

as Western Australia contains many districts with varying populations, such as mining towns which break out here and close down there, it seems that it would be useful for the court to retain these powers, though it would not continue to use them to a large extent.

Mr. Willcock: There are no contributions to the fund now.

The ATTORNEY GENERAL: There is a reserve in the fund of between £6,000 and £7,000.

Mr. H. W. Mann: It is no use keeping it there.

The ATTORNEY GENERAL: It is very useful to have it there, for it pays the expenses of the Licensing Court.

Mr. Willcock: Suppose it had to be given back to those who contributed it?

The ATTORNEY GENERAL: It seems impossible to begin working out a scheme whereby that fund can be distributed in the proper channels. If this part of the Act were allowed to go out of existence, we should have to set about working out how to give it back. We could not give it back.

Mr. Willcock: Lots of people could make a claim upon the fund.

The ATTORNEY GENERAL: One's imagination fairly boggles at the job someone would have in working out the sum. At present the money is doing extremely useful work in paying the expenses of the licensing court.

Mr. Willcock: Some of them.

The ATTORNEY GENERAL: Probably all of them for a period. The continuation of this power will not involve any additional cost. The court must be there. The continuation of this part of the Act merely enables the court to exercise certain functions which could not be exercised without this part.

On motion by Mr. Willcock, debate adjourned.

### ADJOURNMENT—SPECIAL.

THE PREMIER (Hon. Sir James Mitchell—Northam) [2.11]: I move—

That the House at its rising adjourn until 7.30 p.m. to-day (Thursday).

Question put and passed.

House adjourned at 2.12 a.m. (Thursday).

## Legislative Council.

Thursday, 4th December, 1930.

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

### SITTINGS HOURS—ADDITIONAL.

*Standing Order Suspension.*

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

That Standing Order No. 62 be suspended for the remainder of the present session.

A glance at the Notice Paper will show that we have a fairly large volume of business before us, in addition to which other Bills will shortly be reaching us from another place. Now that the session is drawing to a close, it is necessary that I should be in a position to deal with new business after 10 p.m. I trust members will be reasonable in the matter, so that we may not be crowded out and have very long sittings at the fag end of the session.

Question put and passed.

### LEAVE OF ABSENCE.

On motion by Hon. G. W. Miles, leave of absence granted to Hon. Sir Edward Wittenoom (North) for six consecutive sittings of the House on the ground of ill-health.

### BILL—HOSPITAL FUND.

Report of Committee adopted.

**BILL—FORESTS ACT AMENDMENT.***Second Reading.*

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East) [4.25] in moving the second reading said: At present £5,000 is being paid annually into a special account to be used for sandalwood reforestation, and the promotion of the sandalwood industry generally. The total paid into the special fund has amounted to £25,000, of which £19,124 has been spent. The balance of £5,876 is considered by the Conservator of Forests sufficient to carry out all works for which the special fund was established for a period of two years ahead. In addition to the payments to the special fund for sandalwood purposes, the general reforestation fund contains £22,358 representing three-fifths of the net sandalwood revenue credited to the general reforestation fund during the year 1929-1930. The revenue from the same source during the present financial year is estimated at £10,000. In view of the opinion of the conservator that the balance of £5,876 in the special fund will be sufficient for sandalwood purposes for two years ahead, the Government consider that the sandalwood money in the general reforestation fund, totalling £22,358, and the estimated revenue of £10,000 from sandalwood this year, should be transferred to Consolidated Revenue for use on essential services for which at present money is difficult to obtain. That is the purpose of this Bill.

The most important work carried out to perpetuate sandalwood supplies has been the location and demarcation of 357,000 acres carrying a large number of young sandalwood trees. Reserves which comprise that area have been closed against further sandalwood pulling. The total areas sown with sandalwood seeds to date amount to 2,900 acres, of which 468 acres were sown last year when the work was carried out on an experimental scale on five different reserves. In this work it is considered that the technical problems in connection with the artificial regeneration of sandalwood by sowing have now been solved, but the extent to which rabbits will affect survival during early years remains to be determined. The work has been delayed by a series of dry seasons on the Eastern Goldfields causing a disappointing germination of sandalwood nuts for several years, but last year the rainfall

was more plentiful and the results on certain classes of soil have been very satisfactory. It has also been shown that seed sown during dry years will retain their germinating capacity, and will develop under better rainfall conditions. It is not considered, however, that the results so far obtained are sufficient to justify sandalwood sowing except by continuance on an experimental scale.

Last year 942 tons of sandalwood, valued at £22,228, were exported, chiefly to India and China. During the first three months of the current year, 125 tons of sandalwood, valued at £2,178, have been exported and as a result of arrangements entered into with South Australia recently, approximately 800 tons of sandalwood are being shipped to China this week. It is impossible to estimate what further shipments of sandalwood will be sent away during the year, as they will depend upon the manner in which the market responds to the recent arrangements with South Australia. The market was kept in an unsatisfactory condition by the uncontrolled shipment of sandalwood obtained from private property in South Australia, but that State now has legislation on the same lines as Western Australia. Under the agreement entered into with South Australia last month, Western Australia may ship 1,600 tons of sandalwood during the next six months, and South Australia may ship during that period 450 tons from existing stocks. Since the special fund was established, the expenditure from the yearly amount set aside of £5,000 has been—

1924-5	..	..	..	£1,600
1925-6	..	..	..	3,269
1926-7	..	..	..	3,253
1927-8	..	..	..	4,613
1928-9	..	..	..	2,862

It will be seen, therefore, that the expenditure in no one year reached the full amount of £5,000 set aside for the regeneration of sandalwood.

At present, in the opinion of the Conservator of Forests, there is sufficient money in the special fund to carry on the work for two years, and there is no reason why a further £5,000 should be provided. If it is paid into the fund it will remain idle, and that would be a wrong thing to permit in our present circumstances. If the Bill becomes

law Consolidated Revenue will receive sandalwood money totalling £22,358 at present in the reforestation fund, and revenue from sandalwood during this year estimated at £10,000. It is right to provide for the regrowth of sandalwood, which is a very valuable timber, but it is not necessary, in view of the circumstances I have outlined, that the State should be deprived of more revenue than is required for that purpose, more particularly when money is so urgently needed for vital services. The measure under discussion will continue in force until the 30th June, 1931. I move—

That the Bill be now read a second time.

On motion by Hon. H. Seddon, debate adjourned.

### BILL—APPROPRIATION.

#### *Second Reading.*

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

**HON. H. SEDDON** (North-East) [4.43]: I move—

That the debate be adjourned.

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East) [4.44]: We are approaching the last stage of the session. It would be preferable, if members are not ready to proceed with this Order of the Day, that it should be postponed until later on in the sitting, say, until after Order of the Day No. 9.

Hon. A. Lovekin: Give us the week-end in order to look into these money Bills.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: Perhaps some member will be prepared to go on with this Bill later in the evening.

Hon. E. H. Harris: Wait until the select committees have finished.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: I would prefer to have the Order of the Day postponed until later in the evening.

Hon. H. Seddon: I will withdraw my motion.

Motion, by leave, withdrawn.

The **MINISTER FOR COUNTRY WATER SUPPLIES**: I move—

That consideration of this Order of the Day be postponed until after Order of the Day No. 9.

Motion put and passed.

### BILL—PREMIUM BONDS.

#### *Second Reading.*

**HON. A. LOVEKIN** (Metropolitan) [4.47] in moving the second reading said: Whatever may be our views on the subject of gambling, we live in a practical age and must regard things from the standpoint at which they exist. We know that throughout the world there are not tens of thousands but hundreds of thousands of pounds which constitute what may be termed waste money, and which people use for the purpose of taking chances in the hope of becoming rich quickly. It is a vicious system, but I am afraid it is one of those things we are not yet sufficiently enlightened to stop. Looking at the matter from a practical point of view, one can hardly be surprised that, for instance, a man on the basic wage struggling to keep body and soul together is inclined to speculate an odd shilling or two in the hope of turning it into pounds so that he may immediately better his condition. If we cannot entirely check these vicious habits, the next best thing is to try to regulate them and make the indulgence of them fair and honest. With premium bonds as against lotteries, one has the difference between what is practically an investment and what is a gamble. If when in 1924, I put forward an exactly similar Bill to this, we had adopted the measure and carried it through, we should not now be wanting to put upon the statute-book a lot of peddling tax measures such as the Hospital Fund Bill which we passed last night. In my opinion, the first State to adopt the principle of using, in the manner proposed by the Bill, the waste money to which I have referred, will be the State that will succeed better than any other State. We shall get a goodwill in the scheme, and the premium bonds will grow just as a snowball grows when rolling down a slope. Only the other day I received a letter asking me to furnish particulars of the scheme which I was about to propose, and a copy of the speech

might make on the subject, with a view to the same proposition being put up in Melbourne. According to the writer of the letter, the scheme has the approval of no less a financial authority than Mr. W. L. Baillieu. However, I am here to assist the State in which I live; and I want Western Australia, if possible, to get in first with the scheme. I have had it from the late Archbishop Riley and from the Rev. Mr. Blanchard, a Presbyterian minister here some few years ago, that they do not regard this scheme in the light of a gamble, but rather in the light of an investment, which it really is. What one does is to put in one's pound and buy a bond certificate. The money is treated just as money is treated in a Starr-Bowkett Society. The Starr-Bowkett bond remains, carrying its interest; and instead of the interest being paid every year to the holder of the bond, a portion of it is used to provide free-of-interest loans for other people, and another portion for expenses. The holder of the certificate draws no interest at all, unless he is so lucky as to draw a loan of £500, which is free of interest for the remainder of the term. That, perhaps, is a very good thing for the person who draws the loan. At the end of the term, naturally, nobody loses any money. In the case of premium bonds one puts in a pound, and that pound is invested in a Government stock for 30 years. Interest is paid on it, and half the interest goes to the hospitals or to parks and reserves, less the expenses, as I have suggested in this Bill, and the other half is put into a pool and drawn for in prizes twice every year. So that a person who invests £1 in the scheme has the satisfaction of knowing that half of the shilling which is his annual interest goes to the support of charities or useful public works, while from the other half he may be lucky enough to draw many times the amount in the shape of a prize. Some will never draw a prize at all, but at the end of the scheme will get their £1 back. In the meantime, if any person who has put £1 in desires to recoup himself the £1, he is quite at liberty to sell his bond and send it to the office for transfer to somebody else.

Hon. H. Seddon: What will be the size of the prizes under the scheme?

Hon. A. LOVEKIN: The size of the prizes will be 50 per cent. of the interest. Whatever the amount of the bonds subscribed is, the prizes will be proportionate to half the interest accruing therefrom.

The Bill provides for that. Premium bonds are introduced under various systems. In Europe there are hundreds of schemes. Some of them pay so much for interest, so much for the welfare of the city or town where the scheme is put in operation, and so much for prizes. This Bill, however, restricts the distribution to prizes and to contributions to hospitals or useful public works. When I put the Bill up before, I had quite a quantity of literature on the subject, but it has got away from me. I have, however, a report dated November, 1924, issued for people in London. In France there are dozens of these schemes—Crédit National, 1923; Belgium Restoration, 1922; French Crédit Foncier Communal, 1891; Town of Paris, 1919; Town of Paris, 1894-96, which by the way is still running; Town of Paris, 1892; French Crédit Foncier 1909; Crédit Foncier, 1899; Paris Exhibition, 1899; Brussels Canal—

Hon. J. Nicholson: What is the subscribed capital?

