

Legislative Assembly.

Wednesday, 23rd November, 1938.

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

QUESTION—EDUCATION.

University Junior Examination.

Mr. BOYLE asked the Minister for Education: What are the respective numbers of students being presented by State schools for the University Junior Examination, 1938, from—1, Metropolitan schools; 2, Classified schools in agricultural areas; 3, Schools in goldfields districts; 4, High schools in rural areas?

The MINISTER FOR EDUCATION replied: The Department of Education has no information regarding the numbers of students being presented for the University Junior Examination.

QUESTION—WHEATGROWERS' RELIEF.

Mr. WARNER (without notice) asked the Minister for Lands: Is he correctly reported in to-day's "West Australian" under the heading "Wheatgrowers' Relief"?

The MINISTER FOR LANDS replied: Yes. The report is substantially correct.

QUESTION—BOOKMAKERS BILL.

Hon. C. G. LATHAM (without notice) asked the Premier: Does he propose to make any alteration in the Orders of the Day, with a view to bringing on the resumption of the debate on the second reading of the Bookmakers Bill earlier than it is set down on the notice paper?

The PREMIER replied: I understand that there may not be much discussion on the first three or four orders of the day.

Hon. C. G. Latham: You do not propose to alter the order?

The PREMIER: I understand there may not be much debate on the preceding orders.

Hon. C. G. Latham: I understood you were going to bring the Bookmakers Bill up next.

The PREMIER: No.

Hon. C. G. Latham: The members are not here. That is why.

EDUCATION SYSTEM SELECT COMMITTEE.

Extension of Time.

MR. BOYLE (Avon) [4.35]: As chairman of the select committee I move—

That the time for bringing up the report of the select committee be extended for two weeks.

THE MINISTER FOR EDUCATION

(Hon. F. J. S. Wise—Gascoyne) [4.36]: I have no objection to the motion, but I hope that the time for bringing up the report will not be further extended after to-day's extension is granted. I trust that the hon. member sees an opportunity to complete the work of the committee.

MR. BOYLE (Avon—in reply) [4.37]: The select committee will complete the taking of evidence on Wednesday next, and its report will be presented within the extended time for which the motion asks.

Question put and passed.

BILLS (3)—FIRST READING.

1. Loan (£1,396,000).
2. McNess Housing Trust Act Amendment.

Introduced by the Premier.

3. Vermin Act Amendment.

Introduced by Mr. Patrick.

BILL—INCOME TAX ASSESSMENT ACT AMENDMENT (No. 2).

Second Reading.

Debate resumed from previous day.

MR. McDONALD (West Perth) [4.38]: With the objectives of the Bill I am in agreement. In my opinion, the principle of taxation at the source in cases of salary and wages is something for the benefit of the

Treasurer. It will give him tax the payment of which is now evaded, and may also be of some assistance to the taxpayer by the payment of his liability being spread over the year. So also I believe that some review of our financial emergency taxation is justified in order to lighten the burden of that tax on some taxpayers, but I have always been concerned at the absence of any information as to the effect of this new legislation when it comes into force. Is it expected to receive under this new legislation the same gross amount in taxes as is now received under the combined incidence of the financial emergency tax and the income tax, as those taxes now stand? If we are to receive less, the House should have an estimate of the reduction. If, for example, a reduction of a quarter of a million pounds is estimated in the revenue from those two taxation measures—or the combined measure, if this Bill becomes law—what effect will that have upon the budgetary position of the State? We know that during this financial year we shall be met with demands on the exchequer beyond those of last year. We shall have the additional charge of National Insurance contributions on a certain portion of the civil service. We have the added payment due to the substantial increase in the basic wage which now affects a very large number of Government employees. We have the possibility of some charge on the Treasury for farmers who have suffered from the last season or who have holdings in areas that are now being recognised as economically unprofitable, or at all events doubtful. In addition, we have the possibility or probability of decreased revenue owing to the collapse of the price of wheat, the low price of wool, and the decreased yields of our wool and wheat. So that, if we are to maintain the position from the revenue and expenditure point of view, we are compelled, however reluctantly, to realise that we are not in a position to permit a decrease in the total sum to be raised by taxation so far as we can recover that money from the lower incomes that may be expected in the forthcoming year from our primary industries. If we are to receive a substantially lower sum in taxation, then the State will have to face an exceedingly difficult situation in paying its way by debiting to expenditure the items which properly should come under that head. If we are to obtain the same gross revenue during the forthcoming year, then, as the Leader of the

Opposition has pointed out, by comparison with the Eastern States and by reference to our own grades of taxation under the Financial Emergency Act, it means that, in order to relieve those persons with lower incomes, we shall have to extract from those receiving higher incomes a very much larger sum by way of taxation. It all depends upon how much we take from the lower incomes. If it is a substantial amount, then it may be impracticable to make up the decrease by increased rates to be imposed upon higher incomes. After all, I suppose there exists in this State an equality of income greater than that which exists in any other State of the Commonwealth and in most countries of the world. We have not that body of wealthy taxpayers who form a reservoir from which we can obtain increased payments to make up any substantial reductions that we make in the lower grades.

I feel that in the absence of information showing how this legislation will operate, I am unable to support the second reading of the Bill. I approve the principle; but I feel like a businessman who is asked to enter upon a policy in his business the effect of which he does not understand. To keep to the analogy of a business: we are intending to put a new set of prices upon our commodities, making reductions here and increases there. At the same time, we are aware that the outgoings of our business will be increased, and we have formed no estimate of whether the increases in the prices of some of our commodities will counterbalance the decreases we have made in others. So, in the case of a business, the proprietors would enter upon the new year with a gamble.

The Minister for Justice: There is no gamble; they would know.

Mr. McDONALD: They do not know. We can no more afford to gamble with the State's finances than can businessmen afford to gamble with their businesses. I do not suggest for a moment that the Treasurer intends to enter upon a gamble; but I do feel that sufficient information has not been placed before the House to enable us, as a responsible body, to decide where this legislation will lead us. We are not told what the rates of taxation under this new regulation will be. The Treasurer has said it is very difficult at this stage to compute the result of this legislation; but I

feel that, difficult as it may be, some estimate or some computation must be possible by those in charge of our Taxation and Treasury Departments. Even if they gave us something in the nature of an approximation, if they told us the largest amount we should lose in revenue, or the smallest amount we should lose, we would have some guidance. If they gave us an approximation of the rates to be charged upon incomes on which the tax is reduced and on incomes on which the tax is increased, then again the House could form an opinion as to how far the change could be said to be equitable, and as to how far the increased burden could be borne by the taxpayers of the country. Therefore, I am in this position, that I feel—desirable as the principles may be and are, and I support them—the House should know how the machinery is to work by which those principles are to be carried into effect. I would like to know the basis on which the increases and decreases in taxation are to be made. I believe a case exists to help men on the lower scales of income so far as financial taxation is concerned. I think that the man with three, four or more children should receive favoured treatment under our taxation measures and I should like to see the bachelor without dependants very much more heavily taxed than at present. People that are unmarried and have not dependants are getting off far too lightly, and the taxation imposed upon them should be extensively increased to make up for the relief granted to others with greater responsibilities. I should like to know what is proposed, and how it will work out in order that I might form some responsible opinion as to whether the Bill will operate justly or what hardships it is likely to inflict.

Hon. C. G. Latham: It does not alter the statutory deductions.

Mr. McDONALD: No, not at all; but if a comparable amount of revenue is to be obtained, everything will depend upon the rate of tax imposed upon the different incomes. Everything will depend upon the position of the unmarried man without dependants. Even though I admit that his position is dealt with under the present Income Tax Act, it may well be that when we come to analyse the imposition of this taxation and the rates that must be imposed, the exemptions under the present Income Tax Act will be found to be not applicable, and

we may be compelled to have still some special legislation in the way of a financial emergency tax, even though we may call it by a different name.

According to the latest report of the Commissioner of Taxation for the year 1936-37, there are only about 1,700 taxpayers in this State who pay tax on an amount exceeding £1,000 a year; that is, 1,700 out of a total population of 450,000. So that when we consider the people in the State who may be classed as comprising the better-off section of the community, we find that they are so limited in number and there are such limitations in taxable capacity, that some difficulty may be experienced in imposing any increased taxation that would be fair and that would be necessary to enable the total revenue from taxation to be continued at anywhere near the existing level. I agree with the Leader of the Opposition that a bill which is not to come into force during the term of this Parliament should not be introduced in the last session of this Parliament. There is no guarantee as to when the Bill will become law. It has been said by the Treasurer, and I accept his statement, that the necessary machinery could not be prepared before the 1st July of next year to enable the Act to operate from that date, and difficulties may arise to prevent the machinery being ready even by that time. Other considerations might arise and we would find ourselves placing on the statute-book this year an Act that would be a statute of the country but which would not necessarily come into force during any specific period. It might be a year or it might be two years before the law would come into operation, because the conditions necessary to its becoming operative are so far entirely in the air. The calculations, the investigations and the data that are required to enable the rates of tax to be fixed are all still in the air and have to be ascertained; at present they are merely a matter of surmise. I do not say that the Bill may not be entirely practicable, from the point of view of raising revenue, or that an equitable readjustment of rates cannot be made without serious difficulty; but I do say that the House should know when committing the State to this policy, when abandoning or proposing to abandon the old legislation, precisely what is being done. The proper course for the Treasurer to adopt on behalf of his Govern-

ment is to inform the country of his intention and policy and allow it to be the function of the next Government, if Parliament adopts the scheme, to put that policy into force with the knowledge of all the necessary details that should be known by the House before it commits the country and makes a promise to the people as to the basis of the new system of taxation.

As the Leader of the Opposition said, in opposing the Bill, one may be misunderstood politically. I do not want to touch on that aspect; but it may be said that because a certain member opposes a Bill designed to give help to those on the lower incomes he is therefore opposed to affording some relief from taxation to people with the biggest responsibilities in the way of families and children. I am prepared to take that risk. I believe some relief should be given to people in that situation, but I believe also that this House is not in a position, on the information before it, to pass the Bill and is not justified in putting such legislation on the statute-book until further investigation is made and a more precise statement is given as to the basis upon which the new measure will be carried out.

MR. WATTS (Katanning) [4.59]: I must subscribe to almost all that has been said against the measure by the two previous speakers. I am one of those people that would like to see income tax returns as we know them to-day removed as far as possible from our midst. I am therefore definitely one of those that welcome a system whereby taxation is paid at the source wherever practicable, thereby to a very large extent doing away with the involved returns that have been necessary for many years past. At the same time it is apparent to anyone who reads the Bill, as has been observed by the member for West Perth, that we have no indication whatever as to how much is likely to be raised by the new system of taxation that is proposed, or what the rates of tax are likely to be that will be imposed on the people who will have to pay them. I will subscribe to the argument too that those that are lower paid in respect of salaries and wages, and particularly those people with dependants, whether married or otherwise, should very definitely be taxed as little as possible, and in consequence—and I think it is a corollary of state statement—

I am prepared to agree that those that are in a financial way, as it were, in receipt of substantial emoluments should be taxed at a reasonably high rate; but we have no indication from the measure before us whether the latter will be taxed reasonably or unreasonably or whether the former are to be reasonably or unreasonably relieved from the taxation they at present pay. I admit that a graduated system of taxation is the proper system, but at the same time there is no substantial objection to everybody in receipt of a living wage—that is, the amount that will maintain him—contributing something, however small it may be, towards the social services of the State. That has not been carried into effect by the financial emergency taxation. During the last few years, in some instances the rates of tax have been much higher than, I think, is reasonable for the persons concerned, who at the same time should have contributed something towards the social services of the State, services which exist for the benefit of themselves and those who live in the country as well. But there is nothing in the legislation before us to enable me to judge whether the proposals are likely to achieve any of the ends I have submitted. I am left entirely in the dark by the Bill. I see there are methods to be adopted for the keeping of books and so forth, all very necessary, and I do not propose for one moment to traverse that part of the measure. There is nothing in the Bill to show, and the House has not been told, what revenue we are likely to pay individually or collectively for the benefit of the State. So while we lack information that is absolutely essential, we are unable to form a judgment as to whether the State will get sufficient or too much money from the Bill. I do not think we can fairly be asked to support the second reading. The member for West Perth has set out quite plainly the arguments which I think apply to the question, and I am in agreement with him that while the proposals are not very pressing, and while the information that we desire is lacking, we should not pass the Bill. The question has also been raised whether it is reasonable to introduce legislation at the present stage to take effect after the general election. Of course the Treasurer in his wisdom in submitting the Bill may have been of the opinion that he will be occupying his

present seat in the House in nine months' time. Were there any guarantee that that would be so, I would be prepared to leave out that particular objection to the measure. The decision, however, rests entirely with the electors of the State and I do not think that any of us, looking back over the elections in past years, will be able to forecast what the result of the next election is likely to be. Although the Treasurer has not told the House what revenue he expects to receive or what the rates of tax that he may impose will be, presumably there is information in the Taxation Department or elsewhere that may give him an indication of the answers to those questions. He may regard the position as it exists as satisfactory, but there is a possibility that the electors may decide that he shall no longer occupy the Treasury bench. The figures he may have, however satisfactory they may be so far as he himself is concerned, may not satisfy the head of another Government. Those are the reasons why a Bill of this nature brought down within a few months of a general election should not, in my opinion, come into operation until after the general election. There is the distinct possibility of some other Government being asked to administer it and it does not seem to me the proper thing to do to submit the Bill at the present stage. Therefore I strongly support the objection taken by the Leader of the Opposition. If it could be shown, as I have said, that the incidence of the tax could reasonably be reduced for those on the lower rungs of the ladder and fairly increased only for those on the higher rungs, provided at the same time the State had sufficient with which to carry on, and there was not a general election intervening, I might have been quite prepared to support the Bill wholeheartedly. In the absence of information and because of my feelings with regard to the distinct possibilities of the general election—a question that must be left entirely to the electors—I cannot support the Bill.

MR. HUGHES (East Perth) [5.9]: I look at this Bill from a different angle and to me the vital clause is No. 6, which provides that as soon as the measure comes into operation the present financial emergency tax shall cease to exist. That means that if the Bill comes into operation on the 31st December this year, or some date afterwards, the financial emergency tax will no

longer be collected, and if we go for the remaining six months of the year without collecting the financial emergency tax, the Government will have surrendered £550,000.

The Premier: I said nothing about the 31st December; I said the 30th June next year.

Mr. HUGHES: That is not in the Bill. If the Bill is to come into operation on the 30th June next, that is not set out. The Bill could come into operation immediately by proclamation; but if it is not intended to bring it into force until the 30th June, that should be stated in one of the clauses.

The Premier: It cannot come in until after that date.

Mr. HUGHES: Will the Premier agree to add that a proclamation shall not be issued until after the 30th June?

The Premier: Yes.

Mr. HUGHES: If the Bill were to come into operation immediately the Government would surrender half a million by way of revenue. We must remember too that Loan Estimates for last year totalled £2,315,000, while for this year the amount is £1,800,000, half a million less than was provided for the previous year. That will mean that the loss will fall on relief and sustenance workers as the employment of those workers depends in the main on money raised by loan, and this year, as the Estimates disclose, we shall have half a million less to spend in that direction. If nothing were done to replace the financial emergency tax, the result would be a further inroad on the moneys available for the relief of sustenance workers. So if we pass the Bill we place in danger the livelihood of those people who are depending on the sources I have named. If the revenue is down the money will be taken from loan funds, and we cannot take the risk of withdrawing a million from expenditure on public works upon which relief and sustenance workers are depending. Furthermore, if there is no need for the Bill to come into operation until the end of June of next year, why ask us to pass it at the present stage?

The Premier: There is every need for it.

Mr. HUGHES: Why does the Premier say that the collecting of income tax by instalments in advance is such a difficult task that he must have six months' notice for the purpose of preparing the machinery?

The Premier: The taxation officials say that that is the least possible time in which

they can make preparation for collecting the tax in that way.

Mr. HUGHES: I believe all the necessary preparations could be carried out in a month.

The Premier: You may not believe me, but I believe the officials.

Mr. HUGHES: What work will there be to carry out?

The Premier: The officials have had experience in South Australia and Victoria and you have not.

Mr. HUGHES: I have had a lot of experience in that regard, and I fail to see why they require six months in which to issue instructions and have the necessary stamps printed and so on.

The Premier: And provide accommodation for the staff.

Mr. HUGHES: What accommodation will the staff need when selling stamps?

The Premier: The hon. member has not studied the Bill and he did not listen to my speech.

Mr. HUGHES: I have studied the Bill and read the Premier's speech, and I have failed to find any reason for a delay of six months for the making of preparations. The printing office could turn out in a week all the stamps that might be required for a year, and there are thousands of agencies that could be brought into operation for the selling of those stamps.

Mr. Seward: The employers will have something to do also.

Mr. HUGHES: If a man is employing a large number of hands, he must have available for the wages sheets both emergency and hospital stamps. Had he merely to use a substitute stamp, that would not entail a great deal of clerical work on the part of his staff. Should it be the Premier's intention to abolish the financial emergency tax and substitute an income tax collected at the source, he should include in his legislation the hospital tax. It would then be possible for a taxpayer to pay so much to cover the hospital tax and use only one stamp. Provision could be made in the Bill to the effect that so much per cent. of the income tax collected would go towards a trust fund for hospitals. Employers and employees would then require only one kind of stamp. Once the total amount of taxation had been paid, it would not matter to anyone how the money was apportioned by the Treasury or by the Taxation Department. This would

mean that everyone who was paying hospital tax would contribute a certain amount, and those in receipt of the higher incomes would use stamps of a higher denomination. If the Bill is not to come into force until the 30th June next, I see no reason for passing it now. Proposed new Section 192 provides—

Subject to Parliament declaring rates of such deductions, deductions from salary or wages shall be made under or pursuant to this Division notwithstanding that the rates of tax have not been declared for the year of tax in which the deductions are to be made.

Proposed new Section 193 says—

Where an employee is entitled to receive salary or wages from an employer in respect of any week or part thereof amounting in all to thirty-seven shillings or more, the employer shall at the time of payment make deductions from such salary or wages for or on account of the tax payable by such employee at the rates declared or authorised by Parliament.

This means that every person in receipt of 37s. a week will have 6d. in the pound deducted from his wages.

The Income Tax (Rates for Deduction) Bill states—

Where the rate of salary or wages does not exceed eight pounds per week the rate of deduction shall be sixpence for every pound and for every fractional part of a pound exceeding 10 shillings payable to the employee.

This means that the man in receipt of a wage of 37s. will then have a shilling deducted from his wages every week.

The Premier: You did not listen to the introduction to my speech. This applies only to single people, and there is machinery to deal with the whole thing.

Mr. HUGHES: How much will be taken from a married man?

The Premier: It may not be anything. There is provision in the Bill for exemption certificates.

Mr. HUGHES: The Government will force people to procure exemption certificates, thus putting them to a lot of trouble, when we know beforehand they will not be liable to pay tax. Why should they be put to all that trouble?

The Premier: No great trouble will be involved.

Mr. HUGHES: Many people have paid the financial emergency tax, and though they are entitled to a refund, they have not applied for it because the trouble is greater than the amount involved is worth. Others do not know they are entitled to a refund.

I do not understand why the Government should deduct money from a man's income when it is reasonably sure that such a man should not be paying tax. Why should the Treasury be allowed to hold a man's money for 12 months, and by this means collect in the aggregate thousands of pounds that will ultimately have to be refunded?

The Premier: It will not be held for a fortnight after the exemption certificate is produced.

Mr. HUGHES: Of course it will be held.

The Premier: It will be returned straight away.

