20 per cent. and not 12½ per cent. The same applies to the other amounts mentioned. For instance, a rental of 35s. per week on a £450 house, with an allowance of £12 for rates and taxes, also represents a return of 20 per cent. When speaking of fair rents legislation, most people visualise something in the nature of confiscation of property. Any member who has perused the Bill carefully will realise that nothing of the kind is contemplated in the legislation. The Bill allows, as a minimum, 1½ per cent. over and above the overdraft rate operating in the Commonwealth Bank. The people on the goldfields readily admit that exceptional circumstances prevail there, and they would not grumble if a net return of 12½ per cent. were allowed. That would represent a considerable benefit compared with present-day conditions. The Bill goes on to provide that there shall be a minimum return, after allowance is made for insurance, rates and taxes, depreciation and renovation. A person getting 7 per cent. clear particularly in the metropolitan area, should be fairly well satisfied, but I believe that an unanswerable case can be put up as far as Kalgoorlie is concerned. Had my own Party taken my advice on the matter they would have restricted the Bill to the goldfields area.

Hon. C. G. Latham: They never take any decent person's advice.

Mr. Marshall: Hence the ignoring of your suggestions.

Mr. STYANTS: Certain hon. members say that sectional legislation cannot be provided. That is not borne out by the facts, because we have a great deal of sectional legislation on our Statute Book. The Agricultural Bank provides accommodation for people who do not reside on the goldfields. It is meant to cater for those requiring as-

sistance in the agricultural areas. That comes under the heading of sectional legislation. Then there is the group settlement scheme which has provided a sink for public funds. Not one penny under that scheme went to the goldfields area. Again, there is the waiving of land rents of pastoralists. I do not say that I am opposed to these concessions, but I assert it should be possible to introduce sectional legislation when it can be shown that one portion of the State is getting a particularly unfair deal in the matter of house rents paid. Further, there is the matter of the Workers' Homes Board. I agree with the member for East Perth that there is a golden opportunity for an extension of the activities of that board to the goldfields area. It is one of the first duties of any Government to see that people are decently housed, and they are not decently housed on the goldfields to-day. Overcrowding is rife, and ramshackle buildings are the order of the day. Then there is the matter of exemptions from the provisions of the financial emergency tax of the basic wage. Over every portion of this State with the exception of the goldfields area the basic wage has been exempt for a considerable period, I have come to the conclusion that the goldfields in relation to the rest of the State, are in very much the same position as Western Australia finds itself as far as Federation is concerned. The goldfields are not on the map, except when it is a question of obtaining some particular payment out of them. This can be proved in quite a number of instances. The income tax on the goldfields is levied on the amount given to the worker on the goldfields, to compensate him for his increased cost of living. That is not fair. It is an impost on the goldfields' workers. The amount which constitutes the difference between the basic wage in the metropolitan area and that on the goldfields should be allowed as a deduction in respect of income tax. When those in the metropolitan area want a market for their goods they can send all the celebrities in the country to Kalgoorlie to hold a local products exhibition. But when the goldfields worker asks for justice by way of control of rapacious landlords, or by way of exemption from taxation, he is informed that there cannot be sectional legislation.

Mr. Thorn: You get your requirements from the Eastern States do you not?

Mr. STYANTS: A small proportion. Although I do not subscribe to that view,

people on the goldfields say that the goods from the Eastern States are better than those from the coastal areas and are more attractively packed. I desire to comment on certain observations made in respect of the speech which I delivered last session on this particular subject. In another place a certain member misrepresented and misconstrued what I said. He attributed certain statements to me which I did not make, and I am in the favourable position this year of having a chance of refuting the statements he attributed to me. This kindly gentleman from another place said that if the measure was to apply to the goldfields he would be prepared to allow the goldfields people to stew in their own juice. I do not know exactly what that vulgarity means, but I assume he meant to say that if the goldfields people, by getting a Fair Rents Bill passed, brought dire results upon themselves they should be compelled to carry the whole burden. I should have thought that such phrases were altogether foreign to that particular place, because I was always given to understand that the very air there was more genteel and refined than the air in this particular Chamber.

Mr. Thorn: Do not say that.

Mr. SPEAKER: The hon. member must not reflect upon this House.

Mr. STYANTS: I hope that what I said will not be taken as a reflection on the House. The hon. member in another place said that I stated that miners had invested in houses when material was cheap, and that the rents were their only source of income. I made no such statement. I did not mention miners. I did say "wages men," but it must be remembered that the miners on the goldfields constitute only one in four of the wage earners there. I did not say that rents were their only source of income in the declining days of their old age. He also said landlords are entitled to get as much rent as possible out of a tenant. That is what the hon. gentleman himself said. We know that there are many people both in the metropolitan area and on the goldfields who are fortunate enough to own property and who subscribe to that policy, the policy of exploiting the unfortunate individual who is not in such prosperous circumstances as they. This is another statement from the hon. gentleman to which I want to take exception. He said that the pioneers put up tents and hessian houses and lived in them. I would inform that hon. member and anyone else who is

in doubt on that particular subject, that the days when the workers were prepared to live in tents and hessian houses on the goldfields have long since past. The workers are out to demand something better, and they are entitled to something better.