Hon. A. LOVEKIN: From 500 million francs downwards. Take Town of Paris, 1924; the first prize was one million francs; the second prize 100,000 francs; the third prize, 50,000 francs; then there were 405 prizes of 1,000 francs each.

Hon. H. Seddon: Are those the old French francs?

Hon. A. LOVEKIN: Yes. Those were very good prizes at the time. Here again is a little circular printed in London concerning reparation bonds issued on the same lines. There were 138,780 bonuses, as they are called, of £40 each; 2,880 bonuses of £200 each; half as many of £400 each; 1,300 bonuses of £2,000 each; 860 of £4,000 each. According to the capital subscribed, these distributions give very large prizes; and, as a corollary, provide large sums for the cities and towns in which they are put up. A feature that struck me more than anything else in connection with the Amiens distribution was the number of beautiful buildings and institutions erected by the municipality as the result of its share of drawings of premium bonds, or whatever name they may be called by. Five years ago I was in Paris when there was a drawing one night. It was impossible to get down the Boulevard des Italiens for the crowds of people with their ten francs trying to get a bond in order to have a chance in the drawing that was then about to take place.

Thousands of people were unable to secure certificates that night. On the Continent these drawings take place almost every week—all from what I call the waste money; but it is waste money which is being applied to good and useful purposes. I do not know what is the amount recently sent to Tattersalls—perhaps it is not so much as previously—but when I put this Bill forward originally, I had it on the best authority available here that over £300,000 had been sent in that year to Tattersalls. Over £300,000 from the 400,000 people in this State! Tattersalls sweeps, Dutch lotteries, Golden Caskets and Chinese lotteries are all draining waste money away from Western Australia instead of its being retained here to do some good locally. The Bill has for its object the forcible keeping of that waste money here, and it suggests to our people that instead of sudden-death gambles in Tattersalls they shall have 60 drawings, one every half year, in which they may win a good substantial prize, according to the amount subscribed, and at the end of the time get their pound back, as they do not in any other lottery that is known. The people get the use of this fair and legitimate system of investment, and still have their little gamble, as it may be called. They will have the satisfaction at least of knowing they are doing some good with the money they are investing, and that it is not all going away in expenses, as occurs in Tattersalls, where a man has only to invest £1 three or four times before he has lost all of his £1 in expenses. I suggest that if this State is the first to launch this scheme, it will get the greater benefit: because we shall have money coming into the State from Chinese, Dutch, German, French and Indian people, all making applications here for these premium bonds. Just at the present time, such would be money paid where the State most wants it; that is to say, from countries where there is a gold currency existing. We shall be getting the money in the shape of subscriptions for the bonds. And the money which is subscribed internally, not only in this State, but throughout Australia, will be invested in our Government bonds and so will be available for use by the Government, who will have to pay only the ordinary interest on it every half year, as on any other loan. So from all points of view there is great advantage in these scheme, and the people

will have a channel through which they can invest their money without losing it, or without losing more than, say, 6d. in the pound per annum in interest on the pound they invest. I do not want to labour this, because I feel the time is ripe for such a Bill. The Bill provides that the Governor may appoint a board to carry out the scheme. The Under Treasurer is to be one of the members of the board. The board of course will appoint its own officers. Under Clause 4 the board may issue certificates to the value of £1 to any person desiring to subscribe towards the purchase of such bonds or Treasury Bills. Any person so subscribing shall be deemed to have invested for the term of 30 years, the object being to enable the board to invest in long-dated securities and ensure a drawing every six months. Clause 5 provides that whenever the proceeds from the sale of certificates aggregate £500, the board shall invest the sum in bonds or Treasury bills issued by the British Government, or some British Dominion Government or some State Government. That is to ensure the safety of the investments. And £500 is mentioned because it gives a little latitude to the board, as the money may be aggregating a few hundred pounds in various parts of the world and may not be all available in a lump sum for investment. Clause 6 provides that the board shall be entitled to receive the interest. As to 50 per cent. thereof it must make provision for the interest payments to holders of certificates. Then there is a provision that the board in its discretion in lieu of making payments to individual subscribers may consolidate the interest and cause it to be drawn for by lot in such sums as may from time to time be determined, the drawing to take place half-yearly soon after the interest becomes payable to the board. The remaining 50 per cent., after deducting the cost incurred by the board will go towards the support and maintenance of such public hospitals and public parks as the Government may approve, and in such allocations as the board may determine. That gives the board the right to say, instead of sending you 1s. each for your interest, we are going to draw lots for half the money, and pay the hospitals the other half. And when a drawing has taken place, every holder of a certificate who has participated in the drawing shall be deemed to have received all interest to which he is entitled up to and

including the date of such drawing. Then if any holder of a certificate is successful in drawing a prize in excess of £1 plus £4 as accrued interest, he will surrender his bond. He ceases to participate in any further drawing and will be deemed to have been repaid his original sum, together with all interest accrued or prospective thereon. Such principal sum shall thereupon pass to the board, and the future interest accruing thereon shall be added to the percentage and applied in the prescribed manner set out in Clause 6. Should any holder of a certificate be unsuccessful in drawing interest during the currency of his investment, he shall be entitled on demand to withdraw his £1, but without interest. Then it is provided that a person may subscribe for more than one certificate. I have already had an application for the first 500 certificates, from Nos. 1 to 500 inclusive. Then if three years after the date of any drawing the holder of a certificate has not claimed the interest which has accrued to him, the amount thereof shall be forfeited to the board and added to the 50 per cent. provided in Clause 6 for interest payments to holders of certificates. In the first case, where it is forfeited it is added to the amount set aside for the hospitals and public parks, while in the second case the amount goes to increase the prizes at the next drawing. Clause 12 provides that, if after the expiration of 33 years from the date of purchase of any certificate the holder thereof fails to claim his principal sum, the sum is forfeited to the board and may be re-invested and the interest or prizes derived therefrom added to the amount accruing to the board to go to the hospitals. Clause 13 provides that all bonds purchased on behalf of the board shall be lodged with the Treasurer for custody and safe keeping. Under Clause 14, within 30 days after a drawing the board shall distribute among approved public hospitals and public parks, such sums and in such proportion as in its discretion may seem to be most beneficial, having regard to the whole of the State. This means that it is not a purely local lottery. Now there is another clause to which some exception may be taken, although as an old newspaper man I know that no exception will be taken to it, for those people who run newspapers have a good knowledge of their own business. There is nothing that

creates a greater demand for a newspaper than the publishing in it of personal items or the results of drawings. Clause 15 provides that it shall be obligatory upon every newspaper when called upon to do so to publish the results of a drawing.

Hon. J. Cornell: It sounds like press gang methods.

Hon. A. LOVEKIN: That provision, I submit, is good for the board, good for the scheme and, if I were still connected with a newspaper, I should say good also for the newspapers. As showing the value of such matter to a newspaper I might say that for many years the newspapers here used almost to implore Tattersall's to let them have advance copies of the results of the drawings so that they might be published without charge.

Hon. J. Nicholson: Why should not that apply to other things as well?

Hon. A. LOVEKIN: If it were made to apply to, say, any scheme a lawyer was organising, we would know that the lawyer was making money and therefore that the scheme was not much good to the public. But it is good to the public to have a list of the prize winners in a public lottery. However, as an old newspaper man I suggest there will be no objection to this clause, because it will serve to provide good newspaper copy.

Hon. J. Nicholson: Would it not assist in the sale of a newspaper if, say, Boans Ltd. could get a clause like this in a Bill?

Hon. A. LOVEKIN: No doubt, but Boans would not be giving their profits and half their takings to philanthropic institutions. Therein lies the difference. No individual will be making any money out of this scheme. The only institutions that will profit by it are the hospitals and the public parks amongst which this money will be divided; in addition to which, of course, the scheme will be of benefit to those people who invest their waste cash in it in preference to recklessly gambling with it. Clause 16 is very drastic. I framed this with a view to shutting out all lotteries.

Hon. J. Nicholson: How will that affect the recent amendment of the Stamp Act?

Hon. A. LOVEKIN: It may or may not affect it. Under this Bill even that point might be got over if the hon. member would

take the trouble to read the clause with his largest spectacles. Clause 16 provides—

After the commencement of this Act, but subject to this Act, it shall be unlawful without the special permission of the Treasurer first obtained in writing—

Thus the Treasurer could give permission.

Hon. E. H. Harris: There would be no tickets; there would be bonds.

Hon. A. LOVEKIN: But there would be tickets for the entertainments or lotteries. The clause continues—

(a) to purchase or sell any ticket or other device entitling the holder to participate in any lottery, sweepstake, consultation, chance or drawing promoted for the distribution of money prizes or money gains; (b) to be in possession of any such ticket or other device; (c) to be concerned in or connected with the drawing of any lottery, sweepstake, consultation, chance or drawing; (d) to take part or engage in the collection of money in any public street for any purpose whatever: Provided that no permission as aforesaid shall be granted in respect to any lottery, sweepstake, consultation, chance or drawing promoted outside the boundaries of Western Australia.

The object is to keep the money in Western Australia and to prohibit the numerous lotteries that are taking place, some for objects that are not too worthy; some, of course, for objects that are worthy, in which event the Treasurer could grant permission. People like the Ugly Men's Association, St. Joseph's and others who are raising money for charitable purposes, could easily obtain permission from the Treasurer, but no one could start a lottery and engage an army of people to sit on stools in the streets and almost force tickets upon passers-by.

Hon. W. H. Kitson: Would these bonds be subject to taxation the same as sweep tickets?

Hon. A. LOVEKIN: Certainly not. The Bill will be really a Government Bill, but members can see that I am introducing it in this House in order to try to get it pushed ahead. Most members will have noticed the omission of an important clause, namely how to finance the first issue of certificates. Members know why it must be left to another place to insert that clause. When I introduced the Bill on the previous occasion, it received the support of this House. You, Mr. President, agreed that it was quite in order from the point of view of the House. I propose to keep it in order, but before the Bill is

finalised a clause will have to be inserted in another place providing for the issue of the first certificates. After the first issue, the certificates will pay their own expenses. At the present moment I am prepared to guarantee the cost of the first issue of certificates so there need be no question on that score because there will be no cost entailed upon the State for them. At the first issue as the bonds come in, up to 10 per cent. will be taken out to meet the cost and after that the certificates will pay their own way. I feel confident that in a very few years this scheme will be of immense value to the State from a monetary point of view. The objection to it, as against a straight-out State lottery, is that the premium bond scheme is slower in process. Instead of gambling for the whole of the principal sum invested and getting a percentage on that, the State will be getting only a percentage on the interest, but the interest goes on from year to year, and after one drawing there will be four or five times as many certificates in the next drawing, as has been the experience on the Continent, where millions of money is invested in hundreds of tontine, bonus and other bonds. I hope we shall not miss the bus. If we do not seize the opportunity, we are apt to make great losses. It is the man who sees the opportunity and seizes it who is generally successful. I suggest that now is the time for us to embark upon the scheme because, if we fail to do so, most assuredly and not long hence some other State will do so, and our people will then be sending their money away for investment in a similar scheme instead of people elsewhere sending their money to Western Australia where it could do so much good. I move—

That the Bill be now read a second time.