Mr. HUGHES: How are the exemption certificates to be obtained? Everyone will have to go to the Taxation Department and obtain a certificate that he is not likely to be taxed more than a certain amount. Many persons will not know until the end of the year whether they are likely to be taxed, for they will not learn until then what their income has been. Must they also get a certificate? The only sensible way in which to deal with this matter is to have two Acts brought down together. When members are asked to discuss a Bill to provide for deductions from wages, they will then know the purpose for which such deductions are being made. The Government should not be allowed to take a shilling a week from a man in receipt of 37s., and then compel him to wait 12 months before obtaining a refund. A great deal of trouble is involved in getting refunds from the Taxation Department. If the Bill is not required until next year, ample opportunity will be available to the Government to bring down a twin measure providing for the rates, so that members will know what they are doing. By this Bill we may imagine that we are abolishing the financial emergency tax. The great objection to that tax is that it takes no cognisance of the obligations of the taxpayer, as is done in the case of the income tax. The proposal to collect income tax by instalments is a good one in the interests of taxpayers. Most of them find it inconvenient to meet the taxation when it becomes due, irrespective of their income. People receiving high incomes have to pay a large amount of taxation, and several of them require time in which to do so. The payment by means of 52 instalments would be of advantage to most people. The Bill will not abolish the financial emergency tax. When it becomes law, and the new measure comes down to assess the rates,

we may find that the man who has been relieved of a tax of 4d. in the pound on his wages under the financial emergency provisions will have to pay 4d. or 5d. in the pound by way of income tax.

The Premier: Probably.

Mr. HUGHES: People will, therefore, be left in the air. If we pass this Bill we shall be doing so on the blind. I see no reason at this stage, when Parliament is within three weeks or so of adjourning, why we should pass the measure and attempt to tie the hands of a future Parliament. Under our Constitution, even if the Bill be passed, it can still be repealed, because the Parliament of 1938 may not pass a law which the Parliament of 1939 cannot repeal. On the other hand the Bill may become law whether there is a change of Government or not, and the incoming Government may repeal it.

The Premier: The incoming Government need not proclaim the Bill an Act, or if it has been proclaimed, a revoking proclamation can be issued.

Mr. HUGHES: The provision for a proclamation is the most objectionable feature of the Bill. When Parliament passes a law, Parliament should say when it shall come into effect. In the ordinary course, a Bill would become law within a few weeks of being passed. We shall be taking away the power of Parliament if we hand a measure to Cabinet and say, "Here is an Act. You may put it into operation if you like, or hold it back if you like." That would be a negation of parliamentary control. We should be handing legislative powers to the State executive body and that would be a retrograde step. Once we pass a Bill we should set down the date of its coming into force. If this measure reaches the Committee stage, I hope certain safeguards will be embodied in it, and that an amendment will be passed setting out that it shall not come into operation until the 30th June, 1939. We would then know what we were doing. I propose to vote against the second reading.

THE PREMIER (Hon. J. C. Willcock—Geraldton—in reply) [5.25]: Seeing that members who have spoken are in agreement concerning the principle of taxing incomes at the source, there is no need for me to stress the point. The Leader of the Opposition opposed the Bill on the ground that it was being introduced in a session prior to an election. I do not know that

the coming election should warp our outlook to the extent that we should say that for the session prior to the expiration of Parliament, Parliament should be moribund and do practically nothing. We would not be justified in taking up that attitude. We must accept our responsibilities and use such legislative powers as we have. The Government does not hesitate to use the administrative powers conferred upon it right up to the day of the elections. Should it be desirable to do a certain thing, it does not matter when it is done, so long as it is the right thing to do. If the principle is right, it does not matter so much about the time of carrying it into effect. The Leader of the Opposition declared that the Bill transferred the burden of taxation from the lower to the higher incomes. Naturally that will happen to some extent. The member for West Perth (Mr. McDonald) seemed to desire at this stage, eight or ten months before the taxation Bill will be introduced, of which this assessment will form part, that we should discuss all the details and aspects of the measure. That would be silly and a waste of time.

Hon. C. G. Latham: Are you not changing the basis of taxation by this legislation?

The PREMIER: Yes.

Hon. C. G. Latham: You should tell the people what the alteration will be, but you do not know any more than I do.

The PREMIER: I know.

Hon. C. G. Latham: You have not told us.

The PREMIER: I asked the Commissioner of Taxation at the beginning of the year whether this could be done, when it could be done, what the rate of taxation would be, and whether we could raise the same amount as under the other system. I wanted to get an indication of how and when this could be done. The whole question has been investigated. When the taxing Bill is introduced will be the time for us to discuss it. I will not be drawn into a debate at this stage about something to which Parliament next year may not agree, or which the Government of the day may not agree should be brought into force. I do not know whether the present Government will be in charge of these benches at that time.

Hon. C. G. Latham: Do you think it is a right principle to pass legislation like

this for an incoming Government to give effect to?

The PREMIER: The Leader of the Opposition, the member for Katanning (Mr. Watts), and the member for West Perth (Mr. McDonald) are in accord with the principles contained in this measure. Their criticism arose because we have not set down the whole system of taxation and all the details connected therewith. Were I to discuss something that may not be before the House for several months, I would be out of order. I can only discuss details of taxation on the Bill that seeks to impose it. We should not go into a scheme that may not appeal to the next Parliament. It would mean wasting time if we discussed the matter at this stage. It would be foolish.

Mr. McDonald: Is it not a waste of time discussing the Bill now?

Hon. C. G. Latham: Certainly it is.

The PREMIER: No. Parliament does not usually meet until the end of July, and does not get down to the consideration of the serious part of the legislative programme until the end of August. That would mean that a scheme of collecting taxation at the source over the 12 months of the financial year would be devised and become operative only after several months of the financial year had lapsed.

Hon. C. G. Latham: How did you get on regarding the financial emergency tax after the 30th June, 1933?

The PREMIER: If the hon. member thinks this Bill is so objectionable that Parliament should be called upon to pass the Bill in May—

Hon. C. G. Latham: But the next Parliament may be very differently constituted.

The PREMIER: That is so, and the present Government may be defeated. I admit that is almost an impossible eventuality, but let us accept that position. The Government need not proclaim the Bill.

Hon. C. G. Latham: You may proclaim this measure before you go out of office, because you will have that authority.

The PREMIER: No.

Hon. C. G. Latham: You have that authority.

The PREMIER: Perhaps we have the authority, but I have already indicated that the Government will not proclaim it until the end of the financial year, so it will not be possible to do anything.

Hon. C. G. Latham: Under what authority do you anticipate providing expenditure for the provision of extra staff, and so on?

Mr. Rodoreda: The Commonwealth will attend to that.

The PREMIER: The State has an agreement with the Commonwealth regarding the collection of taxation.

Hon. C. G. Latham: Yes, an agreement to do what it is doing at present for £30,000 a year.

The PREMIER: And a little more for the financial emergency tax.

Hon. C. G. Latham: And you have made no other arrangements.

The PREMIER: Tentative arrangements.

Hon. C. G. Latham: And you did not provide one penny on the Estimates for that purpose.

The PREMIER: The Estimates were prepared before this Bill was introduced.

Hon. C. G. Latham: Not before the Government made up its mind on this matter.

The PREMIER: No; but the measure does not impose any tax. Members will agree that it is quite common to spend a little money in view of probable eventualities regarding taxation collection.

Hon. C. G. Latham: You would not do that unless you had made up your mind previously.

The PREMIER: The State Commissioner of Taxation is the Deputy Federal Commissioner of Taxation in this State, and he has conferred with the Commonwealth Commissioner of Taxation regarding the whole position, but nothing has been finalised. No agreement has been reached, and not even the fate of the Bill has yet been determined. How could the Government negotiate with the Commonwealth with regard to buildings and staff until Parliament had extended its approval to this legislation? For that reason I have been disappointed at the passage of the Bill having been delayed for some weeks.

Hon. C. G. Latham: That was your own fault, not ours.

The PREMIER: Was it my fault? I do not wish to enter into an argument regarding that phase.

Hon. C. G. Latham: Was it not better to raise the issue in this House rather than send the measure to another place in a form that was quite out of order?

The PREMIER: The Government asked the Parliamentary Draftsman to frame the

Bill, and naturally a Bill that was out of order was not anticipated. The Parliamentary Draftsman framed a Bill that he thought was in order. Consequently the fault was not that of the Government. However, the progress of the Bill has been delayed for some weeks, but I shall not discuss that phase just now. The suggestion has been advanced that this legislation should be held over until next year, and if agreed to then, should be applied retrospectively. Such a course would not be practicable. Probably Parliament will not meet until July, and consideration of the Bill could not be expected until about September, and it would not be passed until, say, October. By that time several months of the financial year would have passed, and the taxation payable at the source would then have to be made in the six, eight or nine months remaining.

The Minister for Works: And how could a tax be collected retrospectively at the source?

The PREMIER: Yes, how could that be done?

Hon. C. G. Latham: You did not do that in 1933, did you? The Minister for Works knows what was done for three months after the financial emergency legislation had lapsed.

The PREMIER: If members think the present Bill should be postponed until about April or May next, which would be the earliest period at which the new Parliament could meet, why can the measure not be dealt with now? Why require a special session to do what the Government asks Parliament to agree to now?

Hon. C. G. Latham: People have been waiting for six years, so another year would not make any difference.

Mr. Hegney: It would make a big difference.

The PREMIER: The Bill merely provides machinery to enable us to do something, if that course is deemed necessary. The legislation will enable the incoming Government to introduce a tax Bill so as to carry on the affairs of the State. I have the authority of the Deputy Commissioner of Taxation to say that even if the Bill is passed now, it will be as much as he can do to provide accommodation and secure the necessary staff to administer the scheme properly.

Hon. C. G. Latham: I hope he will not be disturbed until after Christmas.

The PREMIER: I hope he will not be. The member for East Perth (Mr. Hughes) suggested, after mentioning the financial emergency tax, that the Government might proclaim this measure, if agreed to. What would be the good of doing that, seeing that nothing could happen until the taxing Bill was passed next year? We would simply be doing without £500,000 that is urgently needed, just for fun! Such a suggestion is merely ridiculous. What Government would voluntarily surrender £500,000 that is most urgently needed to enable it to function adequately, particularly when certain sections of the community are in a difficult situation? The agricultural and pastoral industries are confronted with grave difficulties, and yet the hon. member suggests that the Government would be so silly as to forego that amount of money. Why should the Government issue a proclamation the effect of which would be to do without that money? The suggestion was entirely absurd. The Leader of the Opposition complained that the proposal might financially embarrass the incoming Government. I have indicated, and the member for West Perth (Mr. McDonald) agreed, that a just and equitable system of taxation, in conformity with the Income Tax Assessment Act, could be introduced. What is wrong with passing a Bill to give effect to the proposal at the proper time, which is the end of the financial year? The member for East Perth suggested that the taxpayer would not know what his income would be for the 12 months. He knows, as do other members, that income tax is levied on the income for the previous financial year. The position regarding the financial emergency tax is different, because that form of impost is levied at the time salaries or wages are paid. Everyone will know what his income has been for the 12 months upon which the tax will be assessed. If he knows his earnings, he will know whether he will have to pay taxation or will be exempt. If he is exempt, he will apply for his exemption certificate, and the department will not collect the tax during the 12 months. Most decidedly within the first few months the individual will know what his income was, and he will be able to make application for exemption, with the result that, in the course of a few weeks, the certificate of exemption will reach him. To say that no one knows what his income will be is simply ridiculous. Members will recollect that the Bill applies

to income tax which, as I have already indicated, is invariably imposed on the income for the previous year. The Government intends to abolish the financial emergency tax next year, and to collect a tax on all incomes under the Income Tax Assessment Act. If by some mischance the members of the present Opposition were elected to power, they need not do anything about this at all. The financial emergency tax has been re-enacted for 12 months, and members opposite will be able to carry on that form of taxation.

Hon. C. G. Latham: We could carry on without this legislation.

The PREMIER: The Bill will make no difference. If elected to power, the hon. member can ignore it.

Hon. C. G. Latham: But what if you put it into force by proclamation?

The PREMIER: I have already said that there is no intention to proclaim the Act before the end of June next year.

Mr. Rodoreda: There is no reason why the Government should do otherwise.

Hon. C. G. Latham: We will take jolly fine care you do not.

The PREMIER: The member for East Perth pointed out that the financial emergency tax became inoperative. The Bill under discussion will not be operative, so in that event we would have no money with which to carry on the affairs of the State. If members on the Opposition side are elected to power, they need not proclaim this legislation at all.

Mr. Hughes: Even if you did not proclaim it, would you not have to wait two or three months to get the assessment measure through?

Hon. C. G. Latham: No.

Mr. Hughes: If the Bill is passed, would the taxpayer not have to wait for his assessment?

The PREMIER: No.

Mr. Hughes: He would not know the deductions.

The PREMIER: But the taxpayer would know what his income was.

Mr. Watts: He would not know what the tax would be.

The PREMIER: He would know what his income was, and would know whether he would be required to pay the tax.

Hon. C. G. Latham: He knows what has happened in the past regarding the financial emergency tax.

The PREMIER: He would know all right.

Mr. Watts: He would not know what the tax would be until he was assessed.

Mr. Rodoreda: He would have a very fair idea.

Hon. C. G. Latham: He would not.

Mr. Hegney: You do not understand the Bill.

Mr. Rodoreda: He never does understand Bills.

The PREMIER: If the incoming Government did not wish to proclaim this legislation, and wished to re-enact the financial emergency tax, it could do so. The new Government could amend the rates or the gradations of the tax, or alter the prevailing exemptions applying to income tax.

Hon. C. G. Latham: That would mean special legislation.

The PREMIER: Yes, if the Government wished to adopt that course.

Hon. C. G. Latham: We want you to leave the position open for the incoming Government.

The PREMIER: If that is done, the proposed scheme will not be made effective next year, but will have to stand over for another 12 months. Members on this side of the House naturally anticipate that the present Government will be returned to power.

Hon. C. G. Latham: I shall disabuse their minds; you will not be returned at the next elections.

The PREMIER: As the present Government will be returned, the requisite machinery is required so that the scheme can be made operative next year. All members who have spoken have expressed their approval of the principle of taxation at the source.

Mr. Watts: Provided we know what the tax is to be.

The PREMIER: Irrespective of what the tax will be, the principle has been approved by members.

Mr. Hughes: This is the age of time-payment.

The PREMIER: As everyone who has spoken has approved of the principle, what is wrong with giving legislative effect to that principle?

Hon. C. G. Latham: The financial emergency tax did that.

The PREMIER: Did what?

Hon. C. G. Latham: Gave effect to the principle of collecting money at the source.

The PREMIER: And the Bill seeks to apply that principle to the collection of income tax.

Hon. C. G. Latham: From one source you receive £1,000,000, and from the other £500,000.

The PREMIER: Yes. It is said that if the emergency tax be abolished it will be necessary to double or treble the taxation. I can say that it will not. The Government has not gone into this matter in a haphazard or half-baked way. I have put in a good deal of the recess in discussing the subject with the Commissioner of Taxation.

Hon. C. G. Latham: We would not have raised the question if you had told the House what the position was going to be.

The PREMIER: I cannot at the present stage, and on a Bill dealing with assessments, allude to the income tax imposition for next year. It is impossible at this stage to deal with rates that may not be introduced until October of next year.

Hon. N. Keenan: Can you tell us what the loss will be?

The PREMIER: With an alteration of the rates the Commissioner of Taxation expects that without putting an undue burden on anybody it will be possible to get the same amount of revenue.

Hon. C. G. Latham: You have not given us those figures.

The PREMIER: How is it possible for me to give the figures in respect of a tax that will not be introduced until October of next year?

Mr. Stubbs: Then where is the urgency for putting this on the statute-book now?

The PREMIER: The Commissioner of Taxation has been asked to prepare a scheme that will collect about the same amount of money as we are now receiving by way of income tax plus financial emergency tax, and he has stated that the money can be raised without undue hardship being inflicted on anyone and without starting off at a needlessly high rate. The maximum tax will be about 4s. 6d. in the pound. The object of the Bill is to protect those who have dependants, while those who have no dependants will have to pay more.

Hon. C. G. Latham: Under the Bill those with dependants will still enjoy the deductions that are theirs to-day?

The PREMIER: Yes, they may do that. The South Australian income tax starts at about 1s. in the pound.

Hon. C. G. Latham: Thirteen pence to be correct.

The PREMIER: It will hardly be necessary for us to adopt that commencing figure but it all depends on other considerations.

Hon. C. G. Latham: Tell us what they are.

The PREMIER: The Government may look for more revenue from probate duty and incidentally that duty in this State is about half what it is in the other States. The Treasurer of the day might say, "I think we could raise the duty to the average of the other States and so increase our revenue." Then there will be the betting tax which may bring into the Treasury between £50,000 and £70,000.

Hon. C. G. Latham: Do not be too confident about that.

The PREMIER: No, but I am just mentioning eventualities. All the States of Australia, and the Commonwealth as well, impose an extra tax on income derived from property. The Treasurer next year—whoever he might be—might do something in that direction, and in various ways it might be possible for him to raise another £250,000. South Australia raised additional revenue in such a manner, but that State begins at a higher rate than it will be necessary for us to adopt, and it also finishes up at a higher rate than our concluding rate will be. I really think also that the collection of the tax at the source will mean that the Government will get between £60,000 and £80,000 from what we know as habitual tax dodgers, those people who never pay any tax.

Mr. Hughes: I think that will be a certainty.

The PREMIER: Then that will give the Treasurer of the day, not £250,000, but more likely £300,000. Why should we come down at this stage with a ready-made scheme that may not appeal to the Treasurer next year? It would not be right to do so. By commencing with the tax at, say, 9d. in the pound and increasing at the combined rate until it reaches 4s. 6d. in the pound, we shall get all the money that the State will require. It would, however, be foolish for anyone to say, "This is a fully digested scheme of taxation which the Treasurer of the day will bring into force in 12 months' time," and then ask the House seriously to adopt it. We have definite ideas about taxation that may be imposed.

Hon. C. G. Latham: Why do you not tell them to the House?

The PREMIER: I have said sufficient to indicate to the House that the ideas are practicable.

Hon. C. G. Latham: To begin with you know you are not going to get the betting tax; there will be no doubt about that, and it is doubtful whether you will be able to double the probate revenue.

The PREMIER: As to how it will work out it is of course difficult to forecast.

Hon. C. G. Latham: You have no right to introduce such a Bill without telling us all you know about it.

The PREMIER: Probably I would not be in order.

Hon. C. G. Latham: The Speaker has been very generous and he would not rule you out of order.

The PREMIER: I do not know that he has been too generous. If the present Government is returned to power it will be our desire to give effect to our policy. We cannot do that, however, unless the Bill now before the House is on the statute-book. If another Government should happen to be returned and does not desire to use the machinery that we are now providing, it need not do so. After all, this is only a machinery Bill. A new Government can go on merrily with the financial emergency tax. But in the event of the present Government being returned, it will require this Bill to be able to implement a system of taxation with which everyone in the House agrees, namely, taxation at the source.

Hon. C. G. Latham: We do not agree with the deductions provided in the parent Act, at any rate, not the deductions for single people.

The PREMIER: There are very few for single people. There might be deductions for medical expenses or travelling allowances.

Hon. C. G. Latham: Do not forget you have to double your tax.

The PREMIER: The hon. member knows that people on the lower rate of income constitute the great body of taxpayers, so we should have to double the tax on four-fifths of the people in order to get as much again.

Hon. C. G. Latham: I have not the information possessed by the Commissioner of Taxation, but from what I have been able to gather I know that you will not get what you expect to raise unless you double the tax.

The PREMIER: That will be a matter for next year when the time arrives. All I want now is to pass this machinery Bill. If another Government is returned to power next year and does not want to implement our scheme of taxation, all that will be necessary will be to refuse to proclaim the measure. It is not binding on anyone, and as I have already said, it is a machinery Bill to facilitate the collection of taxation at the source, and to bring the necessary taxation that will be raised under the Income Tax Assessment Act. As I say, every member who has spoken on the Bill has supported its principle; and so I do not know why we cannot enact it. Is the reason merely that members want to obtain some information about something that will occur in 12 months' time?