Hon. C. G. Latham: And they are prepared to pay for something better.

Mr. STYANTS: Up to a reasonable point, they are prepared to pay for something better. I would like to see this hon. gentleman after his hard work in a mine endeavouring to live in a hessian hut on the goldfields with the temperature at 114 degrees. I should like to see him stewing in his own juice in such circumstances. The hon. gentleman said that people on the goldfields liked to have a riot now and then, and that people in certain parts of Boulder had had to migrate to more peaceable localities. That is a gross misrepresentation of facts and a glaring exhibition of lack of knowledge as to what really occurred up there. It is a fact that certain racial riots took place because of the preferential treatment that was being meted out to aliens by the mining companies on the goldfields. Perhaps I should qualify that by saying that the actual mine management did not intend that any preferential treatment should be given; but there is no doubt that preferential treatment was given by certain officials of the mining staffs. The foreigners are prepared to give a hand-back—

Mr. SPEAKER: I do not think the hon. member had better pursue that too far.

Hon. C. G. Latham: No. You are getting into deep water.

Mr. STYANTS: Very well.

Mr. Marshall: There is every justification for what the hon. member was saying.

Mr. STYANTS: I have read carefully the objections to the Bill, and I find them quite contradictory. In one place it is alleged that the passing of the Bill will stop all building of houses. Yet it is asserted in the next breath that the passing of the measure will increase rents in the metropolitan area and in many agricultural districts. So how could the passing of the Bill prevent building operations?

Hon. C. G. Latham: By making a shortage of homes.

Mr. STYANTS: But if it is going to increase rents in the metropolitan area, that will be an inducement for investors to build homes. So the argument seems to me illogi-

cal. I believe that the only people on the goldfields who would be justified in charging particularly high rents are those who have built houses there during the last four or five years. They are entitled to a guarantee that they will get their capital outlay returned to them. But they are not the only people who are extorting high rents on the goldfields. There are up there houses that have paid for themselves half-a-dozen times over, yet there is a continuance of the extortionate rents. For example, if there were in the Bill a provision under which the owner of a house would be entitled to a higher rent for the first four years, I would have no objection to it. I do hope the Bill will receive greater consideration in another place on this occasion than it did last session, but I am no more optimistic than is the member for East Perth (Mr. Hughes) as to the fate of the Bill. I believe that, had it been confined in its operations to the place where the greatest abuse is taking place, there would be a much better opportunity for the passing of the measure.

HON. N. KEENAN (Nedlands) [9.15]: After what has been said in this House, and what we have been able to read in the goldfields Press, there would appear to be some necessity for a measure of this character on the goldfields. The reason for that is not at all difficult to find, for there has been on the goldfields a large influx of population, and just preceding the time when that influx was beginning a very large number of houses that were in existence on the goldfields were removed to the agricultural areas. I remember well a time when in Kalgoorlie house rents were very low.

Mr. Marshall: Were you and the member for East Perth the pioneers of Kalgoorlie?

Hon. N. KEENAN: No, I am thinking of a much later date, about 1911-12, when quite large houses were let for about 25s. or 30s. a week. I myself had a house on the goldfields, and at about 1911 I could not let it at all. It had been let for some time but, after the tenants left it, it was practically unlettable because it was too big a place. It was at the top of Maritana-street. That serves to illustrate the proposition that house rent does depend on the number of houses available for occupation and the number of people who want to occupy them. It is not so much the local-

ity or anything else that determines the rent as those two factors. So, of course, with the large influx of people on to the goldfields and the scarcity of houses through so many having been taken down and removed, it is inevitable that there should be a large increase in house rents. But this Bill, if passed, will not cure that, because the only cure for that is the building of more houses on the goldfields. So long as there is a big demand for houses, exceeding the supply of houses, so long will high rents continue. And, as I say, the Bill will not cure the shortage of houses that exists on the goldfields. I have read the Bill, just as other members have read it, and it seems clear to me that, with the restrictions imposed by Clause 8, which prescribes the method by which rents are to be fixed, there will be no houses at all built on the goldfields. The Minister for Mines knows that no man on the goldfields will build a house if its rental is to be $1\frac{1}{2}$ per cent. above the interest being charged by the banks.

Mr. Styants: That is the minimum.

Hon. N. KEENAN: Yes, but unfortunately we are accustomed to find the minimum becoming the maximum; they come together. If you are a builder and are asked to build a house, it will be the maximum. So I am afraid, indeed I am convinced, that so far from solving the problem existing on the goldfields, the Bill, if passed, will lead to an intensification of that problem. The member for Kalgoorlie (Mr. Styants) made a useful suggestion when he said it might well be wise to offer as a maximum $12\frac{1}{2}$ per cent. Because that practically means that if the present conditions continue for eight years, and therefore the letting capacity of the buildings remains for eight years, you get a return of your capital. But if the rate fixed as the minimum is to be 7 per cent., it is hopeless to expect that houses will be built on the goldfields. And that is the only place where there is this necessity for the building of houses in order to solve the problem of fair rentals for occupation.