HON. W. H. KITSON (West) [5.21]: I support the second reading. The outline of the Bill given by Mr. Lovekin was very interesting. I agree with him when he says that the great advantage of premium bonds as against a lottery is that the investing public do not lose their money. They are placed in a position to give the Government a loan free of interest. At the same time, through the operation of the scheme the hospitals and public parks of the country would in course of time reap an advantage amounting to a considerable sum. It is very hard to estimate the extent of the

advantage, but I imagine that after a period of 10 or 20 years it would amount to many thousands of pounds per annum, and would probably be equal to the sum we are now spending each year on our hospitals. Many years ago I had a little experience of one of the Continental premium bond issues, and it was a rather sorry experience. It turned out that the certificate I received was forged, and therefore of no value. Many other people found themselves in a similar position. I do not think there could be any danger of that happening under this scheme.

Hon. Sir William Lathlain: Not in a British country.

Hon. W. H. KITSON: I should hope not. If the scheme is slow, it is certainly sure, and even though the amount of money invested for a year or two represented only a few thousand pounds, and although the prizes would not be very large, someone would derive the benefit. The individual who invested would not lose his money; the State would get the benefit of the balance after the prizes had been provided, the hospitals would benefit, and, incidentally, the Treasury. The prize winners would be most fortunate, because they would obtain their prizes without losing the principal money. A large sum is being sent out of the State every year to Tattersall's, the Golden Casket and other sweeps and lotteries.

Hon. H. Seddon: Do you think we shall get all that money for this scheme?

Hon. W. H. KITSON: Not all of it, but I suggest that we would get a fair proportion, and in addition a fair amount would be invested by people outside Australia, who would be prepared to take not only one or two but probably many bonds in a scheme of this kind, provided they were satisfied of its genuineness. If the scheme were organised and conducted on the lines suggested by Mr. Lovekin, I think it would give satisfaction.

Hon. A. Lovekin: I would not buy one ticket in Tattersall's; I would buy a number.

Hon. W. H. KITSON: Quite a number of people would be prepared to say they had £50 or £100 and were prepared to let the Government have the use of it free of interest. As Mr. Lovekin has said, the fund would increase from year to year, and the time would come when the hospitals and charitable institutions would have all the money necessary for their upkeep without our taxing the people as we are doing to-

day. The time has arrived when we should take advantage of a scheme of this kind. There is no doubt that the average Australian is imbued with the gambling spirit, and while it may not be correct to say there is no element of gambling in a premium bonds scheme, it is certainly quite different from ordinary gambling operations. The investor cannot lose his money and therefore the scheme cannot be classed as an out-and-out gamble. On the other hand, the investor has a chance of winning a handsome sum. That fact alone would appeal to many people who would not in any circumstances patronise Tattersall's or the Golden Casket. They would be prepared to invest their surplus money, firstly to help the charitable institutions of the State and secondly to have the chance of drawing a fairly substantial prize without incurring any risk.

**HON. V. HAMERSLEY** (East) [5.27]:

We should thank Mr. Lovekin for having introduced the proposal. I regret that it was not followed up some years ago when a similar measure introduced by Mr. Lovekin passed this House. Had the scheme been undertaken then, it would by now have been well established and possessed of considerable funds. It would be unwise to postpone its inauguration any longer. Already we have lost much valuable time. Not only the people within the State, but many outside it, would be disposed to invest in premium bonds, and the scheme would grow as rapidly as a snowball. The investment of money in this way is needed to assist the State's funds. It would not be a gamble as are many sweeps for which tickets are sold. It would be an investment, carrying an assurance to the people who were fortunate enough to live their span of life that their money would be returned to them. I have pleasure in supporting the second reading.

**HON. J. NICHOLSON** (Metropolitan)

[5.29]: This Bill, as Mr. Lovekin has explained, is similar to the one he introduced and succeeded in getting this House to approve of on a previous occasion, but apparently it did not receive the acceptance which was hoped for it in another place.

Hon. A. Lovekin: It was one of the slaughtered innocents.

Hon. J. NICHOLSON: I recall now that it was allowed to lapse; I had forgotten the exact circumstances. The Bill contains much

to commend it, and its objective is excellent. The intention of Mr. Lovekin is to provide a means by which appreciable assistance can be rendered to hospitals, charities, and to some of our public works such as parks, gardens, and so forth. The main objective is to serve charitable ends. If means can be devised of providing funds in a manner that does not infringe upon the good sense of a large section of the community, we will have achieved something noteworthy. Mr. Lovekin says that the Bill received the commendation of one who held our greatest respect, the late Archbishop Riley, as well as of others connected with the churches. The measure does not possess features that may be objectionable to a large section of the community, such as are associated with the sweeps that we have in our midst. The Bill is intended to provide a form of investment in which the person who advances the money will have a chance of gaining a certain return when the drawing takes place, and if he does not succeed in being the lucky person to draw a prize, he can still be assured of getting his money returned at the end of a specific period. That removes the measure from the strict category of gambling. There is another phase of interest. The success of the premium bonds scheme will depend largely upon a substantial sum being subscribed by the public. To the extent that the scheme is supported, will our hospitals and charitable organisations have benefits conferred upon them.

Hon. W. H. Kitson: Even if the amount secured were small, the principle would be all right.

Hon. J. NICHOLSON: I admit the principle has something to commend it. Naturally a considerable sum will be required to make the scheme beneficial to an appreciable degree. Obviously a small sum will not be adequate to confer any great benefit upon our charitable institutions. Everything will depend upon the response on the part of the public. In view of the number of Bills that have been before us, which have had a bearing upon our hospitals, it is difficult to say what response will be made by the public, and we can ascertain that only by making the opportunity available.

Hon. G. W. Miles: Similar schemes have been successful in other parts of the world.

Hon. J. NICHOLSON: Mr. Lovekin mentioned the success achieved in other countries and I know that premium bonds and similar schemes have been in vogue for many years in different parts of Europe. Not only have they been supported in the country of origin, but they have attracted contributions from outside countries. When Mr. Lovekin was speaking, I asked him what the effect of Clause 16 would be. I foresee that the Leader of the House may take exception to that particular clause. Even though no objection may be raised in this Chamber to the clause, some wide-awake member in another place will have something to say about it.

Hon. A. Lovekin: Members there require sleep just now, and they may not notice it.

Hon. J. NICHOLSON: Perhaps the necessary assent will be given to the proposal in another place. I am afraid, however, that an attempt will be made to reject the clause, or else to considerably modify its provisions. I understood the Minister to say that the Government hoped to derive a certain amount of revenue from the Stamp Act Amendment Bill, which he succeeded in having restored to the Notice Paper the other day.

Hon. A. Lovekin: Why put bad ideas into the Minister's head.

Hon. J. NICHOLSON: I am merely making a suggestion; I hope the Minister will appreciate the possibilities of the Bill now before us. If he does, I am sure he will agree that the measure will not seriously interfere with the Bill I referred to just now. If sweepstakes can be conducted only with the consent of the Treasurer, there may be either restriction, or extension, regarding those permitted, and steps may be taken so that the revenue derivable from that source may be increased. The clause will, to my mind, have the effect of placing a commendable restriction upon the number of sweeps that will be permitted throughout the city. It may be assumed that the effect of the Bill will be at least to regulate the conduct of such sweepstakes as will be permitted. I support the second reading of the Bill.

HON. SIR WILLIAM LATHLAIN (Metropolitan-Suburban) [5.40]: I am glad I am able to support the second reading of the Bill, because, generally speaking, I am

opposed to any legislation calculated to promote the holding of sweeps. In this instance, having in view the charitable objects referred to by Mr. Lovekin, I am certain we will act wisely if we give the Bill a good start-off. I agree with Mr. Nicholson that Clause 16 is most important. If we can apply its provisions fully and prevent money being sent out of the State for other sweeps, we shall do a valuable work. In addition to that, it will help to prevent unscrupulous and dishonest persons running sweeps within our own borders. If the provisions of the clause were enforced, as Mr. Lovekin indicated, I am sure it would be very difficult for such persons as I have in mind to secure permission to enable them to run the sweeps. Under the Bill the operations of the scheme will be clean and the investor will not lose his money. Having in view the enormous amount that people are sending away annually in connection with sweeps run in the Eastern States, I view the Bill as one to be supported in the hope that the drain on our resources will be stopped. Hon. members will appreciate what a drain the expenditure of £300,000 a year on investments in the Eastern States must represent to Western Australia. In addition, the Bill will afford us an opportunity to attract more capital from the Eastern States people and, what is more important still, it may induce investments from other countries.

Hon. E. H. Gray: We may get some of our own back.

Hon. Sir WILLIAM LATHLAIN: That is so. I support the second reading of the Bill.

**HON. C. H. WITTENOOM** (South-East) [5.43]: I have pleasure in supporting the second reading of the Bill, and I take this opportunity to congratulate Mr. Lovekin on having placed this measure before us. Legislation of this description should have been enacted long ago so as to stop the flow of money from Western Australia to Tasmania and Queensland and other parts of Australia. Personally I do not greatly care what is done with the money; I want to see the scheme launched. I cannot say that I am enthusiastic about part of the funds being devoted to the upkeep of our parks and gardens, but I would like to see money raised on behalf of the hospitals and charities. I am in favour of

anything that will give the scheme a really good start. I am pleased that Mr. Lovekin has received the support of at least some of the church people. He mentioned that that support had been indicated by at least two powerful figures in the religious life of this State. There are some who look upon anything in the nature of chance in relation to investments as gambling. In this instance the church has smiled upon the scheme.

Hon. Sir William Lathlain: And granted its blessing.

Hon. C. H. WITTENOOM: One member said he would have opposed anything in the shape of a gamble such as a State lottery. I do not agree with him. I should be very glad to see a State lottery started at the same time as the premium bonds. I am so keen on seeing something of the kind started, however, that I would not mind State lotteries being cut out altogether. These premium bonds must be looked upon as an investment of sorts. We cannot say this would not be a gamble, for it would be a bit of a gamble.

Hon. J. Nicholson: Something like the Starr-Bowkett societies.

Hon. C. H. WITTENOOM: I cannot see any difference between the two. It is only a difference in name. Both are run on the same principle. People have the same chance of winning something, and no chance of losing anything. When the Hospitals Bill was before us a couple of years ago, a good deal of consideration was given to this question. The only objection I think the Minister in another place raised was that it took a long time to sell these bonds.

Hon. G. W. Miles: Meanwhile a State lottery could be run.

Hon. C. H. WITTENOOM: Mr. Lovekin said we should not "miss the bus." I agree with him. We should get ahead with this business. I see by the paper that New South Wales is starting something of the kind. Queensland has its lottery and Tasmania has Tattersalls. I hope the Government will take this matter in hand and give it a thoroughly good start. I support the second reading of the Bill.

**HON. J. M. MACFARLANE** (Metropolitan-Suburban) [5.47]: For as long as I have been in Western Australia I have noticed attempts to suppress the gambling instincts of the community. In every

case there has been failure in this direction. Now that this failure has been established, I agree that something in the nature of control is required. If Mr. Lovekin succeeds in his attempt to establish the premium bonds principle, it will go a long way towards attracting a more healthy form of investment or sane gambling than is witnessed to-day. I always regret when passing along our streets to see so many people selling lottery or sweep tickets. Art unions for one purpose or another are constantly being promoted, and permission is granted to sell the tickets in the thoroughfares of the city and suburbs. I hope Clause 16 of the Bill will come to the aid of the community in that respect. The idea is that the money will be invested in a strictly sound and business like manner, and that most of our parks and charitable institutions will receive some help. What a wonderful thing it would have been if the premium bonds system had been adopted, when it was first suggested some six years ago, as a means of coping with the unemployment situation. I have always believed that it is not possible to suppress by legislation a vice such as gambling.