Hon. C. G. Latham: We have not said that we agree to the repeal of the financial emergency tax. That is provided for under the Bill.

The PREMIER: No: you have not said that.

Hon. C. G. Latham: That is an important fact.

The PREMIER: The repeal of the financial emergency tax will not be brought into force by proclamation unless the measure now before the House is brought into force by proclamation. I have indicated what next year's Treasurer will probably have to face in regard to income taxation. Sufficient money will be received from the land and income taxes, with perhaps some alterations that may appeal to the Treasurer of the day. He will be able to get nearly as much money as we get from the combined income and financial emergency taxes. I assure the House that that result can be achieved, that the Commissioner of Taxation is certain it can be achieved. The Government of October, 1939, will have an opportunity to discuss details which I do not propose to deal with at the present time.

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

Ayes	..	..	..	..	23
Noes	..	..	..	..	19
					—
Majority for	..	..	..	..	4
					—

AYES.

Mr. Coverley
Mr. Doust
Mr. Fox
Mr. Hawke
Mr. Hegney
Miss Holman
Mr. Lambert
Mr. Marshall
Mr. Millington
Mr. Needham
Mr. Nispen
Mr. Panton

Mr. Rapbael
Mr. Rodoreda
Mr. Sleeman
Mr. P. C. L. Smith
Mr. Styanta
Mr. Tonkin
Mr. Troy
Mr. Willcock
Mr. Wise
Mr. Withers
Mr. Leahy

(Teller.)

NOES.

Mrs. Cardell-Oliver
Mr. Ferguson
Mr. Hill
Mr. Hughes
Mr. Latham
Mr. Mann
Mr. McDonald
Mr. McLarty
Mr. Patrick
Mr. Sampson

Mr. Seward
Mr. Shearn
Mr. J. M. Smith
Mr. Stubbs
Mr. Thorn
Mr. Warner
Mr. Waite
Mr. Willmott
Mr. Doney

(Teller.)

PAIRS.

AYES.
Mr. Collier
Mr. Cross
Mr. Wilson

NOES.
Mr. Keenan
Mr. North
Mr. Welab

Question thus passed.

Bill read a second time.

BILL—INCOME TAX (RATES FOR DEDUCTION).

Second Reading.

Debate resumed from the 17th November.

HON. C. G. LATHAM (York) [6.8]:

This Bill merely permits of the deduction of 6d. and 9d. in the pound from any salaries and wages over 37s. per week. A similar provision was contained in the Bill originally introduced by the Premier. The point of order I took was that the original Bill imposed a tax, and I did not think it wise that another place should be permitted to vary that tax. Certainly it is a tax, because either 6d. or 9d. or more must be collected. Nothing less than 6d. can be collected.

While disagreeing with the Bill, I do not disagree with the proposed method of collecting tax. The measure vests the Commissioner of Taxation with a power never previously given to him—the power to fix his own tax. I admit the Bill fixes the tax at 6d. and 9d., but there is provision for the Commissioner to impose anything he likes besides.

The Premier: No.

Hon. C. G. LATHAM: It is a most unusual power. I warn members supporting the Bill that if there is a change of Government, the person who happens to lead that Government may cause them to be very sorry the power was given. Under that

power the Government will be able to charge anything it likes.

Mr. Rodoreda: The Government will give it back.

Hon. C. G. LATHAM: This is the jam in the measure. Once the financial emergency tax is gone, there must be some other form of taxation, and if whatever Government comes in happens to be extravagant, it will say, "We have been returned by the people, and we want this money to carry out our policy." No legislation of this kind has ever been passed in the Eastern States. There the taxing measure was passed as a taxing measure, and not in the form of a go-as-you-please. The Bill has nothing whatever to commend it. To charge 6d. and 9d. in the pound, not as a tax, so the Premier says, but as a deduction—

The Premier: As an instalment towards a tax.

Hon. C. G. LATHAM: As a portion of the tax. I warn members opposite that this Government will go to the country before the tax is properly imposed. That may be a matter of great regret to some hon. members.

Mr. Rodoreda: People like the instalment plan.

Hon. C. G. LATHAM: I am not sure that that plan is not excellent. However, that does not justify its application in this manner. The Government's method of playing with taxation does the State no good whatever. Nearly every year since the present Treasurer has been in office, some change has been made in the form of taxation.

The Premier: That was so under the former Treasurer too.

Hon. C. G. LATHAM: Many experiments have been made. Immediately we become accustomed to a form of taxation, much as we may dislike it, the brains of the Cabinet come along and say, "This is too satisfactory; we will make a change." Of course the real trouble is that the Government can never get enough money. One knows what the return is from the present form of taxation, but as regards this new form we know nothing. Would the Premier give me a blank cheque?

The Premier: Yes.

Hon. C. G. LATHAM: The Premier would not give me a blank cheque with his signature at the foot of it. Yet that is what he asks the House to do for him. I guaran-

tee that every member on the cross-benches will support the tax.

The Premier: Which cross-bench do you mean?

Hon. C. G. LATHAM: Only the cross-bench on the Government side. This does not show any great business acumen.

Mr. Marshall: If you were Premier tomorrow, you would support the same principle.

Hon. C. G. LATHAM: Nothing of the kind. This is a new principle of legislation. That fact is known to the Premier, who has been here longer than I have. The new principle is not sound. I will endorse anything sound, but this is absolutely unsound.

Mr. Rodoreda: Who is the judge of that?

Hon. C. G. LATHAM: We are judges of it. Probably the member for Roebourne (Mr. Rodoreda) will not be back after the general election; but if he did come back he would realise, in the event of there having been a change of Government, that he had agreed to a very foolish thing. In the event of a change of Government the Treasurer might say, "There is 6d. and 9d., and besides that we will take another 1s."

The Premier: Who will do that?

Hon. C. G. LATHAM: It can be done if the Government has the majority.

The Premier: But not under this Bill.

Hon. C. G. LATHAM: The Bill is a warning to the public that the Government is taking something from them on account. Will the Premier say that that statement is not right?

The Premier: It is what I have said.

Hon. C. G. LATHAM: "We are taking something from you on account, and you may expect that an additional amount will be taken from you."

The Premier: It is something taken on account of income tax, which everybody has paid for the last 25 years.

Hon. C. G. LATHAM: I can inform the Premier that this form of taxing measure has not been adopted in any other part of Australia.

The Premier: Yes.

Hon. C. G. LATHAM: I made a thorough search, and found that the full amount of tax imposed was included, but not in this form.

The Premier: But we cannot do what you want.

Hon. C. G. LATHAM: Let us change the Government, and then let us do what other State Governments have done.

The Premier: Let us change our Constitution.

Hon. C. G. LATHAM: Governments of other Australian States have done it.

The Premier: You raised a point of order which would be untenable in Victoria, because that State has a different Constitution.

Hon. C. G. LATHAM: Victoria brought down its amendment of the mode of taxation, and also brought down a taxing measure, so that the tax could be imposed. If at any time a person is entitled to a refund, he goes along to the Treasury and gets the refund.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. C. G. LATHAM: I have very little to add. I cannot support the Bill. For me to do so would be inconsistent, as I did not support the previous measure. I have already said the Government is not justified in bringing down a measure of this kind in the concluding hours of a session. The Bill, if passed, could not possibly take effect until after the ensuing election. The policy of the incoming Government might be different. Even the present Ministers will be subject to two elections, one by their own party and one by the people. It is wrong to try to place on the statute-book legislation that will play such an important part in the budget of the incoming Government. In these circumstances I shall vote against the second reading.

Question put and passed.

Bill read a second time.

BILL—SUPERANNUATION AND FAMILY BENEFITS.

Second Reading.

Debate resumed from the 15th November.

HON. C. G. LATHAM (York) [7.33]: Usually, the Minister in charge of a Bill is present to hear what is said about it, but the Premier is absent and I presume the Ministers now present have very little knowledge of the measure. They may understand the principles; but, after all, one is anxious to obtain information. To make matters

easier for the Government, I do not intend to oppose the Bill, nor do I intend to speak to it at any length. I desire further information as to some parts of the Bill.

I congratulate the Public Service that an election is at hand. The Bill has been on the stocks for a very long time. As a matter of fact, the member for Boulder (Hon. P. Collier), when he was Premier, had it lying on his table some three years ago at least, but he did not bring it down. I have come to the conclusion that Ministers have an idea that the memory of electors is short-lived, as the Government always thinks it necessary to introduce this class of legislation in the last moments of a session. However, on this occasion I do not think the Government will have much opposition, because this is one of the measures that I consider to be long overdue. If we compare the salaries paid to our civil servants with those paid to civil servants in the Eastern States, it will be seen that our officers are not generously treated. We have lagged behind the Commonwealth and the other States in making provision for a pension scheme for our public servants. This tardy legislation, however, is some recognition of what is due to them. What the State should do is to pay our public servants reasonable salaries and give them the best possible terms. We should do our utmost to retain their services, because they are well trained, or ought to be, and they are engaged in important duties. Our trouble is that we secure the services of competent technical officers and, just as we begin to appreciate and realise their work for the State, we find they are offered employment elsewhere and leave us. I hope this Bill will be some encouragement for such officers to remain in the service. We provide free education for them; many of them are our own boys who have passed through our University. Because we are not able to offer them sufficient inducement to remain in the service, they leave it and obtain appointments elsewhere.

The Premier interjected.

Hon. C. G. LATHAM: That has been our experience over a number of years. It is most extraordinary to find the Government attempting to import officials from overseas. I understand that recently an advertisement appeared in a Canadian paper for two architects to assist the Government in

the erection of the new Perth Hospital. We have competent architects in this State, yet the Government considers it necessary to advertise in a Canadian paper for architects, to whom they are offering a salary of £400 per annum.

Mr. Stubbs: They will not make a fortune out of that.

Hon. C. G. LATHAM: I cannot believe we have no architects here capable of undertaking that work. I invite the Premier and Ministers to look at some of our Perth buildings which have been designed by local architects. There is nothing to be ashamed of in those buildings. We should have quite a number of young men who would be glad to fill the positions I have mentioned.

The Minister for Works: We advertised all over Australia, without result.

Hon. C. G. LATHAM: Did not you get any applications?

The Minister for Works: No.

Hon. C. G. Latham: I question whether a salary of £400 per annum is high enough to offer a fully qualified professional man, especially when one considers the allowances that members of Parliament receive and the salaries that are paid to Ministers. I venture to suggest that had a higher salary been offered, the Government would have received many applications. Since the passing of the 1905 Act, which repealed the pension rights, we have done very little for our civil servants in the way of making provision for their old age. While I agree that the Government of the day may have been justified in passing that legislation, nevertheless very high pensions were provided for public servants under the 1871 Act. The men who joined the service since 1905, however, have not had the benefit of such provision. As I say, this Bill is an attempt to do something for our public servants.

There are two classes of public servants, the young man for whom provision is made by this Bill, and the older man who is nearing the retiring age and for whom no provision is being made. Some of these men will be retiring at the end of the year, and it is no fault of theirs that they are not entitled to a pension. I hope some provision will be made for them. I think members will agree with me that those men are entitled to some consideration.

I regret that the superannuation scheme has not been made compulsory. A young

man generally lives from day to day; he has little care or anxiety for the future. He will look at the Bill and, upon ascertaining that it means a deduction from his salary for contributing to the fund, he will say, "I will have nothing to do with the scheme. Why should I? I may not be in the service later on." Later on he marries and comes to realise his responsibility to his family. I shall attempt, when the Bill reaches the Committee stage, to amend it so as to provide that all persons joining the service after the passing of the Bill must contribute to the fund.

The Premier: We have heard a great deal about compulsory national insurance.

Hon. C. G. LATHAM: That is so. I propose to touch on the cost to the State of this scheme. As I have said, when a public servant is no longer young and realises his responsibility, he will clamour for an alteration to be made in the provision requiring members of the service to elect, within six months, whether or not they will join the scheme. The Governor may agree to alter the period. That is a dangerous provision.

The Premier: They will have to pay more then, of course.

Hon. C. G. LATHAM: Yes, on account of their age; but they will not pay in all more than they would have paid had they joined the scheme at its inception. Great hardship would not be inflicted upon public servants to make it compulsory for them to join the scheme up to the age of 30 years. Above that age, we should probably not force them to join; but they may be permitted to join voluntarily. So far as the cost of the scheme is concerned, the House has not been supplied with any information whatever.

The Premier: Yes.

Hon. C. G. LATHAM: No, the Premier has not told us what the cost will be. Probably he knows, but will not tell us.

The Premier: I said the cost would vary according to the number of persons who joined the scheme. I can only give an estimate.

Hon. C. G. LATHAM: Perhaps the Premier could give us an estimate of what the cost would be if 1,000 civil servants joined the scheme. We have no information about the cost, and so are really dealing with the measure blindly. The information ought to be made available. I assure the Premier that there will be no opposition to the Bill if

he gives the House the fullest information as to the cost of the scheme.

Mr. Withers: If the scheme were made compulsory the cost would be much heavier to the State.

Hon. C. G. LATHAM: I cannot say whether that is so or not. I suggest that if the scheme is made compulsory, the cost to the State will not be very great. It would not be a great burden on public servants under 30 years of age to require them to contribute to the scheme. I believe that in the main the contributions will pay for the pensions, especially if a person joins at the age of 16. As I have already pointed out, when men reach the age of 30 to 35, there will be a demand on their part to be permitted to join the scheme. I admit that the Government has made provision for the senior or older officers of the service who are to have the same pension rights in return for a very reduced contribution. The Bill provides that a person nearing the retiring age may take four units at the rate prescribed for those 30 years of age.

The Premier interjected.

Hon. C. G. LATHAM: They are only mere guesses. I think the Premier mentioned £18,000, but we have no idea of what it is going to cost in the first year. The Premier said it would cost very little, but if the senior officers who are retiring in the next year or two have to be provided for, the Government will be required to find a considerable amount of money for them. I do not know whether the Premier has any idea of what amount of insurance these men are carrying. I do not suppose he has.

The Premier: No.

Hon. C. G. LATHAM: The costs have to be calculated. These men who are retiring are entitled to take four units at the same rate prescribed for those 30 years of age. That is, they are entitled to £2 a week, £1 a week for a man and £1 for his wife. I do not know whether the Premier has discussed this matter with the Federal authorities, but this is a social service towards which the Federal Government could very well make a contribution. Let us examine what we are doing. When men reach the age of 65 years they are entitled to £1 a week. It is to be presumed that in most cases the wives of such men will not be less than 60 years of age, so that there is also a £1 allowance for them. Thus for a man and his wife reaching the ages I have mentioned, the Federal Gov-

ernment has to provide £2 a week as old-age pensions provided that the income of such people is insufficient to maintain them. In those circumstances we are entitled to ask the Federal Government to make some contribution to the scheme because the Government is taking over almost the full responsibility of paying that sum to senior officers of the service.

The Premier: The Federal Government would not give 2s. for drought-stricken farmers though the need was pressing.

Hon. C. G. LATHAM: That is totally different. If the Premier is going to mix up those two matters, I might as well sit down. I repeat that we are proposing to relieve the Federal authorities of the necessity of providing £2 a week. The State finances will have to bear that cost. The Premier will agree with me.

The Premier: We shall be responsible for only £1 a week.

Hon. C. G. LATHAM: I have endeavoured to show the Premier that a man and his wife will be entitled to the pension.

The Premier: The man will have paid £1 of that amount himself.

Hon. C. G. LATHAM: Will he?

The Premier: Of course. The man pays for two units.

Hon. C. G. LATHAM: For what period?

The Premier: For the length of time he is contributing.

Hon. C. G. LATHAM: Consider men of 63 or 64 years of age. They are the people to whom I am referring. The Government is entitled to ask the Federal authorities to make a contribution to the fund in respect of such individuals, because the State is undertaking a responsibility now accepted by the Federal Government under the Old Age Pensions Act. I think also that we could be a little more generous.

The Premier: Does the Leader of the Opposition really believe that a civil servant of 35 years service is entitled to an old-age pension as soon as he retires?

Hon. C. G. LATHAM: Many of these men have not saved any money at all. The Premier knows that a little while ago a civil servant was retired at 65 years of age. That man went down to the river and committed suicide because he had nothing on which to live.

Mr. Warner: There are quite a lot in a similar position.

Hon. C. G. LATHAM: The suggestion is that when a man reaches the age of 65 he is of no further use to anybody and except for the assistance given to men of that kind by the Federal Government in the form of old-age pensions, very little consideration is shown to them. I do not know whether that is the correct policy. If it is, we should pass an Act to get rid of these persons when they reach the age of 65, but that would be a deplorable and regrettable procedure. Surely a person who has given many years of service to the State is entitled to some small reward. How many members of Parliament have substantial bank balances? Not very many. Then consider men on the automatic range. Would the Premier suggest that they have substantial bank balances.

The Premier: No, but they should not want old-age pensions.

Hon. C. G. LATHAM: The Premier knows perfectly well that former members of this House have been beaten at elections and have immediately had to apply to the Government for work and they were men who were fairly careful with their money. Other men in the civil service who are in receipt of allowances equal to that of a member of Parliament might find themselves in the same position. A man dealing with the public is expected to dress decently. In his younger days he is expected to educate his family reasonably well and he cannot live in any sort of ramshackle house, but must have a decent residence. He must live up to the standard expected of a civil servant. Yet the Premier suggests that at the end of his period of service such a man should not need an old-age pension. In this State where heavy taxes have to be paid and the cost of living is high and rents too, are high, a man has not much opportunity to build up a reserve fund to assist him in his declining years. We are not proposing to be as generous through this measure as South Australia has been or as the Commonwealth has been.

The Premier: We have made a start with a big free pension list.

Hon. C. G. LATHAM: In 1926 the South Australian Parliament decided that every man who retired within two years of the passing of the Act should be given four units without making any payment at all. We have not been as generous as that. Nor do I ask that the Government should be as generous, but I do ask that people that have

been on the lower salaries should be provided with at least £3 a week. I do not think that is asking too much. They should receive £2 a week as suggested in the Bill and pay for the other £1 the same rate as is prescribed for a person of 50 years of age. When one examines the very steep incline in the contributions scale, one feels that the last two items might as well have been omitted because to expect any man to be able to pay them is impossible. Consider a man who has reached the age of 64 or 65. For the first two units he has to pay £10 1s. 7d. per fortnight if he is 64 and £10 5s. 7d. if he is 65 and £10 0s. 10d. and £10 4s. 10d. respectively for every other two units. That amounts to £5 per week per unit. Those figures might just as well have been omitted. If a man is in a position to pay such amounts probably he will have independent means and will not need to contribute. I think the Premier will agree that those two portions of the schedule are useless and will not be used.

We can afford to be generous to civil servants who have given 30 years service to the State. I do not want to make political capital out of this, but the Government should say to such people, "You have been good and faithful servants and we will see that you receive not less than £3 a week." That is not too much in view of the cost of living.

The Premier: You are continuing to desire us to inflict the emergency tax on those on lower salaries and yet—

Hon. C. G. LATHAM: As a matter of fact, the man on the lower rung who is in permanent employment might well make a little contribution to the people who are going out of employment and whom we deprive of the opportunity of earning a living.

The Premier: No, we do not.

Hon. C. G. LATHAM: When men have rendered 30 years service to the State, they are of very little use for anything else. They have lived a one-track life. Many would not make successful business men.

The Premier: This has been going on for 34 years.

Hon. C. G. LATHAM: I know; but that does not make it right. This legislation is being introduced in the concluding part of the session. As we are introducing it in a very generous frame of mind, let us give real consideration to these men. The Premier

will agree that we are justified in doing so. I know what the Premier will say, but I want to point out the advantages they would receive under the Federal Act. We have taken away the responsibility from the Federal authorities, and are making the care of these people a charge upon the State revenue. If application had been made to the Federal Government, the probability is that some grant would have been received to assist us in carrying out this work, in view of the relief we are affording the Federal authorities.