Mr. Hegney: There are not too many houses around the metropolitan area.

[The Deputy Speaker took the Chair.]

Hon. N. KEENAN: If that is so, it is extraordinary that so many houses have been

built in the last few years though the population has not increased. I have some interesting figures about the metropolitan area. Let us begin at the point last year when a similar Bill was before the House. What has happened since? In the year ended the 31st December last, 1,539 new houses were erected in the metropolitan area. In the six months ended the 30th June, 1937, 738 new houses were erected in the metropolitan area.

The Minister for Mines: Not too many workers are living in them.

Hon. N. KEENAN: If people leave other houses to occupy new homes, those other houses are made available. People often leave a certain class of house and move into a better class of home, leaving the other house vacant.

Mr. Hegney: What about the young people getting married?

Hon. N. KEENAN: Let me put the actual facts regarding the increase of population and the net increase of housing accommodation. In the same period the population increased by only 1,789 persons, and nearly all of those would be infants who would not need houses. Immigration of adults at present is almost at a standstill. Assuming that the whole of the increase represented adults, if we allow three or four people to one house, it means that 1,400 houses have been added in the metropolitan area in excess of the increase of population. It is absurd to say that under such conditions there is need for a Bill of this kind in the metropolitan area. I started my remarks by saying what has been stated in this House and in the Press, that there may be need for a proper measure for the goldfields, but there is no necessity whatever for it in the metropolitan area. I cannot see what earthly good it could achieve. The member for East Perth (Mr. Hughes) has suggested that the only end it will accomplish will be to increase rents, and that certainly is not desirable. On the other hand, if the Bill can achieve nothing, what is the use of putting it on the statute-book? The member for Kalgoorlie (Mr. Styants) in his excellent speech, with a great portion of which I am in accord, said that we would be endangering this measure for a part of the State that does need it if we included a part of the State that does not need it. Why do that? Why try to lose this measure in another place if it is a measure that will really do any good to the goldfields? We,

however, are not in control of the Bills introduced into this House. We can criticise them and do our best to mould them into proper shape and form, but unfortunately we cannot always make them sensible or inspire in those who bring them forward a desire that they should be really passed and placed on the statute-book.

MR. HEGNEY (Middle Swan) [9.24]: I listened with interest to the remarks of the Leader of the National Party, and it seemed to me that one statement contradicted another. At the outset he tried to prove that the high rents on the goldfields were due to the operation of the law of supply and demand, but towards the end of his speech he sought to show by statistics that a good deal of house building has been going on in and around the metropolitan area, and that, as population was practically stationary, so far from there being a demand for houses, there should be ample accommodation. Anyone conversant with the conditions in the metropolitan area is aware that during the last 12 months house rents have been increased. Numbers of men in my electorate have had to leave their homes because their rental was increased, and this for weatherboard places, not for newly-built houses. The owners seemed to consider that they should get an increase of rent and the rent was raised and many of the workers had to get out.

Hon. C. G. Latham: Where did they go? To cheaper homes?

MR. HEGNEY: Let me give an instance to show the economic conditions operating. The other evening a man came to see me at Parliament House. He was a married man on relief work. He had tried to get together sufficient material to build a house at Belmont, where he was paying half-a-crown a week for a cheap block of land. He approached the local authority to get the plan approved. He intended to build one room only. The road board approved the plan, but the building surveyor said, "You are not going to put any hessian around it, are you?" The reply was, "Yes, I have no alternative." The building surveyor replied, "If you intend to do that, you cannot build." The man was in a predicament, and asked whether I could help him. He told me he was stranded, and that the few sticks of furniture he possessed were on the block. The timber he had bought was also on the block, and yet he was not permitted to proceed with the building. He told me he had

been forced out of the metropolitan area. He had been living in a room and he could not afford to pay the rent asked. He was on the lowest rate of relief work, namely 14s. a week. This is typical of many other instances. I could take the Leader of the National Party to places within three miles of the city and show him the rotten housing conditions under which people have to live. They have been forced out of the city into other areas and many of them are living in hessian houses.

Hon. C. G. Latham: Tell me how this Bill will improve matters for them and I will support you.

MR. HEGNEY: The Leader of the National Party would lead one to believe that there was no need for a measure of this kind. The Bill is submitted in order that an attempt might be made to deal with the problem and prevent investors in real estate from claiming an unfair return. Members are aware that in the city there is considerable overcrowding. The Town Planning Commissioner has made observations on the overcrowding in and around the city area. Workers naturally try to get homes close to their employment, but rents are raised against them and they are compelled to live further out. I speak from experience of my electorate. Within the last 12 months rents have been increased on even the lower class of house, and many workers who occupied them and who had paid their rent found themselves compelled to look for cheaper homes. Thus they were forced to go further out and take places that were not as clean or as satisfactory as the homes they had occupied. The complaint is made by many people that they have to take unclean houses—houses that have been standing for years. The places are filthy, but still people are compelled to live in them.