Hon. E. H. Gray: It is not a vice but a weakness.

Hon. J. M. MACFARLANE: We do not like to have our vices called by that name. There should be some form of control in cases where it is impossible to suppress a thing. The object behind the scheme is a benevolent one. It is intended to lift the tone of the community by directing its funds into new channels. The Bill will also assist the Government through the funds that are subscribed to these bonds. We have been told that elsewhere in the British Empire the public have invested in bonds or some other form of security. I am sure the scheme will be a great help to the Treasurer, especially if he can count upon receiving a certain sum every few weeks. If the Bill passes, I intend to invest in these premium bonds. I am attracted to them by the fact that even if I am not successful in winning a prize, I shall get my money back in 30 years, and meanwhile it will be in safe hands. To a man of my calibre it is an attraction to know that one's money will be safe. I hope the House will support the Bill with the idea of bringing the spirit of gambling under control. The art union business has been altogether too blatant

in the community. It would be infinitely better to have all forms of gambling of that kind indulged in per medium of premium bonds.

**HON. H. SEDDON** (North-East) [5.52]: I have listened with a great deal of interest to the debate. No doubt this proposal would appeal to many people, because the common remark with the noble army of those who patronise get-rich-quick schemes is that there is one fool born every minute.

Hon. J. Cornell: And how many are born to catch them?

Hon. H. SEDDON: A fair number of people get along quite successfully in the process of catching them. We can quite understand a scheme of this description appealing to the community in addition to other schemes of the kind that have been brought forward from time to time. Quite a lot of money is being sent away every week for Tattersall's tickets, and at first sight it would seem that a considerable percentage of this might be attracted to the premium bonds scheme.

Hon. E. H. Harris: And more permanently.

Hon. H. SEDDON: As I have said, there is some attraction about premium bonds, and no doubt quite a number of people will succumb to that attraction. The point is, will this put down the spirit of gambling?

Hon. J. M. Macfarlane: Not a bit.

Hon. H. SEDDON: Will it eliminate all those sweeps that are now being so unrestrainedly carried on?

Hon. V. Hamersley: It has not been possible to eliminate anything of that kind in the last 40 years.

Hon. E. H. Harris: Evidently the hon. member has not read Clause 16.

Hon. H. SEDDON: Any argument that may be advanced that these premium bonds will tend to restrain gambling cannot have much weight. Will it tend to affect the amount of money that is now being invested in our savings banks, true at the paltry rate of only four per cent., but will it be diverted into these bonds? If the money is put into bonds, the people who own it will not be getting any interest on their money, and will not see it again for a matter of 30 years, but they have the chance, of course, of winning a prize in the meantime. In my opinion these premium bonds may tend to keep

money out of the State Savings Bank where it is earning interest and assisting in providing employment for the people. Part of that which will be spent on premium bonds will have to be paid out in prizes, and another part will go towards rendering financial assistance in certain directions.

Hon. A. Lovekin: The Government will still get the money, but it will be from the other pocket.

Hon. H. SEDDON: If members look in the windows of tobacconists' shops, they will find posted there a notice to the effect that the tenant of the shop communicates with Tattersall's. For a long time he has been drawing money from a section of the public, which might be attracted by Mr. Lovekin's scheme. The tobacconist receives this money, sends it to Tasmania, and gets his commission on the tickets purchased. The purchasers of the tickets then wait until they get their result sheet in the hope of deriving some advantage from the outlay. In some cases they are not disappointed, because not expecting to draw anything, they have drawn nothing, but their money has gone. In the case of premium bonds, a pound note will be preserved and in 30 years will be returned to the owner. The prizes to be derived from premium bonds are not nearly of the same magnitude as those to be derived from Tattersall's tickets. I fear that our gambling friends will be more likely to take the risk of drawing a prize from Tattersall's even if they lose their money, than they would be to buy bonds in the hope of getting a smaller prize.

Hon. A. Lovekin: In time the prizes will be greater.

Hon. H. SEDDON: That may be so. For some time at any rate the prizes will be comparatively small. I see one great advantage over existing evils that may be derived from the Bill. A man may go to a till and milk it in order to indulge in his gambling proclivities. If he is not successful in winning a prize from the bonds he purchases he can go to his employer, confess his inability to restore the money he has taken, but make restitution by giving him the bonds he has purchased. Mr. Lovekin was rather unfortunate in the countries he quoted as having adopted this particular scheme, seeing that every one of them is suffering from a depreciated currency. The person who a few years ago invested in a State lottery in Paris or in Berlin has had the sat-

isfaction of seeing his good money depreciated to something like .001 per cent. of a franc or a mark, and if he was successful in winning a prize, of drawing one equivalent to about a fraction of one-fifth of the money that he originally put up.

Hon. F. H. Gray: That applies to all sorts of bonds.

Hon. H. SEDDON: Had this scheme been adopted five years ago, the person who sent out money from England to invest in Western Australian bonds, had he won a prize, would have received nine-tenths of the value of the prize he won because of the depreciation of our Australian pound note compared with its value five years ago. We know the suggestion to release credit by the issue of £20,000,000 worth of new notes. If that came about, the person who invested in these bonds and in return for £90 in English money received £100 in Australian money, would, after the release of credit—a suggestion which has been advanced as a panacea for all our evils—find his prize would be worth exactly, if we take the French example, one-fifth of the value of the money he invested in Western Australia's get-rich-quick scheme.

Hon. W. H. Kitson: I would put it the other way.

Hon. E. H. Gray: That would apply to those who are investing money in the new loan bonds if what you say is correct.

Hon. H. SEDDON: Other members may have some other idea of the value of an Australian pound note to-day. I do not know of any scheme that has yet been put forward that will have the tendency to appreciate the value of our pound notes. I have pointed out that in those countries where the premium bonds scheme is said to be flourishing successfully, the standard of currency has come down owing to economic pressure. Some advantages are associated with the institution of the premium bonds scheme. It would be of advantage, for instance if, through their agency, all other forms of gambling in Australia could be eliminated. It would then be said that Mr. Lovekin had conferred a great benefit upon the community. I am sure from our experience in the past and from my knowledge of the temperament of Australians they will simply look upon these bonds as an additional field for gambling, and as offering an additional chance of getting rich quickly.

These bonds cannot be described as an investment.

Hon. W. H. Kitson: They cannot be described as a gamble.

Hon. H. SEDDON: We might split the difference, so to speak, and call it a speculation. It is not an investment. An investment is a plan under which a man puts his money out to work for him. He expects to get a return from that money and meanwhile to be satisfied that the capital is in safe keeping. Under Mr. Lovekin's scheme the capital will be safe. A man invests his £1 and in 30 years' time he gets it back, in the meantime, having the chance of securing a prize. This cannot be called an investment; it is simply a speculation, the individual hoping to secure a prize from the pool. I should like to know from Mr. Lovekin when he replies whether his proposal will be used to stop gambling in other directions, and also whether it will have the effect of diverting money from the savings bank and perhaps from investments in land and in other directions, money which at the present time is doing good work. Perhaps he will be able to convince the House that this scheme is so much in advance of anything else that has been suggested to get us out of our present difficulties that it will be adopted by this and the other House.

HON. J. CORNELL (South) [5.48]: I do hope that the Bill, if it becomes law, will bring in its trail all the benefits that Mr. Lovekin expects. There is one thing that is characteristic of the Australians, above all other races, and it is that he likes things done quickly and in his gambling he prefers sudden death as against any prolonged process. Again, with the Australian gambler it is all or nothing; that is to say, he is prepared to put in his little contribution towards the sweep in the hope that he will win it.

Hon. A. Lovekin: We ought to try to inculcate better ideas in the Australian.

Hon. J. CORNELL: One could not get a better idea of the Australian as a gambler than by illustrating the soldier on active service. He went through some warm places to have his game of sudden death; in other words, two-up, and if the two pennies were not fast enough, he made it three pennies.

Hon. A. Lovekin: Perhaps that accounts for the present trouble in Australia.

Hon. J. CORNELL: I think it will be some little time before it will be possible to pass on to the Australian community the benefits to be derived from premium bonds which are a distinct innovation so far as the Commonwealth is concerned. It is all very well to cite France and what is happening there, but from our viewpoint there is nothing in common between France, or indeed any other Continental nation, and ourselves. If the Frenchman's proclivity is to indulge in the purchase of premium bonds, it does not follow that the Australian will do so. Another point to be taken into consideration in the propagation of such a scheme as the introduction of premium bonds is the sense of fairness that must be made manifest to the aggregation of Australian people, and so, if a concern is worth its salt it should be able to stand on its own bottom. With the launching of premium bonds another mild form of gambling will go by the board, and it will be an offence to be found in possession of a ticket in an art union unless permission to conduct that art union has been given by the Treasurer. Sweeps are unlawful at the present time and the Criminal Code which makes them unlawful should either be enforced or repealed. Now Mr. Lovekin is going to perpetuate the vicious principle of permitting a Ministerial head giving his sanction to the carrying on of something that is unlawful. If premium bonds are going to confer the benefit that is claimed for them they should be issued to the exclusion of everything else, and especially to the exclusion of something that is unlawful.

Hon. A. Lovekin: Mr. Sayer advised in 1924 that it was not necessary to amend the Code.

Hon. J. CORNELL: Premium bonds are to be issued to the exclusion of something that is unlawful to-day unless the Treasurer says that that which is unlawful may be carried on. That is a part of the measure that will not find much favour with the Australian. Gambling takes peculiar turns, and it creates strange kinks in certain individuals. One individual indulges in a flutter in one form but he does not attempt to argue with another individual whose choice is a little flutter in some other direction. Australians as a whole, or that section of them who are inclined to indulge in a mild form of gambling will probably welcome the

Bill, but so far as the wowsler is concerned, it will be out of court.

Hon. A. Lovekin: We cannot tell what the people will do until we try them.

Hon. J. CORNELL: We should be able to form a fairly accurate estimate of what they are likely to do, if we give some thought to their doings in the past.

Hon. E. H. Gray: If they are properly handled, the bonds will be rushed.

Hon. J. CORNELL: If there is one thing with which Mr. Gray always bubbles over, it is optimism. I do sincerely hope that on this occasion not one bubble of that optimism will go to waste.

**HON. F. W. ALLSOP** (North-East) [6.9]: I am inclined to support the Bill and will do so with mixed feelings. There are a good many ways of looking at it. A young fellow might prefer to place his savings in the savings bank rather than invest them in premium bonds. In the savings bank his money on which he receives 4 per cent. will double itself in  $17\frac{1}{2}$  years, and that on which he receives 5 per cent. will double itself in 14 years, and, as Mr. Seddon has pointed out, £1 placed in the savings bank, at the end of 35 years becomes £4. I consider it is a good thing if a young man has £100 or so to spare that he should use it in the direction of assisting the Government by purchasing premium bonds. But I would prefer to see young people place their money in the savings bank, which institution inculcates a habit of saving. At the same time, to the Australian the thought of getting a prize is very fascinating, and I think investments in premium bonds will prove fascinating, and many people will invest in them.