The Minister for Works: There are many worthy people not in the civil service who will not participate at all.

Hon. C. G. LATHAM: I admit that.

The Minister for Works interjected.

Hon. C. G. LATHAM: Yes, and the Minister must not forget that I have seen the provision made for some of those men, and not a single objection has been raised from this side of the House. If the Minister for Lands were in his seat, he would agree with me that two years ago he spent quite a considerable amount by way of compassionate allowances to ex-miners. There was no authority for the expenditure, but the money was spent. We knew that it was being spent, but said nothing. Either this principle is right, or it is wrong.

The Premier: We would all like to be generous if we could.

Hon. C. G. LATHAM: Oil companies and banks, and many institutions, make provision for pensions for their employees.

Mr. Raphael: The oil companies make enough profit out of petrol to be able to do so.

The Premier: We have been 34 years making a start.

Hon. C. G. LATHAM: We are just making a start. As we are doing so, let us be generous to those men who are going out of the service and have been deprived of this right for 35 years. A most extraordinary fact is that under the regulations, if a person retires at the age of 60, he is entitled to a retiring allowance. If he continues in the service until he is 65, however, he is not entitled to anything. That is the most extraordinary regulation that has ever been framed. I do not know who framed it, but it has been in existence for a long time. It is an extraordinary regulation. Five years later, when a man requires more consideration, he gets nothing. Thus, when he

attains his 65th year, when he is really useless for anything else, we get rid of him.

Mr. Styants: Why does he get that consideration at 60 years? It is news to me.

Hon. C. G. LATHAM: It is in the regulations; he gets a fortnight's salary for every year of service, if he retires at 60 years of age, while at 65 he does not receive anything.

Mr. Styants: If a man is not entitled to consideration at 65, he is not entitled to it at 60.

Hon. C. G. LATHAM: The hon. member can see for himself; the regulations were gazetted in 1934. We are generous to men at 60, and we cease to be generous when they reach 65.

The Minister for Works: It is news to me, too.

Hon. C. G. LATHAM: Well, it seems as if I can even teach the Minister something. A man may retire voluntarily at 60, but he is compelled to retire at 65, and without receiving anything. Under the Bill, as I have pointed out, the benefits to be derived by single men are limited compared with those to be gained by married men. If a single man begins to contribute at 60, when he has reached 65 he will get the amount provided according to the number of units he has taken. If a married man joins at the same age and should die and leave a widow, she gets half the pension, and provision is made for the children under 16 years of age.

The Minister for Mines: If a man is 65 years of age when he dies, he does not leave many children under 16 years of age.

Hon. C. G. LATHAM: There have been such cases.

The Minister for Mines: I know there have been, but they are exceptions.

Hon. C. G. LATHAM: In the case of a single man, or a widower dying without dependants, the money goes back into the fund; it does not even go to the beneficiaries under his will.

Mr. Withers: What does the Commonwealth Act say?

Hon. C. G. LATHAM: Section 34 of the Commonwealth Act says—

Where a contributor who is unmarried or who is a widower without children under the age of 16 years, dies before retirement, the contributions made by him shall be paid to his personal representatives, or failing them, to such persons, if any, as the board determines.

So it will be seen that the Commonwealth does return the money. Under the Bill we

are now discussing, the money goes back into the pool. If a man has contributed, say, from the age of 16 until he dies at 65, the beneficiaries under his will should at least have that money returned to them.

The Minister for Mines: Suppose his beneficiaries are not relations?

Hon. C. G. LATHAM: He may have a sister or a brother.

The Minister for Mines: I was not referring to beneficiaries who are not relations.

Hon. C. G. LATHAM: I was. In any case, we should have a provision in our Bill similar to the section I have just read from the Commonwealth Act. There is another section in the Commonwealth Act under which employees are treated more generously, and fairly. It says—

An employee who—

(a) has been in the service for at least ten years, and

(b) has attained the maximum age for retirement at any time before the date notified in pursuance of subsection (1) of section 12 of this Act,

shall on retirement, at any time after the passing of this Act, be entitled to a pension in accordance with salary as set out in Section 13 of this Act, but not exceeding four units, without paying any contribution to the fund:

We are not nearly so generous as is the Commonwealth.

The Premier: We have not set ourselves out to be generous.

Hon. C. G. LATHAM: But we might be a little generous towards those who have served us faithfully and well for many years. In some respects the State has been generous, and so it has not been altogether consistent. For instance, there is provision that in the event of a person who is under 65 years of age dying while in the service of the State, a compassionate allowance shall be paid to the widow or the family. Immediately he is over 65 years of age, the widow is no longer entitled to any consideration: neither is any of the dependants. It is difficult to account for this inconsistency. I do not know at all how such anomalies ever crept into our regulations. Why should the widow of a man just under 65 be entitled to a compassionate allowance, and the widow of a man just over 65 not be entitled to receive anything? I do not blame the Government, because this is a matter that has grown up over a period of years.

The Premier: If we carry out what you suggest, it will cost us a few more thousands each year.

Hon. C. G. LATHAM: The difference should not be very much. After all, it is the single men to whom we should give encouragement.

The Minister for Mines: You should encourage them to marry.

Hon. C. G. LATHAM: A young man will contribute to this scheme in the hope of being able to marry later on and make provision for his dependants. If, however, he remains single, or becomes a widower, the estate will get nothing of the money that he might have been paying in for 40 years. We should at least provide for him to receive his money back.

The Premier: You are in a generous mood to-night.

Hon. C. G. LATHAM: I am bearing in mind what the Premier said earlier in the evening, that he expects to receive £100,000 from the Bookmakers Bill.

The Premier: No, No!

Hon. C. G. LATHAM: We cannot do better than spend that money on our old civil servants.

Mr. Raphael: Or the old unemployed.

The Premier: I will consider the matter when the Bookmakers Bill has been passed.

Hon. C. G. LATHAM: I fully expected that members would have been asked to consider the Bookmakers Bill before the Superannuation Bill. I heard rumours earlier in the day about the Government's desire to put that Bill through.

The Minister for Mines: Rumour is a lying jade!

Hon. C. G. LATHAM: In the Bill there is no provision for magistrates. The Act under which magistrates are appointed provides for their retirement at the age of 70. In the Superannuation Bill before us, no one is permitted to contribute after the age of 65 years. I should like to know in what position a magistrate will find himself, should he be over 65 when the Bill becomes law.

The Premier: He will be able to contribute from the age of 65.

Hon. C. G. LATHAM: As long as the Premier is satisfied that that will be possible, I shall accept his statement. In any case, the position is not made clear in the Bill.

The Premier: We do not prevent magistrates from retiring if they wish to do so at 65.

Hon. C. G. LATHAM: No, but they are permitted to remain in the service until they are 70 years of age. Judges, of course we know, are entitled under a special Act to retire on a pension after having served 15 years. I trust the Premier will make certain that it will be possible for magistrates to come under the provisions of the Bill and be permitted to contribute as are other members of the service. The maximum pension provided for in the Bill is £312, but we know that under the 1871 Superannuation Act there are many retired officers drawing even up to £900 a year. That is out of all proportion to what the State can really afford to pay. At the time that Superannuation Act was passed, the salaries paid were on a much lower scale and the value of money was totally different. Anyway, I have no intention of opposing the Bill, but I hope we shall be given an opportunity to move amendments when it reaches the Committee stage. I shall support the second reading.

HON. N. KEENAN (Nedlands) [8.13]: The Bill may well be described as a measure that should have been placed on the statute-book years ago. At the same time, it must be remembered that it has been a matter of difficulty in recent years to face the expenditure involved in presenting legislation of this character. The Bill follows very closely the Commonwealth Act, and I assume that the figures set out in it are identical with those in the Commonwealth Act.

Hon. C. G. Latham: They are.

Hon. N. KEENAN: Therefore we may take it that as far as any actuarial computations are concerned, the Bill rests on facts that the Commonwealth no doubt had very carefully analysed, and so the figures in the Bill may be accepted as being correct. The basis of the whole scheme is that the beneficiary, who becomes the pensioner when he has subscribed to the scheme, pays one half of the premium which it is computed in the ordinary natural course of his life would make him entitled to receive a pension, or in the event of his death which would make his widow and children entitled to allowances. If the State contributed at once one half of the total amount, the same as would the public servant, there could be

no doubt the fund would be in a position to answer any claim made upon it in so far as any actuarial computation could anticipate such a claim. It is of the highest importance that we should be satisfied that the fund and the State will be in a position to meet their obligations.

Under the Act of 1871 merely by an act of generosity a pension was paid to an officer of the State when he retired from the service. Such an officer had to qualify to apply for a pension and when awarded it was merely a voluntary grant, for at any time the State could stop it or reduce it. When the depression occurred we reduced the pensions that were granted under the 1871 Act. By the Bill now before us a contract will be entered into. The person, who becomes a party to the contract by subscribing annually certain amounts, will be entitled to a pension as set out in the measure at the due date. We must be certain, therefore, not to run any risk of default. For that reason it is of great importance that the financial side of the scheme should be understood by the House and fully approved by members. Should the State contribute the same amount that the public servant contributes, on the assumption that the actuarial computation is correct, payment on the due date would be certain. But the State pays nothing until the pension period arrives, when it pays into the fund one half of the pension to which the public servant is entitled. The result must be that some time in the future the State will be faced with the necessity of paying a large sum, a sum that will grow with each year. It is that danger I fear and should we fall into bad times it may be rendered difficult for the State to observe its legal obligations. I cannot suggest that we recast the Bill and make provision that the State should pay into the fund every year the same amount that public servants pay, a method that would mean spreading the load over all the years. Under the proposed system, amounts of current pensions will be paid into the fund until the peak is reached, and the sum may become at that time colossal. No doubt such an amendment would be so radical in character that it would not be acceptable to the sponsor of the Bill. The scheme resembles the case of a person paying for a property by instalments. On the one hand the person may make regular payments

without great distress to himself. On the other hand he may not pay any instalments, but wait until the last moment when the contract has to be completed and he will be called upon to find the whole of the money. It is a matter to which we should give careful consideration.

The fundamental part of the Bill is that it sets up a contract. We must make certain we can keep our word in that contract. I do not propose to speak at great length on this occasion or to dwell upon subjects dealt with by the Leader of the Opposition. There are, however, one or two matters to which I would draw the attention of the House. During the remarks of the Premier the definition of "permanent capacity" was referred to. Under the 1871 Act the persons who were entitled to pensions were those who served in an "established capacity." The words which have been substituted in this Bill "permanent capacity" are almost as difficult to define, and are certainly as elastic in their meaning, as are the other words. What is the meaning of "permanent capacity"? In connection with the 1871 Act a ruling was given by Mr. Septimus Burt who said that persons employed on works financed out of loan money, no matter in what capacity they were serving, were not entitled to claim a pension. The reason alleged was that loan money was devoted only to a particular work, and that the men employed on it might, at the termination of their engagement, either be taken on at work of a similar nature, if loan money were being spent in that direction, or would leave the service. The definition of "permanent capacity" is structurally similar to the conditions referred to by Mr. Burt. A person shall not be deemed to be employed in a permanent capacity when he is employed casually or in connection with a particular work or undertaking. I do not recollect the exact wording of Mr. Burt's ruling, but I do think he used these actual words, "A person who is employed only for the purpose of carrying out a particular undertaking which has been authorised, and for which money has been borrowed." If that meaning were given to the definition it would lead to a revolution in the Public Service. It is correct to say that members of the service are employed in this capacity and will continue to be so employed only so long as the State has loan funds to spend, otherwise there would be no work for them to do.

Fortunately no public servant is taken on for this particular work, no special man is employed in the public service and designated as an officer employed only for the carrying out of such work, the cost of which is to be defrayed from loan money. How are we to distinguish between the two classes? I remember that in 1915 a close friend of mine, who had been for 15 years in the service as a surveyor, resigned. He was informed that because of Mr. Burt's ruling he was deemed to have been employed only on works undertaken in connection with the expenditure of loan money, and was not eligible to apply for a pension under the 1871 Act. He obtained the usual gratuity but was not allowed to apply for a pension because he was said to stand outside the definition of "established capacity." I can see no great difference between those words and the words "permanent capacity."

This is to be a voluntary scheme, and I am prepared to applaud it as such. Possibly it would impose hardships on some members of the service if all were compelled to become pensioners under the scheme. I have no doubt that those who are capable of becoming pensioners will do so in their own interests. There is no reason to suppose they have not sufficient commonsense to see that they are having a benefit conferred upon them, or to suppose that when they appreciate the fact they will not, provided their circumstances permit, become subscribers to the scheme. Other matters to which I refer are mainly concerned with the drafting of the Bill. Words are used to which no meaning can be given. I refer to the word "invalidity." What does that mean? This appears in various clauses and seems to have come from some other Act. It is not defined in any way.

The Premier: The word has a meaning in the Invalid Pensions Act.

Hon. N. KEENAN: We have to interpret the word as a separate adjective. If it has a peculiar meaning let us make it clear in the definition clause. It occurs here, there, and everywhere, and where it does occur I find difficulty in seeing any reason for its appearance. Another point is that when a pensioner dies his widow and children shall receive certain payments, the children up to the age of 16, and the widow for life. A

civil servant may have been for 36 years in the service and may wish to become assured under this scheme. He can either abandon any rights he may have under the 1871 Act, or may become a qualified contributor for the purpose of ensuring benefits not for himself but for his widow and his children under 16 years of age. This provides for the children of the pensioner and the children of his widow, but not for the children who are born after his death, in the event of his widow remarrying. I agree we should not be called upon to carry the liability for the children of a new family, but the extraordinary fact stands out that if a man marries a widow who has a family, that family comes under the scheme. This makes it impossible to see any straight line of demarcation. If they are not the late civil servant's children, I do not see why they should be included, but if they are his children, I do not see why the Bill should not be stretched to include them whether they were born while the public servant was alive, or after his death and the remarriage of his widow. There are a few other matters I shall mention that represent omissions from the Bill. One was referred to by the Leader of the Opposition. That is, the case of the bachelor or spinster who has been a contributor to the fund but dies. If the Bill becomes law, the contributions so paid will be forfeited to the fund. Under the Commonwealth Act, in such instances, the contributions are returned to the next of kin, or if the person has made a will, to the party nominated to receive the estate. Surely nothing could be more just than that, especially when we remember that under the provisions of the Bill, should a civil servant be dismissed, he is to be refunded his contributions. The bachelor or spinster to whom I have referred has, presumably, given faithful service to the State and dies while in the employment of the Crown. I cannot conceive one single ground upon which it could justly be urged that the contributions paid by that person should not be returned to his or her family, the next of kin or the beneficiaries appointed to receive them.

The Premier: Except that there is the contract based on the eventuality of the contributor retiring at the age of 65 years.

Hon. N. KEENAN: But what eventuality arises in the case of the man who is dismissed?

The Premier: That is merely a matter of justice to the individual.

Hon. N. KEENAN: The Premier is excessively generous in one case, but excessively harsh in the other. I mention that point because it appears to me I cannot move an amendment in Committee for some such provision to be included in the Bill, because it would represent an increased charge on the State, to the extent of the money that would be involved. I am afraid I would be ruled out of order if I attempted to move such an amendment.

Hon. C. G. Latham: I do not think you would, because the money would have been paid in by the man or woman.

Hon. N. KEENAN: I appeal to the Premier, who is in charge of the Bill, for he, as Treasurer, can increase the burden on the State to any extent he likes or feels just.

The Premier: That is quite different.

Hon. N. KEENAN: I appeal to him to recognise this as a just claim and to give effect to my suggestion. I remind the Premier that money so refunded would not involve the State in any payment whatever, for the repayment would be taken from the fund. The contributions are paid into the fund, where it is held. The person on whose behalf it is held dies. If the money is paid over as I suggest, it will represent a payment not by the State but by the fund. It may be suggested that, inasmuch as the State will have to make good the fund if it is inadequate to meet claims upon it, in the long run the State probably is responsible but primarily the payment is not made by the State but by the fund.

The Premier: If the man contributes on the basis of his receiving certain payments at the age of 65, and he dies when he is 40, what about that position?

Hon. N. KEENAN: If the Premier is to make provision only on the strict basis of contracts entered into outside the Public Service, and outside any obligation whatever by an employer, then he can find precedents. Surely we are not considering the Bill from that narrow point of view, but from that of an employer who wishes to discharge to the full not only his legal liability, which is nil, but his moral obligations, which amount to a great deal. The only other matter I desire to place before the Premier is one that, again, may necessitate action on his part. I refer to the

position of the public servant who is at present advanced in years and desires to come under the scheme. There are some men over 50 years of age, some 56 years of age. Those men have never had an opportunity throughout their public service to obtain insurance, and they are most anxious to do so. Under the Bill they are entitled to take out four units at the same rate as public servants who are 30 years of age. That merely means they will be able to obtain a pension of £2 a week. Of course, as a pension, that amount would be utterly useless to anyone. If those elderly public servants wish to contribute so as to make available a pension of £4 a week, they are to be required to pay at the full rate prescribed for contributors of their age. The proposal I have been asked strongly to urge upon the Government is that, in such circumstances, these civil servants should be allowed to take out four additional units at the rate prescribed for contributors who are 50 years of age. They do not want to contribute for the lot at the rate provided for public servants who are 30 years of age. They desire to pay only what is provided for in the Bill at that rate, but for any additional insurance, which is absolutely necessary for otherwise they would not make sufficient provision for their old age, to pay at the rate fixed for those who are 50 years of age. There is a very small number of public servants in this position. They are all old servants who have been in the employment of the Crown during the past 30 or 40 years. All are most anxious that they shall be able to make sufficient provision to keep themselves decently in their old age. The concession I suggest will involve very small expenditure, which every year will lessen. Each year these older public servants become fewer in number. I hope this suggestion of mine will be favourably received by the Premier. I do not wish to detain the House by commenting on the provisions of the Bill because ample opportunity will be afforded in Committee for that purpose. However, I do wish to say that it is always desirable in any country that those who are servants of the Crown shall have a large and substantial stake in the maintenance of order in that country. It is one of the strongest elements of work, discipline and order that they shall receive, when they retire, a pension that will enable the Crown

to maintain them in some sort of decency, and thus have a strong claim on their loyalty, which is a matter of highest importance. On behalf of those who sit on the Opposition cross-benches, I commend the Bill to the House and promise that we will give the Government every assistance during its passage through the House.

On motion by Mr. Needham, debate adjourned.

BILL—BOOKMAKERS.

Second Reading.

Debate resumed from the previous day.

MR. TONKIN (North-East Fremantle) [8.40]: I cannot allow this opportunity to pass without giving expression to my views on the Bill. I shall not have it said that I was content to sit on the fence, as some members propose. In addressing myself to the measure, I find it necessary briefly to review the extent of gambling in Western Australia. At the outset, I admit gambling is rife. That is not restricted to the State, for gambling is rife all over the world. I am told that in Great Britain gambling has developed to a far greater extent than in Australia, and the numerous pools conducted throughout Britain afford ample evidence of the hold gambling has on the people there. Most of us have knowledge of it in one form or another. For instance, there is the gambling that takes place on the Stock Exchange. I can remember, when a lad in Kalgoorlie, that at the time of the Hampton Plains boom there was an open call in Hannan-street. I cannot imagine any worse form of gambling than that which took place at that open call. Shares were bought and sold by persons who had not the slightest idea of what they were selling or buying or what they were likely to get out of the proposition.

Mr. Styants: Some people mortgaged their homes to participate.