MR. THORN: What are you doing about it?

MR. HEGNEY: Let the hon. member say what he is doing about his own electorate. He knows the rotten conditions existing there, but he will not raise his voice to have an improvement effected. The housing conditions in and around the metropolitan area could be considerably improved. I agree with the Leader of the Opposition that a housing scheme should be introduced. The whole position should be tackled, and cheap money found to enable workers to provide themselves with homes in and around the metropolitan area.

Mr. Styants: And on the goldfields.

Mr. HEGNEY: I am talking about housing conditions generally.

Mr. Sampson: Are you sure that Belmont Park would not allow a hessian house to go up?

Mr. HEGNEY: The hon. member is interested in a good many houses in the metropolitan area. He ought to know that things in his own electorate, even along the Kalamunda-road, are not all they should be. He knows that men are living in hessian houses there. Numbers of houses should be built throughout the State. I feel sure that if the Government would implement a housing scheme it would be one of the factors that would secure their return at the next elections. I hope an attempt will be made to find a considerable sum of money to enable such a project to be launched. There is certainly room for it in the metropolitan area and on the goldfields. I support the Bill.

MR. NORTH (Claremont) [9.32]: I am somewhat swayed by the arguments of both sides, and would have preferred to sit on the fence and express no views at all. There are two ways of looking at this matter. One view is that under free play of economic principles it is possible to have a certain number of people housed in a certain number of good houses, whilst other people live merely in rooms. Although that principle does provide good houses for a certain number of people, it does not meet the full case. When the Federal Arbitration Court evidence was being taken, Mr. Reddaway from Great Britain, gave evidence. He showed there was need for an increase of 5s. or 6s. in the basic wage, provided other charges did not arise with that increase. The Bill before us might be very valuable if it was brought down in conjunction with other measures. Leaders of thought of this kind seem to think that the objective is not merely to maintain existing standards, namely that of half the people living fairly well and a great many more living only in rooms and some in disgraceful habitations, but to go further and endeavour at the same time to influence prices and move in other directions. Let the basic wage be increased by 5s. or 6s., but at the same time by some means permit control by the Arbitration Court to prevent

price levels rising with the increase in wages. By that means we would bring about some improvement in the standard of living and would not be merely passing on the costs to the people generally. It might be possible to have a basis whereby rents were kept at an amount representing 7 per cent., or some other percentage, that would give a return for the money invested, and a better one than the ordinary mortgage would bring in. I admit that merely to increase rents or to fix rents, and then to leave the Arbitration Court as it has been for 20 years, where we get the same sort of price spiral effect in wage determination, usually followed by a big crash, will get us nowhere. I would support the Bill if it were possible to maintain some control in other directions. I had a few minutes recently with the Deputy Commissioner of Taxation. I said to him, "Would it be possible for Parliament so to arrange taxation as to induce house owners and business men with a small annual turnover to accept a lower return and a greater turnover respectively; would it be possible by taxation to encourage that principle, and to increase the rate heavily to those who charged at a higher profit ratio and indulged in a small turnover, and to reduce the rate in the case of those who were prepared to take smaller returns and indulge in a larger turnover of a greater volume of money?" If house-owners could be induced to take a slightly lower rent for their premises, and businessmen were prepared to sell cheaply on a larger turnover of their goods, we should be going a long way towards attaining the objects set out by Mr. Reddaway in the Eastern States, and upon which he was complimented by the judge of the Federal Arbitration Court. He was attempting, not merely to carry on as before, but to see whether we could not increase the returns to everyone through the economic system by bearing more fully upon our productive capacity. We require to adjust the old economic theory in an orthodox manner, if that is possible, so that it will receive the support of all sections of the community without any inflation. The only weakness about the Bill is that it is merely part of the whole proposition. It is an attempt to stabilise rents. If a man built a house for £1,000, he would normally be sure of an annual income of £70 a year for the rest of

his life. If, however, his wages increased, and at the same time that £70 a year went on, then he would be the gainer. That, of course, could not happen unless prices were kept stable against the increase in wages. I believe there is something in the idea that has been advocated. If in conjunction with the stabilisation of rents it could be shown to Foy's, or Boan's, for instance, that they could receive their existing profits every 12 months on a 25 per cent. increase in turnover of goods over the counter, I believe they would accept the situation. We would then increase the standard of living by 25 per cent., the retailers would be where they stand to-day, and land owners would be drawing their 7 per cent. on the existing price level. This would remove the reason for the scramble to get a little more rent when somebody moved out. I trust that the new departure made in Melbourne the other day will have some results. The proposal is an increase of £12,000,000 or more per year in wages for Australia. If that increase could be secured and prices could be held, with a scheme of this sort as part of the proposal, it would be very valuable indeed. But if that cannot be done, if no attempt is made to hold the price level, if prices are allowed to increase with wages up 6s., the thing is absolutely hopeless, and I would support every word uttered by the member for Nedlands (Hon. N. Keenan). In that case this Bill would have the effect which has been put up by him so clearly. But I do see hope in the other proposal. I trust that at a later date some measure will come before this Chamber and the Federal Parliament to enable the Arbitration Courts to fulfil their real function, which is not merely to keep the worker on the lowest wage society can stand to, allowing for only two children, but to try to ensure that both employers and employees draw from production the greatest amount that production can yield. If that were done, we would find all our factories working at full speed and many abandoned farms in operation. With these few remarks I have much pleasure in supporting the Bill, provided I get an intimation from the Minister that Cabinet intends to introduce legislation giving the Arbitration Court the power to regulate prices.