**HON. E. H. GRAY** (West) [6.11]: I desire to support the second reading of the Bill, and am glad that it has received so much approval. I was brought up in a strict school in the same way as my friend Mr. Nicholson. I used to look upon any form of gambling as something that would bring around the feet of the gambler the flames of Hell. But in no sense of the word can it be said that the purchase of premium bonds is gambling. I have come to the conclusion that there can be no argument to support gambling, but arguments can be used to support a weakness of the people when that weakness is devoted to a good cause. In

the course of my experience I have found gamblers as a class—small and big gamblers alike—the salt of the earth, and I raise my voice in protest against the general condemnation of the people who have run gambling stunts in the metropolitan area for years past in aid of deserving charities. Anyone who is familiar with this business must know that if you are going to run a gambling wheel, or housey-housey or a sweep, you must run it absolutely straight. Those people who have successfully raised funds for hospitals and charities are the men who have the complete confidence of the public. But let that confidence wane, and up will go the appeal and there will be no response from the public.

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

Hon. E. H. GRAY: Before tea I was speaking of the strong criticisms passed on people who promote sweeps and sell sweep tickets. I fail to understand the heated feeling against those persons. Let me point out, too, that there are not scores of people selling sweep or art union tickets in the streets of Perth.

Hon. J. M. Macfarlane: The feeling is not against the people, but against the system.

Hon. E. H. GRAY: Most of the ticket sellers are persons suffering from disability, unable to do hard work, and forced to adopt this means of gaining a livelihood. Sellers who do not conduct the business properly should be pushed off, and others put in their place.

Hon. J. Nicholson: I do not think anybody objects to the charitable side.

Hon. E. H. Harris: The objection is to the amount of commission received by the sellers.

Hon. E. H. GRAY: People working in a purely honorary capacity cannot give the same satisfaction as professional people give. This applies to sweeps. The small amount of commission allowed is well earned. Investigation would show that the amount deducted for advertising, commission to ticket sellers, and incidentals is not unreasonable. I do not like the criticism launched at honourable people who work for charity, although they are paid for their work. I see no objection to anyone rendering a service to the community. It will be done on a fair and square basis in order that the

job may be retained. Improper practices obtain not so much in the bigger sweeps as in the small concerns run by well-intentioned committees. One must be prepared to knock down the vulture-like persons who are always ready to prey on honorary committees. People who pose as being charitable are always waiting to get on committees. Such undertakings are more open to objection than the businesslike basis on which most sweeps are run to-day. If Mr. Lovekin gets his Bill enacted I believe it will not take long to accustom people to premium bonds. In fact, I am inclined to believe people will rush the scheme. They are desirous of helping the unemployed and hospitals and orphanages. However, street collections produce pennies, whereas an art union for a motor car will produce £100 in an hour. To catch the nimble shilling as proposed by Mr. Lovekin is a good idea, and I support the Bill.

**HON. W. J. MANN** (South-West [7.36]: I desire to offer my congratulations to Mr. Lovekin upon having brought down this measure, and I believe it is one which the people generally will welcome. It has to be admitted that as a people we are inclined to some forms of speculation or mild gambling—whichever may be the proper term. The sooner we realise the position and endeavour to control this little proclivity or minor vice, the better. I am not one of those who hold that behind this Bill is what Mr. Seddon calls the get-rich-quick idea. To-day there are many people of mature years who would gladly put a little money into premium bonds, partly because they know the bonds to be a safe investment, partly because they like the idea of a possible windfall in the shape of a prize, and partly because of the knowledge that their money will be used by the State and thus serve a good purpose.

Hon. J. Cornell: Some people will patronise premium bonds out of curiosity.

Hon. W. J. MANN: Very likely. No matter what the idea behind may be, let us keep the money in our own country and use it for our own purposes. In this connection we might cast back our minds to the support recently given to a sweep in the Irish Free State. The liking for a little gamble is not confined to Australians. One of the most conservative newspapers in England, the "Morning Post," a few months

ago published an illuminating sub-leader on premium bonds. It advocated the introduction of the premium bond system into Great Britain, and the British Government have given the idea a mild blessing. Mr. Seddon has referred to the fact that a scheme of this description may take money from the Savings Bank. I do not know that that would be the case. People who want to put their money into the Savings Bank will be perfectly at liberty to do so; there will be nothing to prevent them. If they are not prepared to leave their money in a premium bond scheme for a number of years, naturally they will put it where they can have it at call. Referring to the get-rich-quick theory, Mr. Seddon endeavoured to define the difference between speculation and investment. I am rather surprised that the hon. member should be drawing distinctions of that kind. Let me ask him how he views the putting of money into gold-mines. In my opinion, there is a great deal more of gambling in putting money into gold mines than there is in putting it into premium bonds. In the hon. member's own constituency there have been a number of concerns known as wild-cats; in fact, throughout his electorate there are financial cemeteries. Therefore I am astonished that he should criticise a sound and legitimate project of this nature. I do not know that he himself may not have indulged in buying a share or two in gold mines.

Hon. H. Seddon: They may be resurrected by the gold bonus.

Hon. W. J. MANN: Possibly. Many people would like to see their money resurrected. I have not much to offer in criticism of the Bill, but I expect to be twitted by hon. members when I say there is one clause to which I must on principle offer some objection. I am not at one with Mr. Lovekin in regard to the clause which makes it mandatory for the Press to publish results of premium bond drawings.

Hon. J. Nicholson: It would increase the sale of the papers.

Hon. W. J. MANN: Possibly.

Hon. J. Cornell: Is Mr. Mann's objection based on principle or profit?

Hon. W. J. MANN: On principle. The idea of profit may be discarded. If that clause remains in the Bill, it may be taken as a precedent, and have an effect which the Chamber would not desire upon the newspaper industry. From the aspect of news I believe every journal would be glad

to publish the results of drawings. Still, I have to remember that there are some journalists who entertain conscientious objections even to premium bonds, and to compel them to adopt the attitude laid down in the Bill would be rather unfair. Purely from that aspect I object to the clause, and I intend to move its deletion if the Bill passes the second reading.

**HON. E. H. HARRIS** (North-East) [7.44]: I hope this Bill will meet with a better fate than its predecessor of six years ago. There are good features of the present measure which have not been especially stressed. One is that under Clause 5 the money would be invested in Dominion or State bonds. It might be found later that the Loan Council were not prepared to give a high rate of interest, in which case a better investment might be sought on behalf of premium bond holders. It has been suggested that their money might be invested in countries with depreciated currencies. Mr. Seddon seemed to fear that investments might be sought in Belgium or France.

Hon. H. Seddon: I said we might follow the example of Germany.

Hon. E. H. HARRIS: I hope we shall not. Premium bonds differ from horse racing to the extent that when there is a draw for horses the owners come into the picture; and if a person who draws a horse in a big sweep does not offer a considerable sum of money, sometimes as much as half the prize, the owner may be prepared to withdraw the horse.

Hon. W. J. Mann: That is blackmail.

Hon. E. H. HARRIS: It is, yes, but it is practised. However, under the premium bonds system when there is a draw being made there is no inducement for anybody to offer to somebody else terms for participation if he should be successful. Clause 16 prohibits the selling of tickets for sweeps. If the Bill should pass the second reading and be referred to another place, I venture to say the Treasurer will be very pleased indeed to have an opportunity to handle the money derived from premium bonds. It would be of distinct advantage to the Treasurer and to the State. It would afford opportunity for the Government to withdraw the Bill the Minister in this House is anxious to have reinstated next Tuesday, namely

the Stamp Act Amendment Bill No. 2; for if the Government were to support Mr. Lovekin's Bill, it would be quite unnecessary for them to proceed any further with the Stamp Bill. The competition that would be brought about by the issue of premium bonds would be of far greater opposition to the sale of Tattersall's tickets in this State and the sending of money from this State to Hobart, than would be the tax on sweep tickets. Another feature of the Bill is that the holder of bonds may sell them at any period. If for instance a person were holding bonds and difficult times came, or he was leaving the State, there would be nothing to prevent him from selling those bonds. That is a consideration for the investor. One other feature is that the persons who invest their money in premium bonds are putting that money into what is at once both a safe investment and a speculation, for here we have the two things combined. Many people of a speculative turn of mind would be glad to invest their money in this way, and such investments would be of advantage to the State generally and to the Treasurer in particular. I will support the second reading, and I hope that if the Bill goes to another place the Government will give it greater consideration than they gave to the last Premium Bonds Bill.

**HON. G. FRASER** (West) [7.50]: I will support the second reading, but I am doubtful about Clause 16. That clause means that without the permission of the Treasurer it will be impossible for any organisation in this State to run a lottery.

Hon. A. Lovekin: If it were for a good purpose, the Treasurer would give permission.

Hon. G. FRASER: I am doubtful about that, because if it be the desire of the Government to have the money derived from premium bonds, it is quite possible the Treasurer will not consent to the running of a lottery or art union in aid of charitable institutions.

Hon. J. Nicholson: What about the £5,000 per annum the Treasurer is going to get out of the tax on sweep tickets?

Hon. G. FRASER: It is provided in the clause that no permission shall be granted in respect of any lottery or sweepstake promoted outside the boundaries of Western Australia. If this clause goes through as

printed, it will ruin any chance of getting revenue from that source.

Hon. Sir William Lathlain: A good thing too.

Hon. G. FRASER: We cannot shut our eyes to the fact that we shall lose that revenue altogether.

Hon. Sir William Lathlain: We will do our best to stop the money going out of the State.

Hon. G. FRASER: You cannot do that. Already people requiring tickets in sweeps run in other States can write direct for their tickets. Still, there is a chance of some of that revenue being retained in the State under the tax suggested in the Bill which the Minister proposes to reinstate next Tuesday; there is a possible chance of some of the money for sweep tickets going through agents and in consequence the tax being gathered in by the Treasurer. But if this clause becomes law there will be no chance of getting any revenue from that source.

Hon. J. Cornell: The Bill has not been passed yet.

Hon. G. FRASER: It is as well to face these facts before the Bill passes. Whilst I am in accord with the system of premium bonds, I doubt whether they will be as successful as Mr. Lovekin would like them to be. In the first place the people have to be educated up to what premium bonds mean. As I said when speaking on another measure last week, I am doubtful if the estimated revenue will be derived from this source. Many people have no idea of the premium bonds system, and certainly they will not invest in the scheme until they know what it means.

Hon. Sir William Lathlain: You three members from the West Province can easily inform the whole of the people of Fremantle.

Hon. G. FRASER: We will endeavour to do so. To raise sufficient money to be of any great advantage to the State, the people must be educated to a clear meaning of premium bonds. The easiest way to educate them of course will be to tell them it is a Scotchman's lottery, which I think they will understand. When the Bill is in Committee it will be necessary to amend Clause 16. Either we shall have to rule it out, or alternatively rule out the Bill that is to come before us next week; for the two cannot

go hand in hand. If the clause be agreed to in its present form there will be lost to the State a great deal of revenue from the sale of tickets in lotteries conducted outside the State

HON. A. LOVEKIN. (Metropolitan) (In reply) [7.55]: I thank members for the reception they have accorded to the Bill and for their informative discussion upon it. If I do not at this juncture reply to the criticism levelled against the Bill, I will gladly do so in Committee if the necessary questions are put to me. Unless we can get the Bill through this evening, it will again become one of the slaughtered innocents and will be lost altogether; for I understand that another place will not be sitting after next week, and so, unless we can get the Bill to them by Tuesday it will have no chance of being passed this session. I hope members will assist me in getting it through Committee to-night so that we may send it to another place without delay.

Question put and passed.