Mr. TONKIN: Yes, and hundreds of thousands of shares changed hands and large sums of money were made and lost. I have not the slightest doubt that if another mining boom occurs in Western Australia, we shall witness the open call again and it will be within the law and no objection will be raised by anyone. Then there is the gambling that goes on in land specula-

tion. From time to time moneyed people buy up land with no idea of developing it themselves but of holding it until such time as social advancement enhances the value of their property, in consequence of which they reap handsome profits. Then there is a form of gambling with cards. Card games are played in houses and in all sorts of places. Most of the clubs in the State have their games of poker where no doubt large sums of money are won and lost. Then there are the bridge parties at which it seems to be necessary to wager small sums in order to sustain interest in the game. That sort of thing is going on all over the country and the tendency is spreading fairly rapidly. Then we come to the form of gambling that is the subject matter of the Bill. Starting-price betting has developed to such an extent within the last few years that it has become a menace. As a lad I can remember when going to school seeing men in the streets of Boulder conducting betting operations on the kerb. When in Kalgoorlie recently I saw one of those men. He was still operating and had been engaged in starting-price betting on the kerb for 20 years. We know starting-price betting has been going on for several decades and the development is not singular to Western Australia but is apparent elsewhere in the Commonwealth and in other parts of the world. What is the task that confronts the Minister and the Government? Is it to suppress and eliminate all gambling? Surely not. If it were, the herculean task of cleaning the Augean stables would be but child's play to the task of suppression of gambling. We know it is an undertaking that cannot be accomplished. Right down through the years attempts have been made by different people and different Governments to suppress betting, but with no success. I submit that nothing so difficult as the suppression of betting or the abolition of betting can be contemplated by any Government, but I think that the Government is required to take such steps as will reduce the evil to a minimum. To control betting in such a manner as is reasonably consistent with the welfare of the public generally, there are two courses open to the Government; the first is to make an attempt to enforce the existing law and close up the betting shops and stop betting on racecourses, and the second is that it can legalise and control betting. A number of people are

urging that the former method is the one to adopt; that the existing law should be enforced and that the shops should be closed up. Let us examine the possibilities of bringing that about and see what the probable results will be. The Leader of the Opposition who thinks this way, was a member of a former Government. What did his Government do to deal with the situation then existent? His Government was in power about seven or eight years ago, and up to six years ago his Government had open to it the same two courses that this Government has open to it, and it must be remembered that seven or eight years ago, even though starting-price betting was then fairly rampant it had not spread to the extent that is apparent to-day. Therefore it should not have been as difficult of eradication at that time as it is now. Its tentacles had not spread so far. But starting-price betting was not suppressed during the regime of the previous Government. It continued to flourish. What is the explanation? The Mitchell-Latham Government either tried to suppress betting and failed miserably, or it did not try at all, in which latter case the Leader of the Opposition stands as a self-condemned hypocrite. The Leader of the Opposition was at some pains to show this House that not only did his Government attempt to suppress betting, but that it took extraordinary measures to do so. He said that his Government, in contradistinction to the present Government, even caused punters to be arrested in the betting shops. That is perfectly true, but the arresting of punters in the shops did not suppress starting-price betting. It continued to flourish, and not only was it not suppressed, but it was not even held in check. Then the hon. member's Government abandoned the stringent measures.

Hon. C. G. Latham: No, we did not.

Mr. TONKIN: It is common knowledge that that Government did.

Hon. C. G. Latham: I told the House last night that the magistrate dismissed the case against the men arrested in the shops.

Mr. TONKIN: And the then Government allowed the pressure to ease off. If the hon. member's Government had been sincere and had found that the measures it had adopted were not sufficiently strong to suppress betting, then instead of easing off it should have increased in severity the action it had started out to take. Was it that the hon.

member's Government realised the utter futility of the course it was pursuing, or was the reason, as suggested by the member for Victoria Park last night, that there was a general election pending?

Hon. C. G. Latham: Crosswords were the cause.

Mr. TONKIN: I shall be charitable and say it was the former reason; the Government realised the futility of trying to suppress starting-price betting and therefore called off the dogs.

Hon. C. G. Latham: We did not call off the dogs.

Mr. TONKIN: The hon. member knows that that was what was done.

Hon. C. G. Latham: Nothing of the kind.

Mr. TONKIN: Will the hon. member admit that during the remainder of his Government's period of office the police refrained from arresting any more punters in the shops?

Hon. C. G. Latham: Because the magistrate dismissed the case on some technical ground.

Mr. TONKIN: No, that is not so. I know that some of the bookmakers paid the fines of the punters. All the cases were not dismissed. What did the Government do when it found that the magistrates were not imposing fines?

Hon. C. G. Latham: You know that a general election was approaching then.

Mr. TONKIN: The hon. member's Government could not suppress betting, and it could not even hold it in check. That is not to be wondered at because nobody yet has succeeded in doing that. The hon. member is aware that the Royal Commission on starting-price betting in South Australia went very exhaustively into this matter. The Commission comprised three men all above reproach. They were Mr. H. B. Piper, who is now a judge, Mr. K. F. V. Sanderson, who was a magistrate, and Mr. S. Powell, a chartered accountant. When the Leader of the Opposition was speaking last night I asked him what he thought of the personnel of the Commission. His answer was that the Commission was a very able one. That is my opinion too. The Commission went very exhaustively into the question, and it had the benefit of the experience of the various States to draw upon. The Commission was alive to the evils of starting-price betting, and also to the evils that would follow if

starting-price betting were legalised. The Commission said—

The present facilities for off-the-course betting in South Australia have created a state of affairs which is deplorable, and have given rise to social evils.

There is no mistaking that language; and despite the conclusion at which the Commission arrived, it recommended legislation.

Hon. C. G. Latham: Do not forget that starting-price betting was already legalised.

Mr. TONKIN: That makes no difference. It was open to the Commission to recommend prohibition just as easily as to recommend a continuance of legalisation.

Hon. C. G. Latham: You should read their terms of reference.

Mr. TONKIN: The Commission also said—

On the other hand, the desire for off-the-course betting is so strong that if no facilities are provided illegal betting will recur with its concomitant evils. Such evils are not limited to the mere bet. Perjury, bribery, assaults on the police and various means of trickery are the usual weapons of the illegal bookmaker.

This special Commission which was fully alive to the evils attendant upon the legalisation of betting, despite all the knowledge it had, recommended legalisation. It did so because it felt that there would be such a strong desire for betting off the course that worse evils would follow if starting-price betting were not legalised. So I think that is the only question to be considered. It is not whether we want to perpetuate or to assist gambling; it is what appears to be the most practical and the best course to adopt in the interests of the community. Are we as laymen competent, without the experience or the knowledge obtained by the Royal Commission, to pass judgment which would run counter to that of the Commission? The Commission was specially set up for the purpose of investigating the question, and as the Leader of the Opposition said, it was composed of able men. Should we then pit our opinion against that of the Commission, a body that had a proper appreciation of the evils of betting in all its forms, and which considered the wisest course to follow was to recommend legalisation? So, however much our conscience might dictate to us that we should not extend the facilities for gambling, we are bound to accept the recommendations of a body of competent men who were fully alive to all the possible results of legalisa-

tion and who recommended legalisation. Thus despite the fact that it might be dangerous for a man to declare himself on a matter like this, the general welfare of the community must be paramount. I can only conclude that that body of men was in a better position to judge than I, and as it investigated the position so exhaustively, I am prepared to accept its recommendation rather than follow the methods adopted elsewhere and found wanting. We have been told that betting in Queensland has been abolished. That is not true. We have also been told that the abolition of starting-price betting in New South Wales has been a success, and that the legislation that was lately passed there has had the effect of eliminating, not only off-the-course betting, but tipsters. But there are myriads of tipsters still flourishing in New South Wales, and it is still possible to get scores of pamphlets from those tipsters who, in their communications, show you that they are not contravening the New South Wales Act in any way. The only difference is that one is now made to pay 5s. for a pamphlet instead of being given it for nothing. So the New South Wales Act must be a farce. Indeed, it cannot be anything else.

Mr. North: What about the South Australian Act?

Mr. TONKIN: In this matter the hon. member interjecting is in just the same position as myself. He is obliged to rely upon information which comes through in various forms. I know that despite legislation in South Australia a great deal of what is termed illegal betting is done outside the licensed shops. But illegal betting exists in South Australia to a much less extent than would be the case if the shops were closed altogether. Let us face the proposition. We know, as well as that we are here, that the starting-price shops could be closed to-morrow. There is no difficulty about that. All the starting-price betting shops could easily be closed. But that would not stop starting-price betting. We would find it then in the very homes of the people; we would find, as is found in the Eastern States, bakers taking bets from housewives at the door, the bakers being agents for bookmakers who remain secluded. Do we want that?

Mrs. Cardell-Oliver: It exists here now.

Mr. TONKIN: It is the knowledge of that which forced the South Australian

Royal Commission to come to the conclusion it did. We must not shut our eyes to the evils involved. We have to admit that legalisation of betting will still leave in our midst numerous evils which, if we could, we would be only too glad to abolish. On the other hand, we have to realise that experience shows that if we do not face the facts, the evils will become wider spread. Knowing those things, believing those things, I accept the finding of the South Australian Royal Commission, which was in a much better position to judge than I am. Therefore I shall support the Bill.

MR. NORTH (Claremont) [9.4]: I have listened with attention to the various speeches on the Bill, and I find that all members, whether speaking in favour of the Bill or against it, have the same ultimate objective. They all, whether for or against the measure, desire to limit as far as possible the gambling habit. But although that is so, we are still entitled—all of us, this being a non-party measure—to support whichever course we think most likely to achieve the desirable result of limiting as far as possible the gambling evil. This matter must be looked at from two aspects—firstly from the logical aspect, and secondly from that of sentiment. With regard to the logical aspect, I have been looking around to try to find the shortest comment from the brain of a writer who can put things tersely, so that I may obtain a really logical outlook on the question. I shall quote his words, and I ask hon. members to weigh them and see whether they can find a flaw in them—

Obviously, if it is immoral in a house, it is no less immoral to bet on the course. Yet on the course betting is not an offence. The racecourse, in fact, is a social rendezvous patronised by business and professional men, chief justices, and even by Kings; in short, by all those people whose behaviour is supposed to set a pattern. Consequently not another futile effort to stamp out starting-price betting is called for. What is necessary is to straighten out confused thinking on the subject. How can we logically run a lottery and encourage horse racing while at the same time striving to make a distinction between those people who go to see races and those who stay at home and listen to a description of them?

I add, in a few words, that television will before long make the distinction even more difficult to draw.

Mr. Rodoreda: Television will be the end of racing.

Mr. NORTH: That might be the objective of many members. It might be my aim too. However, gambling in its various forms exists, and my present objective is to achieve a course which will do least harm to most people, and will, in fact, have in view the objective of not going to such excesses as I have witnessed in this State during the last 15 years. The present flood of betting in shops is only the grand-child of "White City," and the child of the crossword puzzles. Action was taken by Parliament, or by a previous Government, to close up "White City." Action was also taken to close down the crossword puzzles by means of the Lotteries Act. The same people who perhaps are here to-night listening, the same people in the country and the same organisations as are opposing this Bill, opposed the Lotteries Bill. Rightly, too, they were opposed to the "White City" excesses of some years ago, which have been closed down. Now a few further words with regard to the logic of the question apart from sentiment. To continue pretending that it is a crime to bet in a shop while it is no crime to bet on a racecourse is useless. The passing of such a law simply breeds contempt for law. The dangers of that were drastically illustrated by America's experience of prohibition, which produced the gravest form of racketeering.

As to the regulation proposed by the Bill. I do not for a moment say that the Bill is a good measure or a bad measure, or that the details are correct or incorrect, but I am trying to keep to general principles. In these matters of instinct we must either regulate or suppress. In the past, suppression has as a rule been found impossible. Take the sex instinct. It is useless to try to suppress that. Throughout the ages the human race has regulated the sex instinct by means of the institution called marriage. It is the same with the drink evil. We do not try to suppress the desire for drink. America tried it; America even had a referendum on suppression. However, suppression was found to be impossible; and regulation has been restored in the United States. So it is with this question. And so it is with many questions we may consider for ourselves, apart from sex and drink. We have, for instance, murder. Even the taking of human life cannot be suppressed, but can only be regulated. If we want to commit murder on

a large scale we declare war, and then we have murder for a long time—mass murder. But we cannot altogether suppress murder.

The Bill is an attempt to regulate or suppress betting; but, coming at this time, three or four months before the general election, it has another objective, as I see it. Personally I would prefer having the question decided by a referendum. That, it will be said, amounts to sitting on the fence; but in this case a drastic law may have to be applied. That is acting like a despot, as opposed to a democrat. The only way despotism can be achieved under our system of government is by the referendum. We had a referendum on the drink question. Thanks to that referendum, members of Parliament are now free to travel the country without having the bugbear of tea versus beer thrown at them. The drink question is now beyond our control. We are able now to face all our supporters at an election. They may want to bring in tea, but that is a question which does not concern us now. However, we cannot get a referendum on the gambling question. I will not ask the Minister for Police to undertake to provide a referendum at the general election. If he promised to do so, he would not commit either the Government or anybody else. Yet the Bill is before Parliament three or four months prior to a general election, and, clearly, those who decide to support it will, if it becomes law, have an opportunity to put before the people the contention that Parliament made an attempt to ascertain what regulation can do. Whether or not the words of the Minister in charge of the Bill are correct, if he will exclude, as he says he will, all youths and children from the regulated betting shops, and if during the next three or four months exclusion is tested, worthy people who have their own ideas as to betting will have something to look at and see for themselves. If they find in two or three months that the system is not a success, if they find betting shops still sprawling all over the place, if they see a continuance of all the evils now associated with betting, that will be a clear indication to the Leader of the National Party, or the Leader of the Opposition, or the leader of some new party, that regulation is hopeless. It has truly been said that the whole of our commercial life consists practically in forms of gambling. I do not dispute that. I have tried to put up the words of an eminent journalist as a

summary of the question on the logical side.

On the sentimental side it is natural that the churches and many other institutions representing good living and an honest way of life desire action to be taken—because, I think, they are confusing the ill-effects of over-indulgence in this instinct with the question of gambling itself. We must distinguish the sentimental side when we know of cases, as we do, where money has been taken from the children and the wife, or perhaps from the husband in some cases—women bet too—where excesses occur and homes go short owing to evil excesses? Is betting the only form of sport or diversion on which too much is spent, whilst not enough is spent on essentials of life? We are bound to divide our expenditure into two sections—that which provides essentials, and that which provides superfluities. Gambling may be a superfluous. I could name many superfluities. Every member has his idea of how to amuse himself, but let him not tell the public how they should spend their Saturday afternoons. If people choose to waste their time foolishly, it is not my affair. It is one of their superfluities, not one of mine. But if it came to the essentials of life, I would support any measure assuring to all families those essentials. People have bought radio sets and gone without sufficient food. And the case is similar with many other amusements. We have attempted in this House by many means to see that mouths are fed. The member for Subiaco (Mrs. Cardell-Oliver) has worked hard in regard to that essential fluid, milk. We can quote many other attempts that have been made to maintain the standard of living in the home. It is impossible to connect up the fact that certain persons, under our present system, indulge to excess either in this form of amusement or any other with the fact that the amusement in itself is bad—not that it is good. In my humble opinion, we should give this measure a three-months' trial. If after that time we find children still going into betting shops, and if the excesses that are complained of continue, then the people will have a real opportunity to take the action they desire at the polls. It will give the Government of the day, or an aspiring Opposition, a battle-cry, and the people can decide upon some other course more suit-

able to the occasion. We would be very blind indeed if we lost this chance of experimenting for three months before the election. That is my opinion, in spite of all the requests I have received from all over the district—perhaps they are not requests. I refer to what has reached me by wireless and mental telepathy. I am quite aware there is a large force in this State prepared to crush those who use reason and oppose sentiment. If I were to give way to sentiment to-night and shut my eyes to facts, I might say, "Think of the suffering in the homes." But that is not the issue. There are many other forms of extravagance that may be indulged in by the husband, and perhaps by the wife, expenditure which means the denying of the children of the household. That question will have to be dealt with in some other way by the House. I trust it will receive attention on another occasion. With those few remarks, I have much pleasure in supporting the second reading.

MR. BOYLE (Avon) [9.17]: I have listened with a great deal of interest to the speech of the member for Claremont (Mr. North). I very much appreciate the straightforward and emphatic intention expressed by him to support the Bill. One thing does impress me. It is the transcendent interest shown in this Bill by, shall we say, the crowded state of the galleries. One feels impelled to wonder where such interest disappears when the sustenance man is being discussed, and when the farmer, who is in such desperate straits, is under discussion.

Member: Not through starting-price betting!

Mr. BOYLE: For many years I have been championing the farmer, but have not received one offer of support from the people who to-day are making the welkin ring with their cries for the prohibition of this particular social trouble. The obvious reason for the Bill is the almost uncontrolled and illegal license given to starting-price betting shops, particularly in the metropolitan area. The conduct of those shops is an open and crying scandal to the public conscience. It is within the power of constituted authority to-day to close every one of those shops. It is within the power of constituted authority to enforce the laws already in existence for the suppression of this trouble. However, I think the Government has very wisely de-

cided, in the exercise of its authority, that the entire suppression of betting would create greater evils. The Government therefore proposes to regulate it. I welcome the Bill. The people engaged in this illicit occupation to-day are fast attaining the power of the bootlegger in America during the great social experiment of prohibition, an experiment which lasted from 1921 until the legislation was repealed by President Roosevelt in 1933. For 12 years that great Republic of 130,000,000 people experimented with prohibition of drink. After 12 years of experimentation, the United States realised that the illegal traffic in drink had become one of the greatest social dangers that any country in the world has had to face. The Governments of the United States, both Federal and State, were confronted with crime wave after crime wave; and it was only by the exercise of commonsense regulation that the trouble ceased. Most of the bootleggers who thrived on the illegal traffic and became a power in the land—beer barons and others—are to-day in the Alcatraz Federal prison. If our existing legislation continues, we shall have a similar state of affairs. The only way in which the Government can deal with the position is by a measure such as that now before the House.

Mr. Hughes: Will this measure reduce the number of starting-price betting shops?

Mr. BOYLE: The amendment I propose to move later on will deal with that point.

Mr. Hughes: Will this measure reduce the number of starting-price betting shops?

Mr. BOYLE: I am not prepared to answer the question, because I am not a prophet. To try to answer the question now would be a flight into the realms of prophecy. I have great sympathy with the organisations, churches and others, that are taking an active part against this legislation. I realise they are motivated by disinterestedness; their only concern, in my opinion, is the welfare of the people. But I think it was Lord Curzon who said, "More dangerous than a Bengal tiger crouching to spring is the man actuated by misdirected good intentions." We members of Parliament are in a responsible position. We are charged with the duty of placing laws on the statute-book that can be enforced. If we permit one law to be held in contempt—as the present law dealing with this matter is held in obvious contempt—we are undermining all

laws. That is why I intend to support the second reading, with reservations as to amendments that I will move when we reach the Committee stage.

Mr. Doney: Have you the assurance that this Bill, if it becomes law, will be obeyed?

Mr. Marshall: Give notice of that question.

Mr. BOYLE: I do not require notice. I have lived long enough to know that the average Australian will obey a reasonable, but not an unreasonable, law. If we attempt to introduce sumptuary laws, or what are known in America as blue laws, to control the habits of the people, we shall find that a substantial minority of the people will not be controlled. There will be resentment and revolt. If every law on the statute-book to-day were enforced in its entirety living would become unendurable. The law is only a big stick; it is for those who transgress too far. We all break a law of some sort each day. I remember a Premier and a Minister for Justice in this State who were waited upon by a deputation that asked them to enforce, in its entirety, a certain law. They replied that it could not be done. When asked why, one of the Ministers replied, "If we did do that, it would not be long before we would be in the Swan River." Entire suppression of betting is desirable; so is the entire suppression of many evils with which we are troubled. It is physically impossible to suppress betting in this State by law. I will give an instance. In my electorate of Avon, 90 miles by 40 miles—3,600 square miles—there are four policemen and a sergeant. Included in the electorate are four fairly large towns, one with a population of nearly 2,000 people. In that huge area, with its scattered population, law and order are maintained by a sergeant and four constables. One could imagine what would happen if an attempt were made entirely to suppress betting in one particular town I have in mind. Those who attempted it would be told they should be sent to Siberia.