MR. THORN (Toodyay) [9.43]: I move—

That the debate be adjourned.

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

Ayes	14
Noes	14
A tie	0

AYES.

Mr. Boyle
Mrs. Cardell-Oliver
Mr. Doust
Mr. Ferguson
Mr. Hill
Mr. Hughes
Mr. Latham

Mr. North
Mr. Sampson
Mr. Seward
Mr. Thorn
Mr. Warner
Mr. Watts
Mr. Doney

(Teller.)

NOES.

Mr. Fox
Mr. Hegney
Miss Holman
Mr. Marshall
Mr. Millington
Mr. Munsie
Mr. Nulsen

Mr. Pantou
Mr. F. C. L. Smith
Mr. Styants
Mr. Troy
Mr. Willcock
Mr. Withers
Mr. Wilson

(Teller.)

The **DEPUTY SPEAKER**: I give my casting vote with the Noes.

Motion thus negatived.

[The Speaker resumed the Chair.]

Mr. THORN: I listened with much interest to the speech of the member for Kalgoorlie (Mr. Styants), who undoubtedly put up a strong case for the goldfields. I wish to congratulate the hon. member on his fairness in debate. In my opinion, he is one of the fairest debaters in the Chamber. I feel that if the scheme proposed by the Bill were applied to the goldfields, probably some good would result; but I do not see how the existing difficulty can be overcome unless we have a housing scheme. The demand for houses is there. Undoubtedly the revival of the goldmining industry has caused considerable migration of our population to the goldfields; hence the demand there for houses. I do not see how a Fair Rents Bill will remove the difficulty. If the member for Kalgoorlie could influence the Government to start a housing scheme on the goldfields—where it is apparently warranted—he would largely remove the existing difficulty there. The member for Middle Swan (Mr. Hegney) blew off a lot of hot air.

Mr. Marshall: That is the reason for your getting up.

Mr. SPEAKER: Order!

Mr. THORN: The member for Middle Swan referred in most unfair terms to my electorate. He commented on housing conditions in my electorate. Thank goodness, I have faced all such problems.

Mr. Hegney: Are they all satisfied in your electorate?

Mr. THORN: Of course they are, and you know it!

Mr. Hegney: You will find out at the next election whether they are or not!

Mr. SPEAKER: Order!

Mr. THORN: Housing conditions in my electorate are perfectly satisfactory. If the member for Middle Swan has these problems, I want to know what he has been doing to rectify them. I rectified the position in my electorate.

The Minister for Mines: How many houses did you put up?

Mr. THORN: I perfectly understand the position on the goldfields, because many of the houses that were on the goldfields 12 or 14 years ago are in my electorate now.

The Minister for Lands: That is true.

Mr. THORN: And we have some of their halls as well. That is how I corrected the position in my electorate.

Mr. Lambert: The goldfields throw their refuse down there.

Mr. THORN: When the member for Nedlands (Hon. N. Keenan) was speaking, he offered the cure for the trouble that the goldfields people are passing through to-day. I refer to his suggestion regarding a housing scheme. I suggest to the member for Kalgoorlie that he study that proposition with a view to its application to the goldfields.

MR. MARSHALL (Murchison) [9.51]: As a representative of a goldfields constituency, there is an obligation upon me to offer a few remarks on this matter. After listening to the opposition that has been offered to the Bill, one might arrive at the conclusion that if it became law, its effect would be different from that of all other measures that have been passed by Parliament. That is to say, the Bill, if it became an Act, would affect every individual who owned a house and leased it. That is not the purpose of the Bill, nor was it ever intended it should be. The Minister made that point particularly clear when he moved the second reading. I do not know of any Act that affects the whole of the community.

For instance, we passed legislation to prevent thieving, not because every individual is a thief, but merely to stop those who practise it—a very small percentage of the whole population. The Bill now under discussion will not interfere with the reasonable landlord.

The Minister for Mines: Its object is to catch the thief.

Mr. MARSHALL: That is so. It is framed to prevent the exploiter who takes advantage of the law of supply and demand to extract undue profits. Can exception be taken to that by any reasonable individual? None at all. Just as last night I supported a measure introduced in the interests of primary producers to secure for them a fair return for their labours and expressed the hope that they would derive benefit from it, so I trust members will support the Bill in the hope that it will be of advantage to the workers. If I possessed dwellings, I would not be fearful of this legislation. I would be fair to my tenants, and the Bill would not affect me. Why all this noise about the measure?