Bill read a second time.

*In Committee.*

Hon. J. CORNELL in the Chair, Hon. A. Lovekin in charge of the Bill.

Clauses 1 to 14—agreed to.

Clause 15: Publication of results.

Hon. W. J. MANN: The principle in this clause should not be supported by the Committee, for it might be used as a precedent, and certainly it would be distasteful to many newspaper proprietors who generously give their space to less contentious matters. I suggest the Government publish an official list, just as is done in respect of lotteries. The official list should be sent wherever it is possible for people to purchase a ticket. I presume tickets would be available for purchase at banks or public offices and those are the places where the official lists should be filed.

Hon. A. LOVEKIN: I drafted the clause in the interests of the newspapers. The publication of these lists is always good copy for the papers, and that is why I thought the papers should be compelled to publish the lists.

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

Ayes	..	..	..	10
Necs	..	..	..	7
				—
Majority for	..	..	..	3
				—

## AYES.

Hon. C. F. Baxter	Hon. J. J. Holmes
Hon. J. T. Franklin	Hon. Sir W. Lathlain
Hon. G. Fraser	Hon. A. Lovekin
Hon. E. H. Gray	Hon. C. H. Wittenoom
Hon. V. Hamersley	Hon. Sir C. Nathan
(Teller.)	

## NOES.

Hon. J. M. Drew	Hon. E. Rose
Hon. E. H. Harris	Hon. H. Seddon.
Hon. G. A. Kempton	Hon. W. J. Mann
Hon. J. Nicholson	(Teller.)

Clause thus passed.

## Clause 16—Offences:

Hon. G. FRASER: I move an amendment—

That the proviso be struck out.

If the Government are to receive taxation from another measure which will come before the House, it is necessary that the proviso be struck out. It will not be possible for any agency for outside lotteries to have offices in the State and the result will be that people will write direct to Tasmania for their tickets.

Hon. A. Lovekin: It is the very thing we want to accomplish.

Hon. G. FRASER: If it would accomplish what the hon. member desires I would be with him. The proviso will simply mean driving money out of the State. Premium bonds will appeal to a certain section, but they will not appeal to that section who will, whatever happens, invest in Tattersall's consultation.

Hon. J. NICHOLSON: This proviso will not affect Tattersall's.

Hon. G. FRASER: Yes, revenue that would be got from the sale of Tattersall's tickets locally will be lost if the proviso is left in.

Hon. J. Nicholson: You had better leave this to the Treasurer in another place.

Hon. G. FRASER: It may be overlooked in another place.

Hon. Sir WILLIAM LATHLAIN: I support the clause as it stands because it is the greatest virtue in the Bill. I am concerned about the powers that should be vested in

the Treasurer, and if we delete the proviso, we will delete the piece-de-resistance of the clause.

Hon. Sir CHARLES NATHAN: Members who have had experience of the Prohibition Act in America will know that Acts of this nature are far-reaching and bring the law into ridicule, besides making people law-breakers. If we pass the clause as it stands, anyone who wants to write to Tattersall's in Tasmania for a ticket will have to apply to the Treasurer for permission.

Hon. A. Lovekin: Nobody is debarred from writing.

Hon. Sir CHARLES NATHAN: They are debarred from purchasing or selling tickets without permission of the Treasurer. This is an attempt to try to make people good by Act of Parliament. I intend to vote against the clause.

Hon. A. LOVEKIN: One of the things we are trying to bring about is to prevent the sending of money out of the State for tickets in consultations. My desire is to close up the agencies that are here. Of course people will be able to write and receive a reply, and the law will be broken. But we cannot stop that. We can, however, reduce the facilities. What we want to do is to divert to our own use here the huge sums of money that at present are sent out of the State. I hope the Committee will not strike out the proviso. If the clause is not acceptable, I suggest that it should be amended in another place. I trust members will not amend the Bill if they can avoid it, because delay at this stage may result in the loss of the Bill altogether.

Hon. J. NICHOLSON: While I appreciate Mr. Lovekin's desire that the Bill shall not be amended so that it can be transmitted to the Legislative Assembly forthwith, I am afraid the clause before the Committee will provide ample grounds for discussion when it is dealt with in the Assembly. For instance, I am afraid the clause really amends Section 212 of the Criminal Code, which specifically prohibits that which the clause impliedly authorises, with the consent of the Treasurer. The Criminal Code prohibits sweepstakes or lotteries; the clause seems to conflict with that provision.

Hon. G. FRASER: I appreciate the point that any amendment that is successfully moved will retard the progress of the Bill, which I am anxious to see pass. In the

circumstances, I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Clause put and passed.

Clauses 17, 18—agreed to.

Title—agreed to.

Bill reported without amendment and the report adopted.

#### *Standing Orders Suspension.*

Hon. A. LOVEKIN: In order to facilitate the consideration of the Bill in another place, I would ask the Minister to move the suspension of the Standing Orders, so that the Bill may be read a third time and transmitted to the Assembly. If the Bill is transmitted by message to the Assembly this evening, it will afford hon. members there an opportunity to deal with it, whereas delay of a day or two may mean the loss of the Bill altogether.

The MINISTER FOR COUNTRY WATER SUPPLIES: I move—

That so much of the Standing Orders be suspended as is necessary to enable the Bill to pass the remaining stages at the present sitting.

Question put.

The PRESIDENT: There being no dissentient voice, and more than an absolute majority of the members present, I declare the motion carried.

#### *Third Reading.*

Bill read a third time and transmitted to the Assembly.

### **BILL—TRAFFIC ACT AMENDMENT.**

#### *Assembly's further Message.*

Message from the Assembly received and read notifying that it had agreed to the alternative amendment made by the Council.

### **BILL—ROADS CLOSURE.**

#### *Assembly's Message.*

Message from the Assembly received and read notifying that it had agreed to the amendment made by the Council.

### **BILL—RESERVES.**

#### *Assembly's Message.*

Message from the Assembly received and read notifying that it had agreed to the amendments made by the Council.

### **BILL—ANATOMY.**

#### *Assembly's Message.*

Message from the Assémbly received and read notifying that it had agreed to the amendments made by the Council.

### **BILL—TOTALISATOR DUTY ACT AMENDMENT.**

#### *Second Reading.*

Order of the Day read for the resumption from the 27th November of the debate on the second reading.

Question put and passed.

Bill read a second time.

#### *In Committee.*

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

### **BILL—FRIENDLY SOCIETIES ACT AMENDMENT.**

#### *Second Reading.*

Order of the Day read for the resumption from the 27th November of the debate on the second reading.

Question put and passed.

Bill read a second time

#### *In Committee.*

Hon. J. Cornell in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clauses 1, 2—agreed to.

Clause 3—Liability to make contributions may be suspended in the case of necessitous members:

Hon. J. NICHOLSON: I move an amendment—

That the following words be added to paragraph (a):—"or owing to any other cause deemed sufficient by the committee of any society."

When the Tenants, Purchasers and Mortgageors' Relief Bill was being discussed, it was stated that unemployment was not the only cause of necessitous circumstances. A man, old and unable to work, might be dependent upon the rent of a cottage, the tenant of which might obtain a protection order against him. Thus he and his dependants would be deprived of the income upon which they relied.

Hon. J. J. Holmes: Is there any objection to your amendment?

Hon. J. NICHOLSON: I understand the Minister objects to it. That man would be in necessitous circumstances not due to unemployment.

Hon. J. J. Holmes: What do the friendly societies think of your amendment?

Hon. J. NICHOLSON: I do not know.

The MINISTER FOR COUNTRY WATER SUPPLIES: The Bill is the result of a lengthy consultation between representatives of the friendly societies and the registrar. The point contained in the amendment was brought under the registrar's notice and, after the conference, eight grand secretaries informed him that the amendment would be dangerous, as it would open the door too wide. They were prepared and able to deal with such cases to a limited extent. The officials of the societies know what they want, and we should not force too much upon them.

Hon. W. J. Mann: They will know to their sorrow if the Bill passes.

The MINISTER FOR COUNTRY WATER SUPPLIES: We should not increase the burden beyond what they have requested.

Hon. J. Nicholson: This would not increase the burden, but would give them a power they do not now possess.

The MINISTER FOR COUNTRY WATER SUPPLIES: They could be pressed to exercise the power, and possibly undue pressure would be brought to bear upon them.

Hon. J. Nicholson: It would merely be lawful for them to consider other causes.

The MINISTER FOR COUNTRY WATER SUPPLIES: If they were forced to exercise the power it might prove detrimental.

Hon. Sir WILLIAM LATHLAIN: The Minister has stated the position clearly. The friendly societies say that the Bill covers all

their requirements. They have power to grant relief if they think fit, and it would be wise not to include the amendment.

Hon. E. H. HARRIS: I inquired from the secretary of the lodge of which I am a member, and he indicated there had been a conference between the representatives of the friendly societies and the registrar. The whole thing is worked on an actuarial basis. If the door were opened as suggested by Mr. Nicholson I question whether the registrar would be in accord with the alteration. I received a notice from the society to which I belong indicating that a levy had been struck for unemployment. I was informed that with the aid of this money it was hoped to be able to keep these people financial. If the amendment is carried it will place an unknown liability upon existing members.

Hon. G. FRASER: I support the amendment. I have taken an active interest in friendly societies for many years. Something of the kind moved by Mr. Nicholson has been required by them for a long time. Societies have been endeavouring to give relief to old members who, because they have retired from employment find difficulty in keeping up their contributions, as a consequence of which they lose the benefits that would otherwise accrue to them. It is desired that some means should be found to keep their membership alive. Surely most of the societies are financial enough to cover a small charge of that nature. The general secretary of one society told me it was desirable that the amendment should be carried. It does not interfere with the right of the committees to safeguard the funds of their organisation. During the war most of the societies carried the responsibility of all their members who went to the front. They have survived the ordeal and are in a flourishing position to-day. Societies should have greater powers than they now possess to help those who are unemployed.

The CHAIRMAN: Does Mr. Nicholson intend to amend paragraph (b) if his amendment is carried, because if it is not altered the percentage of members "in necessitous circumstances" must of necessity be reduced?

Hon. J. NICHOLSON: I would like to inform members how it was I came to move this amendment. I listened to the remarks of the Minister on the second reading and also to the remarks on the Bill dealing with tenants, mortgageors and purchasers. I felt

that if it were just to extend privileges to persons in necessitous cases due to unemployment in connection with those measures, it was equally just that they should be extended to persons who might be helped by friendly societies. That is what caused me to frame this amendment.

Hon. J. J. Holmes: Why push on to the societies something they do not want?

Hon. J. NICHOLSON: I had no idea I would be responsible for creating this position. I admit that my amendment may affect another part of the Bill, as indicated by the Chairman. I do not wish to press my amendment, but I do want hon. members to realise how it came about that I moved the amendment. The matter is purely permissive. I thought a widening of their powers to benefit their members would be welcomed by the societies.

Amendment put and negatived.

The CHAIRMAN: I would point out to the Minister that Clause 8 deals with the duration, not of the Bill, but of one section of the Bill. Therefore the duration should be expressed, not in Clause 8 at the end of the Bill, but in the clause of which the duration is limited. If that is done, the Committee can vote against Clause 8 when it is reached.

The MINISTER FOR COUNTRY WATER SUPPLIES: I thank you for the suggestion, Mr. Chairman, and shall act upon it. I move an amendment—

That the following be inserted to stand as Subclause 2:—"This section, or any suspension granted thereunder, shall not continue in operation after a date to be fixed by proclamation for the termination of this section."