Mr. Withers: Or to a mad house.

Mr. BOYLE: Or to a mad house, as the member for Bunbury suggests. Members can readily imagine the difference between the conditions of the men living in that town and the men living in the city of Perth. In the metropolitan area workers have many avenues of recreation, but the men in the town to which I refer have no such avenues.

With the thermometer registering over 100 degrees in the shade there is no beach to which they can go; not even a pleasant recreation reserve. I resent the fact very much that there are three or four unlicensed betting shops in Merredin. I would prefer two licensed shops under strict control. The obvious question I would be asked is, "How could three policemen enforce the law in that town?" The law could be enforced if shops were licensed. The reply has already been made by the Government. It is that those who are licensed in the district will act as their own policemen. It has been said that if they did that, they would be pimps or common informers. There is no analogy, however. A pimp or a common informer works for reward. A man who has an established business that has been legalised will protect that business. He will not tolerate illegal competition.

Member: Unfair competition.

Mr. Hughes: What the hon. member suggests is done now.

Mr. BOYLE: All Australian States are attempting to deal with this trouble. In Queensland, New South Wales and Victoria there is alleged suppression of betting. It is laughable to those who know the facts. I will relate an incident that happened to myself. In one of my journeys to Melbourne accompanied by delegates, I arrived at our hotel. A South Australian delegate, who was a punter, decided to have a bet. A race meeting was about to be held. He asked a Victorian delegate if he could get his money on. The Victorian delegate said there would be no trouble at all. He telephoned his bookmaker and the money was put on without any trouble. That is what prevails in Queensland, New South Wales and Victoria. It is tosh to talk about a total suppression of betting; human nature is the same in Victoria, New South Wales and Queensland as it is in Western Australia. Tasmania and South Australia have legislation controlling betting. Western Australia is following the Tasmanian model. In order to obtain true facts, I telegraphed to Mr. Ogilvie, the Premier of Tasmania, a few days ago. Under date 18th November he replied as follows:—

Tasmanian betting legislation extremely successful and has proved efficient in its operations regarding control and otherwise. Stop. It has proved generally satisfactory. A. G. Ogilvie, Premier.

The Bill is based on the Tasmanian model. The statement has been made in this House that a Government goes out after it attempts to regulate this particular traffic. Members assert that it incurs dangers at the poll; but at the last election the Tasmanian Government was returned with a greater majority than ever before.

Mr. McLarty: So was the Queensland Government.

Hon. C. G. Latham: And the Government of New South Wales.

Mr. BOYLE: I telegraphed to Mr. Ritchie, the Acting Premier of South Australia. He sent me a wire under date the 17th November, as follows:—

Copy of existing Lottery and Gaming Act and report of Royal Commission on Betting forwarded by mail. Has been some criticism of present Act, and new legislation is suggested by Royal Commission and included in report. Amending Act now before Parliament.

Hon. P. D. Ferguson: Did you write to Queensland?

Mr. BOYLE: There was no need. I telegraphed to two States which have regulated betting.

Hon. P. D. Ferguson: You picked your mark, all right.

Mr. BOYLE: Queensland offers facilities for betting for those who know how to go after them.

Hon. C. G. Latham: In every State there is provision for the disposal of stolen goods, but we do not encourage that.

Mr. BOYLE: I asked Mr. Ritchie whether there was any question of the Act being repealed. His reply is embodied in the telegram forwarded to me. If the South Australian Act is such a failure and has increased the evil effects of betting, the South Australian Government must be regarded as worse than fools, and the Royal Commission as a Royal Commission of idiots for not considering its repeal.

Mr. Thorn: The electors of South Australia decided so, at any rate.

Mr. BOYLE: They did nothing of the sort; and I know as much about that matter as does the hon. member and perhaps more. The electors of South Australia returned 15 Independents, but that had nothing to do with the betting question. The Butler Government came into power with 30 supporters out of 44 members. I have been in the South Australian House of Parliament and the Government supporters could not be accommodated on the benches on the Government

side of the House but overflowed to the other side. I was in South Australia when the first Independent member for Alexandra was returned. I attended a meeting at which arrangements were made to conduct a campaign on behalf of the Independents in South Australia. The success which that campaign achieved we all know. During the whole of the four hours I sat with the organisation that conducted that movement, not one question about betting in South Australia was raised.

Mr. Marshall: It was never mentioned.

Mr. BOYLE: Did the betting question account for the opposition Labour Party coming back one member short? Benefiting by experience elsewhere South Australia decided to close its betting shops daily from 1.30 to 5 p.m. and at 6 p.m. Four clubs were wound up and two transferred to country districts. Saturdays, Boxing Day and other public holidays were declared to be race days in Adelaide. Is it not obvious to the least intelligent of us that the Government would curtail the number of race days if the Act were not working fairly reasonably? Here there is an underlying feeling that racing and betting will be legalised in the metropolitan area and will be prohibited entirely in the rural areas. That is one school of thought.

Member: It is entirely wrong.

Mr. Withers: I think the reverse will apply.

Mr. BOYLE: Forty-seven per cent. of the population is in the metropolitan area, and 53 per cent. in the rural areas. I suppose the human beings in the two centres are different, that they have a different outlook and different ideas altogether. Evidently there is a race of supermen outside the metropolitan area who have not the failings of human beings at all.

Mr. Thorn: You have always told us that the men on the land were super men.

Mr. BOYLE: Yes, and I repeat that. The men on the land are wonderful. They are wonderful men to stay there. They should come into the metropolitan area and share in all these good things.

The Minister for Employment: Please do not bring any more down!

Mr. BOYLE: In my opinion the Bill does not go far enough. There is no reason to have licensed shops in the metropolitan area at all. The Bill provides for the licensing of bookmakers' clubs. There are five race-

courses in the metropolitan area, and two trotting grounds. That means that there is a racecourse or betting ground for every day of the week.

Mr. Rodoreda: There are three racecourses too many.

Mr. BOYLE: Perhaps there are five too many.

Mr. Rodoreda: Well, at least three too many.

Mr. BOYLE: I have made inquiries into this matter from responsible authorities, and I find that plans have been prepared by the Western Australian Turf Club for providing for cheaper admission rates to the course. Those plans are being finalised, and provision is being made for an admission charge of 1s. plus tax. That is something that should have been done long ago. Betting is legalised to-day through the totalisator. On the West Australian Turf Club course there are two systems of betting. One is the totalisator, and the other is that controlled by the bookmakers. The bookmakers are plying an illegal calling with the full support and co-operation of the Turf Club.

Hon. C. G. Latham: There is some doubt about that.

Mr. BOYLE: There is no doubt about it. In "Government Gazette" No. 6 of the 24th June, 1908, by-laws were gazetted legalising betting on the Turf Club course. It is well known, however, that those by-laws were tested and found to be ultra vires the Act, and so the betting is illegal.

Hon. C. G. Latham: The Act prohibiting betting on the racecourse was repealed.

Mr. BOYLE: It is astounding to observe the amount of money that passes through the totalisator. In ten years £7,800,000 went through the totalisator, and the Government received an average of £58,000 a year in tax.

Mr. Sleeman: And the club got the fractions.

Mr. BOYLE: The club paid 7½ per cent. tax.

Mr. Styants: There was £9,000 in undistributed fractions.

Mr. BOYLE: All the talk we have heard about this matter passes my understanding when I realise that in ten years nearly £8,000,000 went through the totalisator, and taxation, from which we all benefited, was received at an average rate of £60,000 a year. Is it not more logical and infinitely better that we should legalise the business altogether? We have legalised portion of it

in the past; and the people should receive revenue from this pastime.

Mr. Withers: Legalise all other forms of gambling then.

Mr. BOYLE: I am dealing with this particular form of gambling at the moment.

Mr. Withers: Legalise the lot or none at all.

Mr. BOYLE: There has been much talk about the moral issues involved. Who laid down the moral law regarding betting? That is what I want to know.

Member: Moses.

Mr. BOYLE: Suppose I have a pound to spare and wish to bet with that pound. Am I guilty of an immoral action in so doing? If so, I am in good company. I have here a cancelled cheque made out in favour of the Prince of Wales by a Melbourne bookmaker for £38. That was paid to the Prince of Wales, who was afterwards King of England.

Mrs. Cardell-Oliver: How did you get it?

Mr. BOYLE: That is a secret. It is endorsed "Edward P."

Mr. Sleeman: That should be worth something now.

Mr. BOYLE: I do not intend to criticise the morality of a man who was the King of England; but there is the document.

Mr. Hughes: Is it signed?

Mr. BOYLE: Yes. It says, "Pay to the Prince of Wales or his order." On the back is the endorsement of His Royal Highness.

Mr. Warner: That does not make gambling respectable.

Mr. BOYLE: Who says that racecourse betting is not respectable? We stand as censors of other people's morality because it suits us.

Mr. Rodoreda: That is the whole point.

Mr. BOYLE: What we do not do ourselves we find not respectable in others; but I do not conform to that. It is wrong. If members read John Stuart Mill's essay on "Liberty," a very admirable essay, they will find laid down there the boundaries of liberty. If a man cannot afford to bet with the money in his possession and steals money in order to do so, his betting is then morally wrong. I will concede that. But I refuse to take my instructions in morality from people not competent to give them. I would prohibit betting in city shops within a radius of 15 miles of the General Post Office. I want to remove from the suburbs what I see there on a Satur-

day: youngsters travelling on bicycles to these places and betting without hindrance. Why not bring the business under supervision in central registered bookmakers' clubs? No youngsters would be allowed on such premises. Outside of that area I would have this Bill apply. In one of my chief towns there are four of these betting centres. Two would be ample. Two such places, under control, would lessen betting in such localities.

Mr. Doney: Are you not recognising the moral aspect when you refer to boys and girls?

Mr. BOYLE: I am trying to point out to the House, and I cannot help the hon. member if he is unable to follow me, that what may be perfectly right in a mature person may perhaps be wrong in an adolescent. We admit that in our laws. A male is not a man until he is 21 years of age. We will not allow him to go into a hotel until he reaches that age.

Mr. Doney: What is wrong with betting, that you deny it to people under 21?

Mr. Styants: A young man is regarded as making a good soldier at 19.

Mr. BOYLE: I should like to tell the story of an old Scottish lady who was over 90 years of age, and bedridden. She was visited every Monday by the local Minister.

The Minister for Employment: Mr. Tulloch is not here to-night.

Mr. BOYLE: The old lady read the Scriptures very carefully. When the Minister came one Monday morning, he was surprised at the cold greeting he received from her. Pressed to give the reason she said, "You are a sabbath-breaker." He asked why. The old lady replied, "You walked in the field yesterday with the minister from the adjoining parish." He said, "Yes, I did," and, turning over the Scriptures in front of the old lady he read this passage, "And the Master walked in the fields with His disciples on the Sabbath." The old lady said, "Is that so?" and the Minister replied, "Yes." "Then," said the old lady, "I do not think any the better of Him for doing it."

Mr. Thorn: What is the moral of the story?

The Minister for Employment: The member for Toodyay will see the point in about a month's time.

Mr. BOYLE: I intend to support the second reading of the Bill but I shall qualify that by stating that, when the Bill is in Committee, I shall move amendments on the lines I have indicated, and if I am not successful in achieving my object, I shall reserve to myself the right to vote against the Bill at the third reading.

MR. STYANTS (Kalgoorlie) [9.47]: I do not wish to record a silent vote on this matter because I have given a great deal of consideration to this very vexed question. When introducing the Bill, the Minister said that Australians were inveterate gamblers and that gambling was a trait in our ancestors and also part of our own national character. I remember a goldfields story, which I believe is authentic. As members know, two-up is regarded as the national game on the goldfields. A schoolmaster in charge of one of the suburban schools on the goldfields wished to test the power of observation of his pupils and tossed a two-shilling piece into the air. His desire was to find out whether the lads could determine from where they were standing what had been tossed in the air, a pocket knife or a pencil or a coin, and if it was a coin, whether the denomination of the coin could be observed. Naturally, he called out, "What is it?" One bright lad immediately replied, "Heads." Contrary to some members who have already spoken on the Bill, and who declared that they had no betting experience, never having had a bet in their lives, I candidly admit that at one time I thought I was an expert as far as horseracing was concerned.

The Minister for Works: Have you been disillusioned?

Mr. STYANTS: Yes, the bookmakers quickly knocked all the vanity out of me. While I have read about horseracing being the sport of kings, inside of a very few years I came to the conclusion that it was the sport of "kinks." I still think it is that, and if anyone wants advice from me, I will give them the advice I have given to my children, strictly to leave gambling alone. Never at any time in my life have I bet beyond my means and never has my wife or family suffered anything because of betting activities in which I may have taken part. I do not agree with the Leader of the Opposition when he says that only weak-minded persons bet, but I do agree with him to the extent that it is only the weak-minded

people who bet beyond their means. I believe that 95 per cent. of the people who bet, particularly with the starting-price bookmakers, bet very modestly and well within their means. In South Australia, where a record is kept of all bets that are made, it has been shown that the average amount of each bet, including the bets of the big punters, is 4s. If I could believe, or if anyone could convince me, that there is a fourth of the amount of distress being occasioned in the community by starting-price betting that it is alleged takes place, then I would vote against the Bill, and I would also vote to abolish betting both on racecourses and off the courses, and also vote for the abolition of horseracing altogether. But I do not believe there is anything approaching the amount of distress and poverty and trouble that is said to exist as a result of betting in starting-price shops.

Mr. Lambert: This is only political propaganda that has arisen during the last few months.

Mr. STYANTS: Within the last six months the Government announced its intention to bring down a Bill to deal with this evil—I believe it is an evil. It took about eight years to disillusion me from the idea of becoming independent as the result of speculating on horseracing. I have frequented shops in my electorate and in the metropolitan area, to observe to what extent the vice is being indulged in. I cannot believe that there is one person in fifty who is betting beyond his means, or who is depriving his home or family of any of the necessities of life. I came to the conclusion that the average man who indulges in a bet with a starting-price bookmaker on race days has limited capital only, capital somewhere in the vicinity of 10s. This is the only type of entertainment in which such an individual indulges. After all, I think that the speculative element or that particular trait in human nature has to be given vent. In most cases very little harm is done, as far as depriving the home or the family of anything that may be required. With a capital of 10s. the individual goes to the starting-price bookmaker and he will engage in an afternoon's entertainment. Perhaps he will have 2s. on something straight-out, or maybe 1s. each way. Then he listens to a description of the race over the air, and to him it is as exciting as if he were actually on the racecourse.

Mr. Thorn: Does he take the 10s. home or does he leave it with the bookmaker?

Mr. STYANTS: Sometimes he takes home more, but I would not advise anyone to take on backing race horses as a means of accumulating wealth because I believe that the odds are always in favour of the bookmaker. When I have gone to a racecourse, I have often thought, when I have seen 19 or 20 horses in a race—perhaps I should not call them racehorses because there may not be one decent animal that could be dignified by the name of racehorse, and would not perhaps run the same type of race twice in succession—that if I backed one at, say, four to one, I would have one running in my favour and there would be 18 or 19 running against me and in the interests of the bookmaker. Naturally, I would think I was the unluckiest person in the world if my horse did not win, and so I am advising anyone who is contemplating the backing of horses as a means of accumulating wealth, to leave it alone. But the man who takes along 10s. to a starting-price bookmaker's shop gets an afternoon's entertainment, and if he loses the 10s., he has had his fun. Last year the president of the West Australian Turf Club, Mr. Lee Steere, said that he did not want to make horseracing a poor man's sport. That gentleman has undoubtedly achieved his objective if the attendance at the last meeting at headquarters was any criterion of the usual attendances there. He certainly got it down to a very select few. It was a very poor crowd that was present, and I went there just to see what things were like. Assuming that the man to whom I referred lost his 10s., he is content because he has had his entertainment for the week. In most instances I do not suppose he receives enough money to permit him to take his wife and children to picture shows.

Hon. C. G. Latham: You can go to a picture show in the suburbs for 1s. 9d. and occasionally only 6d. is charged.

Mr. STYANTS: Many of the people who are opposing the legalisation of starting-price betting will not admit that picture shows are altogether a worthy entertainment for people to attend. The Leader of the Opposition told us that the number of bets recorded in Queensland was 4,000,000, whilst in South Australia, where starting-price betting is legalised, the total was 34,000,000. It has to be admitted that the number of bets

recorded in Queensland was correctly given by the Leader of the Opposition, but I have a statement issued by the country race clubs of South Australia, which deals with betting control.

Hon. C. G. Latham: We all received copies of it.

Mr. STYANTS: Is the hon. member going to dispute the authority of it? Does he intend to deny that it came from the country racing clubs of South Australia? The Citizens' Rights League of Western Australia has excised portions of the South Australian country race clubs' statement.

Hon. C. G. Latham: I suppose you know who they are? They are the people that you say are making all the profit.

Mr. STYANTS: The country racing clubs? The document I have was sent to an hon. member of this Chamber, and at his request a copy was sent direct to me. Evidently other copies got into circulation and probably the Citizens' Rights League also wrote for copies and got it distributed.

Mr. Patrick: If you want information about Queensland, why not get it from the Queensland Premier?

Mr. STYANTS: This is what is said regarding what takes place in Queensland—

In Queensland there are nearly 600 registered bookmakers, and over 600 race meetings are held each year. In the metropolitan area of Brisbane there are four active racing clubs with over 100 racing dates a year. One club alone races on 60 days a year. Another club races on 24 days a year, and there are over 500 race meetings held during the year outside the metropolitan area.

Yet for the whole of the legal betting at all race meetings throughout the State of Queensland last year only 4,000,000 betting tickets were used, compared with 36,000,000 in South Australia. Surely on those figures no one can seriously contend that illegal betting has been eliminated in Queensland, but many critics of betting prefer it to continue underground.

One would find it difficult to believe, with that number of registered bookmakers operating on Queensland courses, and that number of race meetings held there, that only 4,000,000 bets were recorded in the year; whereas in South Australia with a smaller population, 36,000,000 betting tickets were issued or that number of bets made during the year. I am inclined to believe with the country racing clubs in South Australia that the great majority of bets made in Queensland were not recorded, and consequently no information is forthcoming con-

cerning them. I think the Leader of the Opposition said that elders put money on horses with starting-price bookmakers on behalf of juniors.

Mr. Patrick: He said that could be done if the Bill were passed.

Mr. STYANTS: I wish to refer to an incident I witnessed at headquarters last Monday week. I was standing just outside the betting ring. A prosperous gentleman, who had never, I should say, done any hard work, put 5s. on a horse, and handed the bookmaker's ticket over to a lad in knickerbockers, aged about 16. All the abuses do not take place in starting-price betting shops. This one instance shows that all the vice of betting and the immorality associated with betting, do not start and finish with betting shops or starting-price bookmakers. These things are to be seen on racecourses just as they are to be seen off the course. A great deal would be required to induce me to vote for this measure, on the ground that we cannot say to people, "Inside this fence it is legal for you to bet to any extent that your finances permit, but outside it will be illegal and immoral for you to bet."

The Leader of the Opposition made the announcement that a vast majority of the people do not want this legislation. I do not know on what ground he formed that opinion. I should say about 60 per cent. of the people would vote in favour of it and about 40 per cent. against it. We hear that a lot of money is turned over in betting in South Australia. According to a record furnished to the betting commission, bets amounting to seven and three-quarter million pounds were made during the 12 months prior to the appointment of the Commission. I cannot think that all this money is actually in circulation for betting only. Anyone who gives consideration to the matter must agree that about half a million of this money is turned over again and again.

Mr. Doney: The figures are the only basis on which you can form an opinion.