Mr. Thorn: I think you are rather exaggerating. There has been no real opposition.

Mr. MARSHALL: There could be no greater opposition than that indicated by a member who speaks against the Bill, unless it be that he tears up his copy to show his contempt for it. Even though it may be true that the position is more aggravated on the goldfields than in the metropolitan area, I am prepared to assert that in the latter part of the State there may be a few who will be affected by the passing of this legislation. The Bill is necessary. A home is like any commodity in that a man must possess one that he may live in it. A home is just as necessary as food and clothing. I respectfully suggest that with regard to the man in receipt of the basic wage, or less than that, there is a ghastly picture confronting him when he appreciates that the more he has to pay as rent, the less he has with which to put food in his stomach. Unfortunately there is a class of landlord that does not give any consideration to that phase. So long, as the member for Nedlands (Hon. N. Keenan) mentioned, as there is competition amongst the people for homes that are available, some landlords will extract the last penny possible, and the wife and family of the worker can go, as the member for Sibiaco (Mrs. Cardell-Oliver)

will appreciate, without milk—but the landlord does not mind. Another feature of the Bill that is worthy of close attention relates to the valuation of homes. Evidently the member for East Perth (Mr. Hughes) did not correctly appreciate the actual basis upon which the valuation of the dwelling is to be assessed. He said that the court would base the value of a property on the annual rental value. But the Bill makes no such provision.

Mr. Hughes: Apparently you have not read the Bill.

Mr. MARSHALL: Yes, I have. Clause 8 deals with the method by which the valuation will be arrived at. Another aspect worthy of attention relates to the condition of homes. There are certain landlords who are content to permit their premises, when tenanted, to deteriorate, although they continue to demand the same rent as though the premises and the conveniences were modern and in the best state of repair. The Bill will represent a warning to such landlords that if they continue to permit their premises to deteriorate, they are likely to experience a proportionate reduction in the rents chargeable, because the valuation will be based on the capital value of the premises that would accrue if sold in a bona fide manner in the open market. If the premises deteriorate, the value must be materially reduced.

Mr. Hughes: When you say that the value is fixed, what is the factor that fixes that value?

Mr. MARSHALL: The factor would be the actual capital return the premises would bring in the open market.

Mr. Hughes: What determines that? Its rent-producing capacity?

Mr. Lambert interjected.

Mr. MARSHALL: When these two members have finished their discussion, I will be able to proceed.

Mr. Hughes: Don't shuffle out of it.

Mr. MARSHALL: The point I want to make is that the capital value of the property will be the guiding factor for the court. Let me refer to the remarks of the member for Nedlands (Hon. N. Keenan). What he said regarding the law of supply and demand, was true, but he went on to attempt to make out a case for the metropolitan area based on figures which he probably obtained from an authentic source. He said that so many people had

left the State and so many homes had been built. Notwithstanding that that might be true, it is obvious to anyone that there is still a big demand in the metropolitan area for homes. I suggest that the figures used by the hon. member have no bearing upon the actual position. It could easily have been that all the individuals who left the State were single people living in flats or boarding houses. I am not suggesting that all of them were, but a large percentage of them no doubt were single people with no homes of their own. While unfortunately too few people get married, there are a number who are getting married from time to time and invariably a young couple like to look for a home of their own when they are wed. We will always, I hope, find people uniting, but we have to admit that if there is going to be a continuation of a shortage of homes or extortionate rents charged for those that are in existence, young people will be deterred from being married. Many members have suggested that we should go in for a housing scheme. I would like to ask them how long it is since the War Service Homes Board and the Workers' Homes Board have been in existence. I think the Workers' Homes Board was started in 1911 or 1912 and it has been operating as rapidly as finances would permit all these years.

The Premier: One and a quarter million pounds have been spent in that direction.

Mr. MARSHALL: That may be so. The board administers a housing scheme which has been in operation since 1912.

Member: It is a poor old housing scheme.

Mr. MARSHALL: I do not want to comment upon that aspect. I am replying to those who suggest that we should go in for a housing scheme. We have had a housing scheme all these years.

Mr. Hughes: The houses are not cheap enough.

Mr. MARSHALL: That is true. Side by side with the Workers' Homes scheme we find that the War Service Homes Board have also been supplying homes. There have been two housing schemes in operation since 1920.

Mr. Hughes: They are one now.

Mr. MARSHALL: That does not matter. They have different functions. The fact is that both are engaged in housing schemes. It is obvious, too, to anyone travelling around the city that the private individual is also providing homes. I will admit that

he is limited to the amount of credit he can secure from the banks. Still, as credit is released, we find building booms taking place. We have experienced that in the last couple of years in this State. Next year I am anticipating a restriction of credit and the boom will cease. I hope it does not. However, hon. members say "Go in for a housing scheme." We have been concerned with housing schemes and we are going on with those schemes as fast as finances will permit.

Mr. Lambert: Oh no, not on the goldfields.

The Premier: One and a quarter million pounds have been spent on the scheme.