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

Clauses 4 to 7—agreed to.

Clause 8—negatived.

Title—agreed to.

Bill reported with amendments.

## **BILL—ENTERTAINMENTS TAX ASSESSMENT ACT AMENDMENT.**

*In Committee.*

Hon. J. Cornell in the Chair; the Minister for Country Water Supplies in charge of the Bill.

Clauses 1, 2—agreed to.

Clause 3—Entertainments tax to be paid into Consolidated Revenue Fund:

Hon. J. M. DREW: I move an amendment—

That in proposed Section 13 the words, "Consolidated Revenue Fund" be struck out, and "Hospital fund established under the Hospital Fund Act, 1930" inserted in lieu.

Under the Entertainments Tax Assessment Act passed in 1925, the proceeds were to go into a special fund at the Treasury, called the hospital fund. This Bill proposes that the proceeds shall be paid into Consolidated Revenue. The Government tell us that the hospital fund will receive the fees paid at the various Government hospitals. These fees last year amounted to £36,000. The proceeds from the entertainments tax last year were £37,000. Much less, however, will be collected this year in patients' fees. Under the Hospital Fund Bill, certain benefits are to be received by contributors—contributors on the basic wage, married persons and their dependants, and also single persons. In view of the depression existing throughout the State, there will be this year a considerable number of what are termed indigents. Last year there was little more than the normal number of indigents entitled to free treatment. This year the number is bound to increase considerably. Consequently nothing like £36,000 will be raised per medium of patients' fees. Proceeds from the entertainments tax will also diminish, but only to a limited extent. Amusements are still in full blast, going almost as strong as ever. Whatever depression may exist, amusements will continue to be patronised. There is a Bill doubling the amount of the existing entertainments tax; and we can anticipate that from that source not less than £50,000 will be received this year, £37,000 having been received last year. If £50,000 from taxation of entertainments goes into the hospital fund, the hospitals should have no reason to complain. They will be able to carry on under those conditions, but not under the conditions proposed by the Government.

The MINISTER FOR COUNTRY WATER SUPPLIES: I must oppose the amendment. Last year the hospitals received £104,000 from Consolidated Revenue, and £37,000 from the entertainments tax;

a total of £141,000. It is estimated that this year they will receive £156,000 from Consolidated Revenue, plus patients' fees of £34,000 odd; a total of some £190,000. Therefore they will be better off this year by roughly £50,000. Mr. Drew suggests also giving the hospitals the proceeds of the entertainments tax. However, the hospitals will be well catered for without that additional money, though they may be somewhat short of funds in the coming year, and the deficiency may have to be made up by the Treasury. With the return of normal times, the sources of revenue already assigned to the hospitals should prove ample. Also members must realise the position of the Government's finances. With the hospital tax and the patients' fees the hospitals will have all they require. I trust the amendment will not be carried.

Hon. E. H. GRAY: I trust the amendment will be carried. That the taxation on amusements should go to Consolidated Revenue is a wicked proposal. Nobody attending a picture show or a theatre minds paying a small tax in order to help the sick, but everybody would object to paying such a tax for the assistance of the Treasury. Notwithstanding what the Minister has said, I contend there is some £30,000 at stake in the three hospitals in the metropolitan area. The Minister the other night said the Perth Hospital received only £3,780 from voluntary contributions. Actually that hospital is receiving over £6,000 from that source, while the Fremantle Hospital collects £4,000, and the Children's Hospital about £10,000. With the passing of the Bill those voluntary contributions will disappear. I hope the amendment will be carried.

Hon. J. M. DREW: The Minister on the second reading said that under the Bill the hospitals would benefit by from £18,000 to £20,000 per annum. No doubt he expected that £36,000 would be collected in patients' fees. I remind him that the cost of collection of the tax will have to be deducted from the figures he used, amounting perhaps to £5,000, in addition to which there will be the cost of administration. Through public appeals £30,000 is collected every year on behalf of hospitals, but the response to those appeals to a large extent will cease when the Bill comes into operation. Unless we can get the entertainments taxation for hospitals, the future for those institutions is by no means bright. I suggest the Minister

take back the patients' fees and give the hospitals the entertainments tax.

Hon. E. H. HARRIS: Mr. Drew suggests the entertainments tax should go to the hospitals, and Mr. Gray says it is a vicious principle to put the entertainments tax into Consolidated Revenue. Does not Mr. Gray remember that when the Federal Government relieved the community of entertainments tax on tickets up to half a crown, the late State Government at once imposed the same tax on the pretext that the money was to be used for hospitals, whereas it was put into Consolidated Revenue.

Hon. J. M. Drew: No fear. It was used for hospitals, every penny of it.

Hon. E. H. HARRIS: I am glad to hear that. The Commonwealth Government tax all entertainments, but do not use the money for hospitals.

Hon. E. H. Gray: We need not follow the bad example of the Commonwealth.

Hon. E. H. HARRIS: The hon. member complains of the State putting entertainment taxation into Consolidated Revenue, but never complains of the Commonwealth Government doing the same. However, it does not matter much where the money comes from, so long as the hospitals can get sufficient.

Hon. J. Nicholson: If there should be a deficiency, who will have to find the money.

The Minister for Country Water Supplies: The Government.

Hon. J. Nicholson: Exactly.

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

Ayes	..	..	..	..	4
Noes	..	..	..	..	14

Majority against .. 10

AYES.	
Hon. J. M. Drew	Hon. A. Lovekin
Hon. G. Fraser	Hon. E. H. Gray
	(Teller.)

NOES.	
Hon. C. F. Baxter	Hon. W. J. Mann
Hon. J. T. Franklin	Hon. G. W. Miles
Hon. V. Hamersley	Hon. Str C. Nathan
Hon. E. H. Harris	Hon. J. Nicholson
Hon. J. A. Holmes	Hon. H. Seddon
Hon. Sir W. Lathlain	Hon. C. H. Wittenoom
Hon. J. M. Macfarlane	Hon. E. Rose
	(Teller.)

Amendment thus negatived.

Clause put and passed.

Title—agreed to.

Bill reported without amendment, and the report adopted.

## **BILL—ENTERTAINMENTS TAX ACT AMENDMENT.**

### *Second Reading.*

Debate resumed from the 26th November.

**HON. A. LOVEKIN** (Metropolitan) [9.29]: I ask the Minister whether he would have any objection to referring the Bill to a select committee, just to take the evidence of two or three witnesses. A number of persons headed by Mr. Keall, the solicitor, waited upon me and pointed out that if a change were made in the incidence of the schedule, the Government would get £85,000 instead of £56,000 from the tax. It was pointed out to me that the tax could be made to yield considerably more money, and I think that statement ought to be tested. In cases such as these we should make inquiries from people who know something about the particular business. I was also told that on Sunday nights, if the entertainment promoters were allowed to charge a fee, instead of collecting a silver coin, a tax could be imposed and that would produce about £7,000. It would also help the picture industry by reason of the promoters not having to provide police assistance to control the queues that formed outside. It was also pointed out to me that opera companies and professional pianists and violinists whose charges of admission were very much higher than those of the picture shows, paid tax only to the Commonwealth and not to the State. It was contended that a tax of 1d. or 2d. on the higher priced tickets would yield a considerable sum of money to the State Government. It was urged that an extra half-penny on the range of tickets which were more largely purchased than those of a higher price would produce a considerable sum. I cannot say whether these statements that are made to me are correct, though they were made by reputable people and vouched for by Mr. Keall, who is well known to the community but we should at least have the opportunity to examine witnesses and learn how far their statements bear out what has been said. We can do that by appointing a select committee. The point arises that if

we find means of increasing the revenue to be derived from the tax from £56,000 to £83,000 as suggested, we should be casting an additional burden on the people, and this House would not have the right to amend the Bill in that direction. We could, however, get reliable evidence, and that evidence could be submitted to the Government. Then it would be open to the Government to drop the schedule attached to the present Bill and prepare another. We must, however, be sure that the evidence is correct and reliable, and that is why we should appoint a select committee. That committee could get through its work in one day.

**HON. SIR WILLIAM LATHLAIN** (Metropolitan-Suburban) [9.35]: I support Mr. Lovekin's request for the appointment of a select committee. I, too, have been interviewed by various sections of the picture industry, and it appears to me that there are diverse opinions as to the manner of imposing the tax. There are what might be called the lesser or suburban picture theatres which mostly charge lower prices for admission, and their desire is that the tax should be increased on the higher-priced tickets. On the other hand, the larger city theatres, whose prices are higher than those of the suburban theatres, consider that the tax should be more equally spread and that there should be small exemption on the cheaper tickets. With Mr. Lovekin I agree that we could get enlightenment on these points by calling evidence. It might be possible for the select committee to suggest a combination scheme which would probably meet the wishes of both sections. Some time ago I endeavoured to get the interested parties to agree to a particular scheme so that they could present a united front, but I have heard nothing further about it. I support the request for the appointment of a select committee.

**HON. J. T. FRANKLIN** (Metropolitan) [9.38]: I also strongly support the request for the appointment of a select committee. By referring the Bill to a select committee we shall not be retarding its progress, because the committee could take evidence and its report could be presented to the House when we meet again next Tuesday. I agree with other speakers that those who are interested in the amusement business should be consulted, especially as their idea is not

to cut down the amount of revenue the Government hope to receive, but to increase it. Hon. members may regard that as rather strange, but in making the suggestion the promoters expect to benefit themselves as well as the Government. We realise that we should not perhaps increase the tax on the lower-priced tickets, because the patrons of the cheaper places of entertainments cannot afford to pay more, but the purchasers of higher-priced tickets would not object to paying 1d. or 2d. more than they are contributing now. The Commonwealth take the tax beyond a certain amount and the State goes up to a certain figure, and therefore if we can make a recommendation as a result of the evidence to be taken before a select committee, which will assist the Government, the matter can be finalised at the next sitting of the House. If necessary, also, we could suspend the Standing Orders and put the Bill through its remaining stages.

**HON. J. CORNELL** (South [9.40]: I confess I am in a fog in regard to the request for a select committee. This is a tax Bill, and not a machinery Bill, and if the Bill should be defeated on the second reading the existing tax would remain. If the Bill survives the second reading and is referred to a select committee, all that the select committee can do will be to recommend a reduction in the rate of the tax.

**Hon. Sir William Lathlain:** Alter the incidence.

**Hon. J. CORNELL:** You can alter the rate; you can do that in Committee.

**Hon. A. Lovekin:** We can do something more than that.

**Hon. J. CORNELL:** I do not see what more can be done. The Bill has come to us from another place. It contains only the rate of tax. If we send it to a select committee, what can that select committee do other than to recommend the rate of tax to be increased?

**Hon. A. Lovekin:** There are things a select committee can do.

**Hon. J. CORNELL:** It is not desirable that the House should do what is suggested. If the incidence of the tax is wrong, and a better method can be devised, the proper course for the supplicants of that method is to go to the Premier and request him to instruct his Minister to withdraw the Bill in

this House so that in another place a new Bill may be introduced.

**Hon. A. Lovekin:** The Premier is unapproachable at present; we tried him.

**Hon. J. CORNELL:** This House would then be on good and safe grounds. This House is to some extent circumscribed in its operations, and rightly too I think. We are limited to the fact that we may reduce a tax or increase exemption, or lighten the burden on the people. Further than that we cannot go. So to make a suggestion through a select committee to His Excellency's advisers as is proposed will only be courting disaster. If a sufficiently good case were made out it could be properly represented to the Premier.