Mr. STYANTS: The hon. member would not suggest that when a bet is made and the money paid, the amount in question does not go back into the betting ring. Of course it does.

Mr. Doney: I agree.

Mr. STYANTS: Two parties appear to be in opposition to the legislation of betting.

The first party consists of religious bodies, to whom I would take off my hat. They are consistent in their opposition to gambling, and do not approve of it in any way. I do, however, take exception to their attitude wherein they appear to be content to allow betting to continue on a racecourse, whilst on the other hand they want all starting-price bookmakers eliminated. That attitude is illogical. If it is illegal to bet in the streets or shops of Perth it must be illegal to bet on a racecourse, and if it is immoral to do so in one case, it is immoral to do so in another.

Mr. Thorn: That is not their attitude.

Mr. STYANTS: If it is not, I retract what I said. I have no desire to misrepresent these people because I have a great respect for them. The other interested party is made up of racing men, breeders and business people. I have not a great deal of admiration for them. They provide the means by which racecourses or starting-price betting, or betting generally, are made practicable. If there were no horse-racing there would be no betting.

Mr. Patrick: Would there not?

Mr. STYANTS: Not on horse-racing.

Mr. Patrick: No!

Mr. STYANTS: People would satisfy their craving by betting in other directions.

The Premier: I have seen bookmakers betting on foot-racing.

Mr. STYANTS: Foot-racing is of greater benefit to the State than is horse-racing as it develops the very best in manhood and womanhood because those engaged in it must train strictly, must be in good physical health, and lead clean lives to be able to compete successfully with each other. Members opposite, particularly those of the Country Party, strenuously object to the abolition of horse-racing. They claim that people have invested large sums of money in blood-stock, and for that and other reasons they think the abolition of horse-racing would throw many people out of work. They are not consistent. The rabbit industry affects them. Quite a lot of money has been invested in it throughout Australia. Millions of pounds have been invested in the marketing of carcasses and the fur of rabbits. I guarantee that members of the Country Party would not worry about other people if the virus, with which experiments are being conducted, proved successful in exterminating the rabbit pest. They would not

be concerned about the capital that had been invested in the rabbit industry, but would immediately demand the release of the virus for the extermination of rabbits, notwithstanding that a number of people would be thrown out of employment.

Mr. Patrick: The extermination of rabbits would bring more wealth to the country, and be the means of employment being found for more people.

Mr. STYANTS: A lot of good might ensue from the abolition of horse-racing. The time when the horse-breeding industry was of great value to the State has long since passed. Horses are no longer used in a military sense. Only about 5 per cent. of them conform to what they were several years ago. I do not think one horse in 40 or 50 could to-day be hitched to a gun carriage and haul it along. The majority of the animals break down in a single preparation for one big race. Assuming a great amount of money is in circulation at the time, members may be interested to know that in South Australia last year, according to official statistics, the loss per head of population was 7s. 3d. That is not a great amount and I am certain that 7s. 3d., which was the amount lost by the average punter last year in South Australia, would not jeopardise the interests of the home or the welfare of the man's family. In the aggregate 7s. 3d. per head would represent a large sum, but what becomes of that money? It is not destroyed, nor does it pass into thin air. If the bookmakers win that money, they probably build more houses or buy additional motor cars. Thus the money is in circulation all the time, and the people get the benefit. If by some mysterious process the money were destroyed and that 7s. 3d. per head represented a total loss to the people, then one could readily agree that it represented a catastrophe. The fact remains that the money is in circulation, irrespective of who may have won it. It does not matter whether the individual is a lucky punter or, as is more often the position, the bookmaker. We often hear about misappropriations by youths. Instances are quoted of money belonging to employers being stolen by lads so that they can bet with starting-price bookmakers. Unfortunately isolated instances do occur of boys stealing their employers' money.

Mr. Doney: And also of some men.

Mr. STYANTS: In those instances, the young men have used the money in order to make bets. As the amounts so misappropriated are usually small, the youths are not able to go to the racecourses but make their bets with the starting-price bookmakers. When such incidents occur, we generally see glaring headlines in the press. We do not hear so much about the unfortunate employee of a bank or a large business concern who does not misappropriate a matter of shillings, but often hundreds or thousands of pounds. Youths who steal on that basis do not lose the money to starting-price bookmakers, but they go to the racecourses. The young man who has the money that enables him to pay for transport to the racecourse and the high entrance fees that are demanded, naturally goes to the racecourses, for I cannot imagine the average man staying away.

Mr. Marshall: In Queensland one man stole £4,000.

Mr. STYANTS: And in Perth recently a bank employee misappropriated about £1,038. There have been such regrettable incidents but that money is usually lost on racecourses to a far greater degree than with starting-price bookmakers. The passing of laws by Parliament will not make the people more moral or less immoral. Self-restraint and commonsense represent the greatest safeguard against the evils to which human nature is prone. If the education of the adolescent is along correct lines, much better results can be expected than from any statute we can enact. I always advise my children not to have anything to do with gambling on racehorses or anything else. They have had the good sense to accept that advice, and neither has been on a racecourse nor indulged in any form of gambling. Most of us have passed through the period when we wrongly imagined we could make money by backing racehorses. Some of us have attained disillusionment after a more or less extended period. Those who are weaker minded, to use the expression of the Leader of the Opposition, and indulge in gambling and fail to realise the foolishness of it, cannot bring themselves to discontinue the practice. I believe that 90 per cent. of the people either bet well within their means merely for the sake of excitement or the thrill they derive from it, or have entirely

forsaken indulgence in the practice. What will happen if the Bill be passed and betting with starting-price bookmakers is abolished? The man who is weak minded and cannot control himself is in a different position, but most people have the sense to realise that they should bet only with their surplus money. Men who adopt that course do not endanger the welfare of their wives and families, but if starting price betting were prohibited they would not bother. When men go to the racecourses, they incur the extra expenditure involved in transport and pay the high fees demanded for entrance to those places. At the racecourses, they find they bet in larger amounts than was necessary when they went to the street corner and placed their bets at 2s. a time, or whatever amount they desired to invest. I think that 90 per cent. of the people are evenly balanced mentally, and would not bother about going to the racecourse, or about not being able to place a bet with the starting-price bookmakers. It is said that from 30,000 to 35,000 people will attend a football final, while small attendances are recorded at racecourses. The disparity is explained because footballers are all triers. When one goes to a racecourse, one often has the spectacle of a horse starting at long odds, running down the lane, to use sporting parlance, and, when backed by the right people, winning with ease. No inquiry is held, and the people become disillusioned. They do not get a fair crack of the whip.

Mr. Marshall: If an inquiry is held, the jockey usually gets the penalty.

Mr. STYANTS: Even so, such inquiries are always held in camera, and the public rarely, if ever, get to know the actual explanation tendered by those connected with the horse. I shall deal with one other matter only, and that is the statement that has appeared from time to time in the Press regarding the situation that arises from the legalising of starting-price betting. It has been stated that the adoption of that course in South Australia encouraged the youth to indulge in betting, and that has been urged by those participating in athletic pursuits. We have been told that football clubs and others associated with organised sports have experienced difficulty in getting teams together because of the lure of the legalised starting-price betting shops. I shall quote from a document not issued by the Start-

ing-price Bookmakers' Association but by the Country Racing Clubs of South Australia. This is what they say—

We are firmly of the opinion that the average fair-minded citizen desires the present conditions to continue. At the same time he considers that the patron of betting premises should pay a special tax in order to assist the racing clubs and racing generally.

We offer you these suggestions in the best of faith, and with the definite belief that they will give satisfaction to the general public.

We ask you to dismiss the vague generalisations that the present system has affected the moral fibre of the community because all the evidence is the other way.

During the last few years there has been a marked increase in the number of people playing sport. In 1930 there were 46 affiliated tennis clubs with 9,000 members. Last year there were 78 clubs with 13,500 members.

The total number of tennis players, members and non-members in the metropolitan area alone, is computed at 25,000, an increase of 25 per cent. in four years. Winter hard court tennis players have increased by 7,000 per cent., badminton by 1,000 per cent., golfers 100 per cent., baseball players 500 per cent., soccer players 700 per cent., and hockey players 800 per cent. Swimming club and life-saving members have increased from 4,000 to 10,000 in four years. The increase of affiliated playing members of clubs in various active sports in the last few years has been over 30,000. (This does not include the huge increase in the number of people playing sport privately.)

Ten years ago the proportion of convictions for drunkenness per 1,000 inhabitants was 10.89. Last year it was only 4.46. There has also been a marked decrease in serious crime. Ten years ago the daily prison average was 1 in 1,334 of population. Last year it was 1 in 2,570 of population.

There may have been a slight falling off in sales in some country and suburban businesses, but this is due to the growing centralisation of business.

However, the stability and progress of the average suburban and country business must be reflected in the amazing growth in the profits of the wholesale warehouse businesses. For example, in 1935, the profit of Goode, Durrant and Murray, Ltd., was only £1,873, but by last year its annual profit had grown to £38,447. Statistics show that since the operation of the system of controlled betting the business of city retail shops has increased enormously.

In 1930, before the depth of the depression, and before betting was controlled, the following seven shops, viz.—Chas. Birks, Clarksons, Harris Scarfe, Colton Palmer and Preston, Malcolm Reid, Miller Anderson and Myer Emporium, had a total capital of over £3,000,000. Their total net profits for that year were only £7,113. Last year, on a capital of £2,500,000, their total net profits reached the huge sum of £227,372.

Furthermore, the financial position of the public has improved despite troublous times at home and abroad.

Ten years ago the Savings Bank deposits in South Australia were £41 6s. 10d. per head of population.

By this year they had increased to £46 per head and constituted a record both for this State and for the Commonwealth.

That is a clear indication that the legalising of starting-price betting in South Australia has not been the unmitigated evil some people would have us believe. Starting-price betting as conducted in this State at present is a scandal, and I commend the Government for making some attempt to control it. I intend to support the Bill. There are certain features with which I do not agree. One portion of the Bill which does not meet with my approval is that providing for the closing of shops at 1 o'clock. If we are going to legalise and control starting-price betting, let us do it wholeheartedly. Let us not have a hybrid system under which we will encourage a continuance of illegal betting. In my district on every other Saturday a miner who does not come off shift until after 12, and does not reach home until 1 p.m., will not be able to make an investment, if the shops are closed at that hour. I will not support any proposal that permits betting on horseracing at racecourses, but endeavours to make betting on horseracing outside a racecourse illegal. That is illogical. It is class legislation, and I do not propose to support it.

I know there is a vast difference of opinion as to whether this industry, if one can so call it, should be legalised and controlled, or whether we should endeavour to abolish it altogether. The statement has been made that the police could close the shops if they enforced the existing law, and I quite believe that to be so. But to close shops will not prevent starting-price bookmaking. It will only drive starting-price bookmaking from the highways into the byways and, as with the attempt to enforce prohibition in America in opposition to public opinion—for every law placed on the statute-book must have public support—greater evils will be created. More harm will be done by attempted suppression than in the legalisation and control of this business. I was threatened by one of the civic fathers in Kalgoorlie recently that if I supported a measure to legalise and control starting-price bookmaking, I would lose my seat at the next election. I am prepared

to take that risk. If the legalising and control of starting-price betting is made an issue at the next election, I will stand up in Kalgoorlie and tell the people my reasons for supporting it, just as I am doing in the House to-night.

MRS. CARDELL - OLIVER (Subiaco) [10.26]: We have heard so much about this question that I am sure every member is very tired of it. If a vote had been taken last night, the Bill would certainly have been lost.

Mr. Sleeman: How do you think it will go to-night?

Mrs. CARDELL-OLIVER: It will not go to-night at all. I would like to give every member credit for sincerity in his outlook. I wish particularly to answer the remarks of the member for Avon (Mr. Boyle), and of those who dealt with the moral aspect. I agree with the hon. member that it would be difficult to know exactly who established the moral basis; but it must be realised that we are all at different stages of evolution, both morally and intellectually. We can regard the matter only according to our own standards. Whether mine are right and those of other members are wrong, I am not prepared to say; but I prefer to live up to the standard I have set myself.

Two arguments that have been advanced during the debate have particularly impressed me. The first is that many members have declared that they were not influenced by letters from organisations or churches. Every member is elected by the people. The people had not a chance when we were elected to tell us what were their wishes with regard to this matter. Although many members say there was a good deal of starting-price betting at that time, I did not find it so. The matter did not come under my notice at all. There was only one starting-price shop at Subiaco, whereas to-day there may be 15 or more. It was therefore not an issue with me, and I am grateful to all those people—bookmakers, churches and organisations—in my electorate, who have sent me letters giving me their views. It is only in that way that I am aware of what they want, and I represent them. The next thing is that the majority of members declare that betting is an inherent evil. The extraordinary thing, however, is that the majority of members who have stressed the point say

they have never had a bet, have never been to a racecourse and know very little about the subject. Yet they talk about it. Are they the only pebbles on the beach? These wonderful men, who know nothing about the subject, and who represent the people, say that everybody else has the inherent evil of gambling. They themselves are without that inherent evil. What do they know about it?

Why do we make laws? Is it not because we endeavour to conquer those evils which members class as inherent? If we were not to pass measures to remedy those evils, we would get back to the days of savagery. If we did not legislate against many known evils to-day, they would become so rampant that civilisation itself would be doomed.

I was much struck by the fact that the member for Avon (Mr. Boyle) had wired to Mr. Ogilvie, the Premier of Tasmania, for information about the legalisation of betting in that State. I also wrote to Mr. Ogilvie by air mail and received a long letter from him in reply. When a member requires information from another State, however, he should write not only to the Premier, but also to the Leader of the Opposition and to organisations in the State, so as to get a clear view of what is happening there. That is what I took the precaution of doing, although I did receive a letter similar to that received by the member for Avon from the Premier of Tasmania, saying that the betting shops there were quite satisfactory. On the contrary, I received letters and telegrams from organisations and people in Tasmania telling me that the regulation of betting in that State was anything but satisfactory. Traders were complaining bitterly about the starting-price cubicles—they were not shops—in Launceston and Hobart. There are three clubs with many cubicles and from 700 to 1,000 people attended each of the clubs in each town during an afternoon. The clubs were considered to be unhygienic and ordinary traders were protesting.

The member for Avon also said that 13 Independents were returned in South Australia not because of any agitation against betting, but in spite of it. I could not accept that statement, because I had been written to and wired by various organisations asking me to help in a campaign in favour of many of those independents, and the one issue was the betting shops.

Mr. Raphael: You got different invitations.

Mrs. CARDELL-OLIVER: We naturally get different invitations according to our moral and intellectual position in this House. We have heard a great deal about what the South Australian Royal Commission did. The statement has been made on both sides of the House that the Commission was a very fine one. I presume members have taken notes from the report. The Royal Commission, in its report, said that the board had stamped out illegal betting, wherever they found it, by transforming it into legal betting. The Commissioner of Police and the chairman said, in the report, that they considered the present system of betting control shops was ideal, but the Commission concluded that their evidence was of little value in considering the problem. The Commission found that the board did not concern itself with the social and economic effects of the system that it was creating. It did not concern itself with imposing restrictions that would tend to reduce betting, but rather it made concessions that would tend to increase betting—not with the object of increasing it—but with the fear of illegal betting. I quote now from the report:—

The powers given by the Legislature to the Commissioner of the Police for the suppression of unlawful gaming, particularly those conferred by Section 80, were not fully used in the years in which illegal betting was prevalent. Notwithstanding certain difficulties that confronted the police we think that an effective campaign could have been conducted. With respect to Section 80, the Commissioner gave the following evidence to the Royal Commission of 1933 as to the use of his powers in this connection. He stated that he knew illegal betting was taking place in Tattersall's Club and in all metropolitan hotels except about two, and in nearly all country hotels. The usual obstructions to detection, such as nit-keepers, warning bells, etc., existed. He was asked by a member of that Commission and gave the answers set out—

In regard to hotel betting, have you considered the question of having an hotel declared a common gaming house?—Yes, but it necessitates approaching the Supreme Court and obtaining an order. I would need to have police officers on the premises to question every person entering the hotel, and I consider it would interfere too much with the rights of private persons. I am not prepared to do it.

Is there any difficulty in obtaining the declaration that it is a common gaming house?—I think not, but it is futile because we would have to interfere unwarrantably with a number of innocent per-

sons. The onus is upon Parliament to amend the Act.

The police had ample evidence on which to act and would not have had any real difficulty in obtaining from the Supreme Court orders declaring practically all hotels to be common gaming houses. The Commissioner's reason for not so acting was that he was not prepared to do so because of the interference with the rights of innocent persons. With respect, we consider that the Commissioner misunderstood his functions in regard to this section and exaggerated his difficulties. Parliament gave him the necessary powers, and it was his duty to bring the facts under the notice of a Supreme Court Judge and apply for orders in every case in which the facts appeared to warrant it. We do not think that it would have been necessary to question every person going into "quarantined" premises, as the police would have been capable of exercising and would have exercised reasonable discretion and common sense in this part of their activities. But, be that as it may, these consequences must have been contemplated by the Legislature when it granted such drastic powers and vested them in the Commissioner.

It shows conclusively that the Commissioner of Police had in the old days the opportunity to suppress betting but did not attempt to do so. From the economic aspect the Royal Commission says—

We find that—(a) The amount expended by South Australians in betting is beyond what is reasonable; (b) A large number of people lose money which they cannot afford to lose; (c) A large amount of money which is spent in betting could and should be profitably applied to legitimate channels of trade; (d) On mid-week race days much time is wasted by bettors to the detriment of industry.

It has been remarked, by the last speaker I think, that very little money is actually invested. On that point I shall quote from a little pamphlet which was distributed to members of this Chamber about six months ago—

Three-quarters of money handled by the bookmakers passed through the betting shops. Legitimate business is suffering. £5,350,493 exchanged hands in 1936-37 in 323 betting shops—each shop had an average yearly turnover of £16,565; a weekly turnover of £318.

Member: The £318 would be turned over and over many times. That is not a tremendous lot of betting among seven millions.

Mrs. CARDELL-OLIVER: The pamphlet continues—

Two-thirds of the total turnover in the betting shops come from small investors—the average amount risked weekly by these during 1935-36 was £1 ls. 8d. each (this has been officially computed). In pre-betting-shop days investors on the average were spending weekly

9s. 5d. each on illicit betting (data for calculation derived from figures in report of S.A. Betting Commission, 1933).

Those are figures which cannot be disputed.

Mr. Styants: They do not make my figure of 7s. 9d. incorrect.

Mrs. CARDELL-OLIVER: I have taken those figures from the last report. The hon. member spoke of a man who went out every week with 10s. to spend on betting. The hon. member said the man preferred to spend the money that way; he did not like to go to the pictures, for example. I could not help thinking that while the man went out with the 10s. the wife stayed at home, as they had only 10s. to spend. In conversation with a South Australian business man, I was informed by him that of his employees 3 per cent. used to patronise illicit betting shops but that the figure had risen to 50 per cent. under legal betting. In 1936 betting increased by 31 per cent. over the previous year's figures, while wages increased by only 16.75 per cent.; and this percentage does not apply to farm hands, civil servants, and others. Now I take the evidence of a bookmaker, Mr. Lewis. He, like many members opposite, was satisfied with the existing system, but said he thought the restrictions should be lifted. Further, he desired a reduction of the turnover tax from two per cent. to one-half per cent. Similarly he urged that the stamp duty on wagers of over 10s. should be reduced from 3d. to a half-penny. He also stated that in 1933 bookmakers would have been satisfied if they had been granted permits to operate on the courses and at Tattersall's Club. The 1933 Act, Mr. Lewis said, gave the bookmakers something which in their wildest dreams they had never dreamt of. Now, the South Australian Commission reports, bookmakers ask not only for permits for premises but also for permits for courses, for premises without restrictions, and for reduced taxation.