Mr. MARSHALL: We are still spending as fast as we are allowed to spend. With all these activities there is still a shortage of homes both in the city and on the goldfields. It is true as the member for Kalgoorlie pointed out, that on the goldfields the position is materially worse than in the city, and a Bill of this character is urgently required, not to interfere with the landlord who is reasonable on the goldfields any more than with the landlord in the city who is reasonable, but to prevent those few individuals who will attempt to extort high rents from people because of the demand for houses from doing so. The unfortunate working masses of this country, like those of every other country I suppose, can never get their wages to meet the ever-rising costs. We find a vicious circle for ever in our midst. We have to go to the Arbitration Court or to the basic wage commission and take witnesses along with us. We have to get married men and women into the witness box parading their poverty to show that the price level has increased to such a degree that they are entitled to a further increase in their rate of wages. The point I wish to make is that we are invariably chasing the increasing cost of living. The worker never gets the actual advantage the other way. Until we can get a Legislature courageous enough to prevent this type of exploitation, until we can standardise the price level we will never really get over our great difficulty. It is quite true as one hon. member pointed out, that if we could reduce rents materially the basic wage would come down in proportion. The working masses in this State are almost in a state of scientific slavery. Many of our people are not housed as well as Pekinese puppies and they are not half as well fed. I see beautiful motor cars running round this city with great big dogs and small dogs in

them, licked, lapped and loved by their owners, dogs that are well housed and well fed; but I am sorry to say that many human beings, including little children, are not half as well provided for.

Mr. North: The Government mean well.

Mr. MARSHALL: The Government mean well and the individual with a little puppy in the motor car means well. They all mean well, but the obvious fact is there.

Mr. Hughes: That does not mean anything to those trying to live on 1s. a day.

Mr. MARSHALL: No, it does not. I hope the Bill will become law. I hope members of another place will take a more humane view of it and realise that a measure of this kind is very necessary. Until we can perform the feat suggested by the member for Nedlands, until our housing scheme can overtake the demand for houses this Bill is an urgent necessity, more particularly for the working class who, unfortunately, for every 1s. they pay in the way of extortionate rent have to go short to that extent of food and nourishment. So I hope that another place will be more humane in their consideration of this measure, will not be too lenient towards those whom the Bill will affect; there is only a small percentage of people who delight in charging extortionate rents for their houses. The Bill will serve a very valuable purpose during the time it will take the supply of houses to catch up with the demand. I hope the Bill will have a smooth passage through both Houses.

HON. C. G. LATHAM (York) [10.11]: If I thought for a moment that the Bill would do what members opposite desire it to do, I would support it.

The Premier: It will not do any harm.

Hon. C. G. LATHAM: It will not do any good; that is certain, and if it does anything at all, it will be harm. I wish to reply to some of the statements made during the debate. The plea is that there is a shortage of houses to-day.

The Premier: No.

Hon. C. G. LATHAM: Yes, that is the real plea.

The Premier: No, it is that there is a shortage of homes, and consequently rapacious landlords are taking advantage of it.

Hon. C. G. LATHAM: There is a shortage of homes on the goldfields, that is certain. If legislation of this kind would solve the problem, I would support it, but I fail to see how it possibly can. Authentic statistics tell us that the average number of occupants of each house in the city is four. Certainly on the goldfields the average is more than four. That is not an unusually high average when we consider hotels, boarding houses and the like. I do not see any objection to applying the Bill to the goldfields. The complaint voiced here tonight has been in evidence throughout the world; it is that during the war period there was an almost complete stoppage of buildings, in the Old Country and every other country, as well as Australia. In consequence of that stoppage of house-building, 1,000 houses per day are being built in England. If this legislation is going to build houses, by all means let us have it, but actually it will stop the building of houses. Think of the position of the magistrate who will have to work out the cost of the house, the cost of the land, the period consumed in building the house, the Commonwealth rate of interest, the cost of rates and taxes and the periods during which the house is likely to be vacant. Taking all these things into consideration, it becomes clear that even if the Bill passes there will be very little reduction in the present rentals.

The Premier: We are not complaining about the ordinary landlord, but about the rapacious landlord.

Hon. C. G. LATHAM: This legislation has been tried out in other parts of the world, and in Australia, yet we have never heard of it doing any good. It was dropped in New South Wales after a fair trial.

The Minister for Railways: It was of very great use over there.

Hon. C. G. LATHAM: The proper thing to do is to encourage the building of homes of a type the rent of which the people can afford. The Workers' Homes Board has averaged 100 homes per year for the last ten years, which is not bad work.

The Premier: Many people would be satisfied with a home of half the capital cost of those built by the Workers' Homes Board.