**Hon. A. Lovekin:** That might be done after the select committee has taken evidence.

**Hon. J. CORNELL:** If it were put to the Premier in the proper light and then he refused to instruct the Minister to withdraw the Bill I am fearful of what might result when the matter was dealt with later on.

**Hon. A. Lovekin:** The Premier could not judge until he received the evidence.

**Hon. J. CORNELL:** I am afraid I cannot be a party to such a proposal. Dealing with the Bill itself the imposition of an entertainments tax in this State had a rather doubtful birth. During the war period, the tax was not imposed as a State measure, but the Commonwealth levied one as an emergency impost. At first it was levied on charges of admission of 1s. and upwards, but later the Commonwealth imposed the tax on prices higher than 2s. 6d. It was significant that immediately the Commonwealth evacuated the field of taxation up to half a crown, the Collier Government stepped in and availed themselves of the opportunity to impose the tax, to the extent the Commonwealth Government had relinquished it, for the purpose of assisting hospitals. Had the State entertainments tax not been specifically earmarked for that purpose, I doubt whether the Council would have agreed to pass it. Although we are now labouring under severe economic and financial disabilities, there are certain cardinal principles that we should not allow to be subordinated. The Government propose to double the present rate of tax and, on top of that, to double the Commonwealth tax over half a crown. The tax will not be

for hospital purposes but for that of consolidated revenue.

Hon. E. H. Gray: The flappers and their sweethearts will pay up.

Hon. J. CORNELL: I should say that the logical deduction to be made is that if the Government do not impose a direct tax for hospital purposes, then the reason for which the entertainments tax was levied has disappeared.

Hon. G. W. Miles: Substitute "unemployment" for "hospitals."

Hon. J. CORNELL: From time to time, I have uttered my protest against those who seek to condemn others who may spend a little of their money on amusements or sport rather than on theology or a Bible society. Mr. Holmes is the biblical authority in this Chamber and he has told us that "man cannot live by bread alone."

Hon. J. J. Holmes: The Irishman said he might die of thirst.

Hon. J. CORNELL: The Irishman would also have agreed that unless he had a little entertainment, his mental faculties would be dulled. Some mild form of amusement is just as necessary to the welfare of the individual as is any form of religious worship. Both are essentials. In these days of depression and distress a man is entitled to spend a few shillings on a picture show and thus forget his troubles for an hour or two. It is good for the body and for the soul. For my part, I am in favour of that part of the tax that doubles the Commonwealth impost, but I would plead for greater consideration regarding the tax to be imposed on the lower prices. To my mind the impost on the lower prices is not that of a bushranger, but of a garrotter. Why can we not tackle the position by means of direct taxation imposed on people who are earning, and leave those who are not in that fortunate position to enjoy a picture show at the cheapest rates possible. I cannot understand the Minister's estimate regarding the return to be derived from the tax. He estimated an additional £20,000, but, according to my estimate, it is more likely to be between £70,000 and £80,000.

Hon. G. W. Miles: In these days of depression?

Hon. J. J. Holmes: There is no depression at the picture shows.

Hon. J. CORNELL: Surely we should allow the people to enjoy the lower prices in these times.

Hon. W. J. Mann: Let them go fishing.

Hon. J. J. Holmes: There is plenty of room for them in the churches.

Hon. J. CORNELL: I am quite convinced that there will be a great falling off in the patronage of the higher priced theatrical shows, but I do not know why there should be any falling off in attendances at the lower priced picture shows.

Hon. G. W. Miles: If people can afford to go to picture shows, they should be prepared to pay the increased taxation and so assist the State.

Hon. J. CORNELL: With all sincerity, I say that if a man who is out of work, has 1s. to spend and cares to go to a picture show where he can forget his troubles for a few hours, then it is no more right to tax that man than it would be to tax an individual because he put 1s. in the plate at church. I feel that my pleas will fall on deaf ears but, while I shall support the second reading of the Bill, I hope the Minister will give sympathetic consideration to the question along the lines I have suggested.

Hon. E. H. GRAY: I move—

That the debate be adjourned.

By way of explanation, I assure the Leader of the House that I have no wish to embarrass him but rather to help the Government. We desire to make some special inquiries, and an adjournment till the next sitting will give us time to do it.

The Minister for Country Water Supplies: The Bill has been before the House for a long time and now at the eleventh hour members suggest it is necessary to embark upon special inquiries!

Hon. G. W. Miles: We can expedite matters at the next sitting.

Motion put and passed.

## BILL—HOSPITAL FUND (CONTRIBUTIONS).

### *Second Reading.*

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East) [10.9] in moving the second reading said: This Bill is the taxing measure for the Hospital Fund Bill and its passage is desired to fix the rate of tax to be imposed. The Bill provides for the imposition of a tax of 1½d. on all salaries and wages and

a similar tax on all income. As explained during the discussion on the Hospital Fund Bill, it is expected that the rate of tax proposed in this Bill will yield £156,000 for hospital purposes. The measure is introduced in fulfilment of the statutory obligation to impose the tax and, until it is passed, nothing can be done in the way of collecting the tax. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

### *In Committee.*

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

### **MOTION—COLLIE POWER SCHEME.**

Debate resumed from the 19th November on the following motion by Hon. A. Lovekin—

That in the opinion of this House the best interests of the State will be served by installing any new units for production of electric power at Collie instead of at East Perth.

**HON. A. LOVEKIN** (Metropolitan—in reply) [10.4]: I put the motion on the Notice Paper purely to deal with the merits. Up to a certain point I was prepared to keep to the merits of whether the new unit should be placed at East Perth or at Collie. But a change has come over the scene, and I am placed in a rather awkward position. I put up the case on the strength of the statement of the engineer in charge of the East Perth power scheme that as soon as he had an output of 50,000,000 to 100,000,000 units per year, he would recommend the Government to spend £1,500,000 to instal a generating plant at Collie. According to the official report before us, the facts are that the output is not 50,000,000 but 88,000,000 units and is on the increase. No doubt it will increase; otherwise he would not be pressing so much for additional plant. Half the generating cost of the current is the coal bill, and on that coal no less than £72,000 was paid for haulage last year. The saving of that amount in itself, even to-day, would be sufficient to pay the interest and sinking fund on the £1,200,000

required to erect a plant at Collie, and I do not think anyone would challenge the statement that the place to instal a power plant is at the seat of the coal supply. The more extensions we make at East Perth, the more we shall have to spend on the haulage of coal. In order that we might cheapen the cost of current, we ought to try to save that coal haulage cost. There is this to be said in favour of the Collie scheme, that the districts through which the transmission lines would pass would also require a tremendous lot of current, and the plants now in use, one of which I believe is being run by oil imported from America, could be dispensed with and the current could be supplied more economically from a head station located at Collie. I am not at all satisfied that the coal being used at East Perth is the most economical coal for generating current as cheaply as possible. I am told that the old dump which was at Collie for years and on to which dump the ashes of the mine, when it was burnt, were thrown, together with other muck, has largely been sent to the power house at East Perth and consumed by means of a new patent burner, which is said to give better results than if the large coal were used. That may or may not be so; there has been no test, and it is all important, especially to the metropolitan area, that the current should be generated as cheaply as possible. Those are the merits of the case. I would have been content to stop there but for the fact that I got rather a shock in a reply to a question I asked in this House as to public servants who were drawing more than one salary. The question was submitted for quite another purpose. I had been informed that musicians, who were also civil servants and on a small wage, were being debarred by the Public Service Commissioner from engaging in more than one job. They were being prevented from earning 10s. by playing their fiddles or trombones, but other officers higher in the service were drawing large salaries for more than one job. But the last item which appeared on that return gave me a shock and showed how necessary it is that we should have an independent report as to the advisableness of installing a power station at Collie. No one can say that a person who is in charge of the Perth works and who is receiving, in addition to his salary from the Govern-

ment, some £60 per month from the collieries, is one upon whom we should rely to advise us whether it is a good project to erect a station at Collie. Should not we get information from an independent source? In view of that fact, the House should pass the motion without any hesitation because it predicates an independent inquiry and independent advice to the Government. I do not wish to discuss the scheme further, but the Minister's reply was more or less piffle and rubbish when he talked about the winds that would blow between Collie and Perth, capsize the transmission lines and involve the Government in tremendous cost to restore them.

The Minister for Country Water Supplies: I ask the hon. member to withdraw that statement. I made no such statement.

The PRESIDENT: The hon. member will accept the Minister's assurance.

Hon. A. LOVEKIN: I am not allowed to look at "Hansard," but my recollection of the Minister's statement was that he was advised there would be considerable cost attached to having a station at Collie and keeping the East Perth power house going, because the transmission lines were liable to be damaged by storms and fires, and there would be breakdowns.

The Minister for Country Water Supplies: I made no such statement.

Hon. A. LOVEKIN: Then I have been wool-gathering.

Hon. W. J. Mann: If the lines will not be blown down it is all in favour of your motion.

The PRESIDENT: I am sure the hon. member will accept the Minister's assurance.

Hon. A. LOVEKIN: I must accept it. I was about to ask why much longer transmission lines than would be required to link Collie with Perth exist in Canada and the United States.

Hon. Sir William Lathlain: And Italy.

Hon. A. LOVEKIN: There are lines subject to the Arctic storms and the tremendous velocity attained by the winds that blow over the Canadian area, and the lines do not come to grief. Then, too, why have not the transmission lines in Victoria, which would be equally long, come to grief? Whatever decision the House might have resolved to give on the merits of the case heretofore, I

think it is incumbent upon members now to pass the motion in order that the Government may be forced to make an independent inquiry as to whether the Collie scheme is the right project, or not. With these remarks I submit the motion to the House.

Hon. Sir Charles Nathan: Your motion does not ask for an inquiry.

Hon. A. LOVEKIN: I know. It asks that no more money be spent on the Perth power house, and that the scheme be taken to Collie. I suggest now that the position has changed. If the motion is passed in its present form and we say no more money shall be spent at East Perth, the Government will be forced to hold an inquiry in order to obtain an independent opinion as to whether the Collie scheme is feasible or not. I feel the position somewhat because no one on the floor of the House likes to attack anyone outside who has no opportunity of replying. Therefore I say as little as possible on the subject. It is the fact, however, that the officer in charge of the power station, who advised the ex-Minister and the present Minister that the proposal to erect a station at Collie was not a practicable one, being in receipt of £60 per month in addition to his salary for advice given in connection with other schemes, is a person upon whom the House ought not to rely for an independent judgment as to the feasibility of this scheme. Without saying more I submit the motion to the House.

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

Ayes	..	..	..	11
Noes	..	..	..	6

Majority for .. 5

#### AYES.

Hon. J. Cornell	Hon. W. J. Mann
Hon. E. H. Gray	Hon. G. W. Miles
Hon. V. Hamersley	Hon. E. Rose
Hon. E. H. Harris	Hon. C. H. Wittenoom
Hon. Sir W. Lathlain	Hon. J. M. Macfarlane
Hon. A. Lovekin	(Teller).

#### NOES.

Hon. C. F. Baxter	Hon. G. A. Kempton
Hon. J. M. Drew	Hon. Sir C. Nathan
Hon. J. T. Franklin	(Teller).
Hon. G. Fraser	

Question thus passed.

House adjourned at 10.20 p.m.