Hon. C. G. LATHAM: No, that is the point; to-day the worker will not accept a class of house that can be provided for him

for the cost of one day's wages. I have tried to get the Workers' Homes Board to see this, but the reply is that if such houses were built they would be empty half the year because the people want homes of a better type. That is the whole trouble. You cannot expect people to invest in an £800 house when economically the tenant who will live in it is only entitled to live in a house costing £400 or £500. If I thought for a moment the Bill would do what is desired, I would support it, but it is not going to do it. The statistical returns show that there are considerably more people in each dwelling on the goldfields than in the metropolitan area. It is the shortage of houses that is the trouble. It is in consequence of that shortage that there are seven, eight or nine people living in one house and sleeping on the verandah so that they might be able to pay the higher rent. The only thing to do is to get the builders to build more houses, or for the Government to find additional money, or alternatively for the Government to supply the necessary money to the local authorities and charge them, say, 3 per cent. interest on it.

The Minister for Lands: Why should the Government give any such authority? Why cannot the Bill stand on its own basis?

Hon. C. G. LATHAM: I am not giving that as a reply. I believe that to-day the cost of building is so high that it requires two days' wages per week to pay the rent. That is the problem, the building of houses that people want to live in. If I go out to Nedlands I go along that road that has King's Park on one side and vacant land on the other side. I regard that as an ideal situation for the building of a settlement of workers' homes. Already we have the tramline on one side of the locality.

The Premier: And there is a school on each side.

Hon. C. G. LATHAM: It seems to be an ideal place. I know that the University owns the land, but that is not an insuperable difficulty because the land can be acquired either by direct payment or by exchange. It is quite necessary that more houses should be built. If the local authorities will not do it, someone else must do it. It is the province of private enterprise to invest money in such a way and if it cannot be done that way there must be some other way of providing homes.

Mr. Hegney: The Commonwealth set out to build houses, war service homes, but could not let them.

Hon. C. G. LATHAM: No, because they went in for too elaborate a house. I know of the writing down of hundreds of pounds per house.

The Premier: War service homes?

Hon. C. G. LATHAM: Yes.

Mr. Cross: Building costs are higher to-day.

Hon. C. G. LATHAM: It is the cost of building that determines the rental value. Now the Government desire to charge another place with having no consideration for the workers, assuming that it will throw out the Bill. The measure does not provide a solution. As the member for East Perth said, it is merely kite-flying. If I thought the Bill would help at all in the direction desired by the Government, I would be quite willing to help.

The Minister for Lands: Then let it pass.

Hon. C. G. LATHAM: I am not going to vote against the Bill.

The Minister for Lands: See that your friends vote for it.

Hon. C. G. LATHAM: But I am not going to allow the people to be misled into believing that this Bill will overcome the difficulty.

The Minister for Lands: Try it.

Hon. C. G. LATHAM: I know it will not overcome the difficulty. If the Minister continues with his irritating tactics, he will merely antagonise members instead of gaining their support. I shall vote for the Bill with the full knowledge that it will not provide any benefits for the people it is intended to help.

The Minister for Justice: You should do justice to yourself and to your own opinion.

Hon. C. G. LATHAM: I intend to do so.

The Minister for Justice: You do not.

Hon. C. G. LATHAM: I intend to vote for the Bill, because the Government have introduced it and are backing it. What is the Minister's idea? Does he want me to oppose it so that he will be able to say that the Opposition in this House would not support it? Does he want the Bill or not? From his interjections, I should say that he does not want it.

Mr. SPEAKER: Order! The hon. member must address himself to the Bill.

Hon. C. G. LATHAM: Surely I am doing so. I want to ascertain whether the Government want the Bill or not. I have told the

Minister that I propose to support it, though I believe it will not accomplish what the Minister desires. However, I am allowing him to have his way, and in view of the fact that it will be his responsibility and not mine, I shall support the measure. I repeat, however, that the Bill will not accomplish what he desires. It will not result in the provision of one additional home for the workers; it will not reduce rents for the workers. As the Premier pointed out by way of interjection, the difficulty is that the workers in this State desire a better class of house than they can afford on the money they are getting. That is the problem. If a certain type of house were built on a piece of land in close proximity to the city, the workers would be induced to live in those homes at a rental they could afford to pay. That is one system that will provide a solution. It is idle for the member for Murchison to say it is not a solution. If that suggestion is not adopted, the only alternative is to advance money to local authorities at a lower rate of interest than it can be procured from other sources to enable them to build homes, exactly as is being done in other countries. Great Britain, Germany, France, Italy and the United States all have building schemes, and are building thousands of houses.

Mr. Hegney: And the Irish Free State?

Hon. C. G. LATHAM: I did not go there, but probably a scheme is operating there also. Why are those countries building homes? Because house-building is not a payable venture for investors; it is not sufficiently attractive to people with money.

The Minister for Justice: I told you last year why they were not building.

Hon. C. G. LATHAM: If house-building were an attractive proposition, people of means would build. It is not an attractive proposition, and consequently we are not providing a solution. Not only shall I support the second reading, but I hope the Bill will be passed by another place. At the same time I do not want this House to be disappointed if the measure does not achieve what the Minister and his party desire, namely, a reduction of rents, because they cannot bring about a reduction of rents in this way.

On motion by Mr. Nulsen, debate adjourned.

House adjourned at 10.25 p.m.