Now dealing with the social aspect the South Australian Commission reports—

(a) More people are betting than prior to the 1933 Act and more money is being gambled; (b) Participation in and attendances at other sports on Saturday afternoons are prejudiced; (c) Many of the betting premises are unsuitable for the purpose and, in particular, are unhygienic; (d) Many people have acquired an exaggerated idea of the status and real place in the life of the State of the bookmaking business.

I have here a photograph I took when in Adelaide 18 months ago. It is the photograph of the entrance to a betting shop on Saturday afternoon. There are four women, two babies in arms, and one child. They are standing at the door of a betting shop right in the heart of Adelaide. I took many photographs of the kind, and can produce them. This is just one I happened to have in my bag. In Adelaide we find people betting who can afford to bet, and also many people betting who cannot afford to bet. Some members must know that even in Perth rations are traded in for betting. Tickets given by the Presbyterian Church for bed and breakfast at the Salvation Army Home in Pier-street are traded in for betting as well. One can visit betting shops in Murray-street or near the Salvation Army quarters and find them crowded to the doors. A clergyman told me that he parked his car in front of a betting shop on Saturday afternoon, and saw two women come out—an old woman and a young woman. The young woman said, "What are we going to tell Dad?" The old woman said, "I don't know." The young woman thereupon said, "Well, you made me plunge." The poor things had absolutely gambled away every penny they had—this mother and her daughter—and they had to go home and make some explanation to the father. Of two men who came out, one took the sack of his pocket out and said, "Look, I haven't a penny. Will you give me a couple of bob or the missus will get on to me." I could tell tales galore, enough to keep hon. members here all night, of people betting in those places with disastrous results.

Mr. Raphael: The same scenes can be witnessed on the racecourse.

Mrs. CARDELL-OLIVER: In Adelaide it has been thought necessary to introduce into the educational system lectures against gambling, because gambling is so prejudicial to children. The member for Avon (Mr. Boyle) has told us he would prefer to have clubs here. I went into several clubs in Adelaide, including Tattersall's. That club is underground. It was crowded to the very door. When I went down the steps I felt a touch on the shoulder and a man said to me, "You can't come in here; you are not allowed in here." I said this was the first decent betting shop I had visited in Adelaide. I asked the man why I was not allowed in. He replied, "I do not know, except that the lights might go out."

Mr. Raphael: You were quite safe.

Mrs. CARDELL-OLIVER: I went straight back to Mr. Jerry and told him I was not allowed in the betting shop. He said every club must allow women to enter the premises if they wish to do so. Reference has been made to men losing money on the racecourses but not in the betting shops. A short time ago a boy in Adelaide was indicted for stealing £600 from the bank in which he worked. His bank was in a small country town and opposite a betting shop. He spent £600 in that shop and is now in gaol.

Mr. Fox: A man who was employed on the Horseshoe Mine stole money, but did not spend it on betting.

Mrs. CARDELL-OLIVER: Two wrongs do not make a right. When I was in Adelaide I saw carts drive up to betting shops, and the drivers, in their employers' time, went into the shops and made their bets. Some of those places were converted garages. When the legislation in South Australia was being framed provision was made to give the board great liberty in regulating betting conditions. We know here what can be done by regulation from the number of motions that were recently moved to disallow certain of them. Likewise we know how boards can misuse their powers. In South Australia betting shops increased from 244 in 1934 to 330 odd to-day. In one or two betting shops there it is possible to obtain afternoon tea, and the places are equipped with wireless and books to encourage women to enter. The excuse of the board for all this is "If we do not offer every facility for encouraging betting in these places we may encounter illegal betting." The South Australian Act created a distinction between city and country betting places, by providing that when a race meeting, at which bookmakers were permitted to operate, was held more than 25 miles from the registered post office all registered premises within 10 miles must close. That does not operate to-day. The explanation of the board is that if these places were closed the townsfolk might engage in illegal betting, so it was decided to allow them to remain open. In this State we have a racket in rents, but that does not occur in Adelaide where the rents are very moderate. I know of a place here that was rented for £4 a week, but the owner now receives £14 a week from a starting-price betting man that has leased it.

Mr. Raphael: The Perth City Council was a starting-price betting shop.

Mrs. CARDELL-OLIVER: I wonder that any member of this Chamber could belong to a body that permits such illegal practices to go on.

Mr. Raphael: It is showing a good turnover.

Mrs. CARDELL-OLIVER: A Royal Commission was appointed to inquire into the city slums and the rents that were charged.

Mr. Raphael: I was not aware that it inquired into rents.

Mrs. CARDELL-OLIVER: The Royal Commissioners had before them a number of poor girls from Roe-street, in an endeavour to ascertain what rents they were paying, but refrained from calling starting-price bookmakers to find out what rents they were paying.

Mr. Raphael: We have only just ascertained what a lucrative business it is.

Mrs. CARDELL-OLIVER: The member for North-East Fremantle (Mr. Tonkin) referred to tipsters' places in the other States. One of the bookmakers told the South Australian Commission that no less than £15,000 was sent out of the State to one of those men in connection with one particular race. There is not only one avenue, therefore, through which money leaves the State. The statement has been made that racing is rampant in Victoria. I did not find that when I was there, but not being a bettor I would not necessarily be able to get to the root of that matter. I interviewed the Commissioner of Police, who told me that if I could take him to one betting shop in Melbourne it would be closed in half an hour. I have offered to show our own Commissioner of Police where betting shops are, but he has not told me they will be closed in half an hour. Members have said that starting-price betting is the poor man's sport. He cannot afford transport to the races, nor the entrance fee to the course, so he goes to a betting shop. In Adelaide there are betting shops quite close to a racecourse. The flat at that course is free to the public, but the flat is empty and the shops are full whilst races are going on.

Mr. Tonkin: Can you explain that?

Mrs. CARDELL-OLIVER: No.

Mr. Raphael: Short odds and civility.

Mrs. CARDELL-OLIVER: Our police department has power to close these places, and similar power exists in South Australia.

If the law were enforced we could rid ourselves of these shops within a short time. Innumerable betting agencies have been established in Western Australia. I went into one of these places in Kalgoorlie. The walls were covered with telephones, and men were using them for the dissemination of information. I believe a large one is to be found not far from Parliament House, and that it takes in telephone calls £1,500 a year, but this year will take £2,000. In Queensland between 1927 and 1935 these agencies took £45,000 in telephone calls, but they have now been suppressed in that State. We have heard from the Leader of the Opposition about the silent telephones, so I shall not labour that phase. I believe Parliament has power to suppress those silent telephones. It has been suggested that bets can be obtained in Queensland. I do not know whether that is so. When I was in Brisbane, I saw the Acting-Premier, who told me that betting had been suppressed. I interviewed members of the Opposition, and they said it had been suppressed. I saw the Attorney-General and other Ministers, and they all lauded the legislation that had been passed, and said betting had been suppressed.

Mr. Rodoreda: The legislation has not been in operation long enough to enable them to find out.

Mrs. CARDELL-OLIVER: Legislation was introduced by which betting under the lap was to be prohibited, but the validity of that legislation has not been established. I wish to reply to the member for North-East Fremantle (Mr. Tonkin), who was so emphatic in his assertion that the Royal Commission he referred to had recommended the continuance of betting. That is true, but the Royal Commission had no power to do otherwise.

Mr. Tonkin: Did it not?

Mrs. CARDELL-OLIVER: That is the position.

Hon. C. G. Latham: Read the terms of reference.

Mrs. CARDELL-OLIVER: I intend to do so. The terms of reference are set out as follows:—

1. Every phase of the existing betting laws in South Australia and other Australian States, and the practice thereunder relating to betting, gambling, and cognate matters.
2. What changes, if any, in the South Australian laws are desirable and practicable.

Hon. C. G. Latham: That is the point. What changes in the law are necessary.

Mrs. CARDELL-OLIVER: Yes, in the South Australian law.

Hon. C. G. Latham: The terms of reference did not make it necessary for the Commission to report whether the law should be left as it was, amended, or repealed.

Mr. Rodoreda: Or changed.

Mr. Raphael: The explanation of this position has certainly been placed in the wrong hands.

Mrs. CARDELL-OLIVER: Next I wish to deal with the turnover and taxation. The South Australian Government reaps a huge return because of the tax on the turnover. In 1937, the turnover tax returned £141,158 0s. 9d., while the stamp tax on tickets produced £88,310 8s. 4d., making a total revenue from those sources of £229,468 9s. 1d. That represents 3.25 per cent. on the gross turnover of £7,057,575, and 42.476 per cent. of £540,223 shown as the aggregate profits of bookmakers. A turnover of £112 a day may emerge from as small an amount as £18.

For a moment or two I wish to deal with another phase in respect of which I agree to a certain extent with the member for Claremont (Mr. North), who urged that this is a matter for the people. I believe that 80 per cent. of the population of Western Australia is opposed to betting, and if a referendum were taken I believe that starting-price betting would be rejected, and an anti-betting vote would be recorded. If I found that 60 per cent. of the electors of Subiaco were in favour of betting, I would resign, because I would not regard myself as truly representative of the electors. Members must recognise that it is the homes that make the nation, and the economic position of a country where 80 per cent. of the population receives the basic wage or less and so many indulge in gambling, is impossible. The practice is ruining the young folk morally, and I can give the House many instances of youths that have been incited to bet and have been ruined. The same thing applies in South Australia.

Mr. Raphael: You speak of your own family, and let others speak of theirs. My son is not a bit ruined by it!

Mrs. CARDELL-OLIVER: The hon. member said his son was ruined by eating

lollies and not drinking milk. I consider the gambling evil is ruining the youth of Australia, and as representatives of the people we have no right to legislate for the continuance of a practice that the people themselves do not favour. I emphatically oppose the Bill, because I believe it is morally evil, economically wrong, and rotten. No nation can progress that hopes to derive money from such a source. Moreover, we have not received a mandate from the people to endorse this legislation.

MR. HUGHES (East Perth) [11.9]: We have heard a lot about Royal Commissions, but I am not very much concerned about what members of such bodies have said.

Mr. Marshall: You have been instrumental in securing three or four.

Mr. HUGHES: Apparently Royal Commissions are not expected to get down to the truth of issues. I was amused to read the first paragraph of the leading article in the "West Australian" this morning, where it was stated that a certain Royal Commission had delivered a very temperate and judicial report. The leader-writer went on to say that what was more surprising was that it was a unanimous and constructive report. Apparently, the Royal Commission issued a constructive report, and in a moment of credulity the leader-writer expressed his surprise.

Mr. Thorn: I bet the member for Victoria Park had nothing to do with it.

Mr. Styants: This is a bookmakers' Bill.

Mr. Raphael interjected.

Mr. HUGHES: I do not propose to be guided by remarks contained in the report of a few gentlemen, no matter how competent or estimable they may be.

Mr. Raphael: One of those men was not present at the investigations to any extent.

Mr. HUGHES: We have our own experience to go by, and some of us know something about betting, both on and off race-courses. I say without hesitation that no one will make money out of backing horses because in the long run the odds are too strongly against the punter. Particularly has the starting-price punter no chance at all, because of the low price he obtains when he picks a winner. I am sorry those who are leading the opposition against the Bill did not take up their stand on the point that whatever the law may be, it must be obeyed by rich and poor alike. While the statute-

book contains laws prohibiting betting, those laws should be enforced. It is absolutely ridiculous for anyone to say that the police cannot enforce the betting laws. If the police wanted to enforce the betting laws and were given a free hand, they could close up the betting shops in three weeks.

Mr. Lambert: That would not stop betting.

Mr. HUGHES: It would stop betting. Then the police could go to the racecourse and clean up betting there. For the last ten years or so influential people with money have been able to flout the law. During that period there has been no law in Western Australia for those with money. That is why starting-price betting has developed so rapidly. No system of lawlessness can continue as it has done in Kalgoorlie except as a result of the extensive bribery of constituted authority. It would be impossible for anybody to continue to break the law in that way unless someone in authority was being extensively bribed. That has been more or less the position in the metropolitan area also.

Mr. Lambert: Who is bribing the police force?

Mr. HUGHES: I suggest that someone in authority is being bribed.

Mr. Lambert: Whom do you suggest?

Mr. HUGHES: I ask the hon. member to park his motor car in a wrong place for five minutes and see whether the police are blind. He would very soon find himself with a little note asking him to call at the department. How is it that the police can enforce the traffic laws, and all the other laws, but cannot enforce the liquor laws and the gambling laws? There must be a reason for it. Let hon. members talk to any police officer of the betting squad. He would say, "We could clean them up if we were allowed." The police could go to these shops for three or four weeks running and could arrest the proprietors. They know who are the real proprietors of these places. Any police officer can tell us that. The magistrates are largely to blame for the present condition of affairs. If members will go to the Perth police court on any Monday morning they will see the most amusing comedy imaginable taking place. They will find a poor looking youth, obviously one who has been out of work for a considerable time, haled before the bench for being the proprietor of an extensive bet-

ting shop in the city. The magistrate accepts his plea of guilty and fines the man £50. If the magistrates did their duty they would ask some of these people where they get the money to run the betting shops.

Hon. C. G. Latham: Who employs them?

Mr. HUGHES: They are not supposed to be employed. They should be asked where they get the money to run the betting shops and if the magistrates did not receive a satisfactory answer, they should adjourn the case in order that private investigations might be made. That is what they would do if they did their duty. But if members were to go to the police court on Monday mornings they would see that comedy enacted time after time. I once saw an old-age pensioner charged with keeping a big betting house. He was fined £50 and did not ask for time in which to pay the fine. Can we for one moment believe that the magistrates are so dumb that they do not know they are parties to a travesty of the law? They know as well as we do that they are imposing fines of £50 on men who are being paid a couple of pounds to appear in the court and act as deputy prisoners for the real proprietors. That has gone on for ten years. It has been known to every member of the Cabinet. I am sure the Minister for Police knows it. Different Ministers for Police have known for ten years that their officers could stamp out betting the moment they said "Go ahead." It is the duty of the Minister for Police, if he sees around him extensive lawlessness, and observes that certain people are obeying the law and other people are not, to ask the police officers why they are selecting some people for prosecution and not others. The responsibility has rested on the Minister for Police; not the present Minister in particular, but on all the Ministers we have had for the last ten years. The Minister is paid to see that the law is enforced and if those entrusted in a subordinate way with the enforcement of the law are not doing their job, it is the Minister's duty to see that they do it. In view of the fact that year in and year out some people are prosecuted and fined and others have complete immunity from obedience to the law, all men in gaol in Western Australia have been victimised. They are in gaol only because they had not the wealth and influence to prevent the law from being put into operation against them. I should have liked

to see those opposing the Bill take their stand on that point and insist that whatever the law is, it must be enforced. Had the gambling law been rigorously enforced or even reasonably enforced as other laws are applied against other sections of the community, this problem would have been dealt with in Parliament long ago. A Bill should have been introduced either to provide for the licensing of betting, or to stamp it out. There never has been any need for a law to stamp out gambling. I would imagine from the speeches of some members that they would be in favour of a complete repeal of all laws against gambling.

I have played all the gambling games known to people in Western Australia; I have bet on the racecourse and off the racecourse. But I do not think that we should encourage gambling. The encouragement of gambling is not good for the community. Chance, it is true, plays a large part in our lives. If we cannot stamp out gambling, the best thing for us to do is to regulate it in such a way that it will be productive of the least harm. I do not know that extensive licensing will bring about a reduction in betting. I happened to be in South Australia for a few weeks three years running and had a chance of observing the betting shops there. They were much worse than the unregulated ones in this State. Gambling is said to be a vice, but virtue and vice are relative terms, after all. If gambling is inherent in people, the more facilities there are provided the more gambling will there be. One complaint made against the Japs in Manchuria is that in order to get money they licensed gambling dens and dope joints, places where people could get opium and other narcotics for 20 cents. One complaint made against them is that when they started licensing opium dens and other narcotic institutions they developed the trade in those narcotics. A loud complaint has been made against the Japanese that by their legalising the trade in narcotics they are sucking the vitality of the people they have conquered. By undermining the vitality of the conquered people, the Japanese are making surer of the destruction of their enemies than if they employed fire and the sword. On general principles, we should give the least possible encouragement to gambling. The racing industry is wrapped up with betting on horses. We know of the malpractices that take place on racecourses.

The member for Kalgoorlie (Mr. Styants) said that when he was betting on one horse, the bookmaker had 18 against his one. Sometimes the bookmaker had his one, too.

Mr. Styants: I would not doubt that.

Mr. HUGHES: I remember the price of a horse being two to one and asking a bookmaker friend of mine what his price was. He said, "Five to one to you." So I put my money back in my pocket. I cannot agree to the proposition that gambling should be made lawful on a racecourse, but should be unlawful off the course. A man wants at least £5 if he intends going to the races. There are men who can afford to attend the races each week and take £5 with them. A man with an income of £20 a week can fulfil his obligations to his family and discharge his other commitments, and still have £5 over for amusement. That amusement may take the form of the exhilaration he gets from fighting his way through to get his money on with the bookmaker and seeing his horse run more or less down the field. I cannot assent to the proposition that we should legalise betting on courses only. One man may have £5 to spare for betting on a racecourse. His neighbour may have only 10s. to spare. Are we to say to the man with £5, "You can waste your money on gambling; you can have your bet on the racecourse, we approve of that. You are spending 25 per cent. of your income on pleasure and we agree you should be allowed to do so?" But to the man who has 10s. to spend, although that may likewise be 25 per cent. of his income, must we say, "You shall not spend that 10s. on betting?" That seems to me an illogical discrimination between the rights of those citizens. It is incorrect to say that people cannot afford to bet.

People must have amusement of some kind or another. A proportion of each person's income ought to be devoted to amusements. One member of the community may elect to spend 10s. a week on tobacco and get his pleasure out of that. He should be allowed to do so. Another member of the community may elect to spend 10s. on betting. On general principles, he should be allowed to do that.

This Bill attempts to legalise betting both on and off the course. People can legally make bets on the totalisator on the course. The stand I take is that, whatever the law may be, it should be enforced against rich and poor, humble and influential alike. The

growth of starting-price betting in this State is due to the fact that those in authority will not discharge their duty by enforcing the law. For that reason starting-price betting has developed until we have arrived at a stage when starting-price bookmakers claim almost a prescriptive right to break the law. I venture to say that if a starting-price bookmaker were in this House, members who bet now on Saturdays only would be inclined to bet during the week, because of the additional facilities afforded. I shall do my best to see that such temptation is never placed in the way of members of this House.

I was inclined to vote for the second reading of the Bill with the idea of securing certain amendments in the Committee stage; but after listening to the member for Avon (Mr. Boyle) I am not sure that I will vote for the second reading.

Mr. Boyle: One convert!

The Premier: Some members seem to change their minds every hour.

Mr. HUGHES: The member for Avon, if I understand him aright, proposes to vote for the second reading and, when the Committee stage is reached, to amend the measure so as to cut out all the betting shops in the metropolitan area.

Mr. Patrick: That would not suit the starting-price bookmakers.

Mr. HUGHES: Why should the member for Avon say that men living in Merredin who are unable to attend race meetings, either because of the hours they work or because they have not sufficient money, should be provided with betting facilities in Merredin, while the men living in East Perth, under exactly similar conditions, shall not have the same facilities? That seems to me more illogical than to license betting on and off the course. There is another grave danger. If some members assist to carry the second reading, we might find ourselves in this position. Some of the members who voted against the second reading might assist the Government to carry certain amendments making betting legal only on racecourses. On the strength of that limited legislation, the third reading might be carried. That is another risk we take. It would be an abomination to vote for the second reading in order to get a uniform law for all the people, and then find that a privileged section would be favoured by

the legislation. Of what use is it to the electors of East Perth who desire to indulge in betting on Saturday afternoon to have betting shops open till 1 o'clock only?

Hon. C. G. Latham: Not a bit of use. It would only be an encouragement to them to break the law.

Mr. HUGHES: Most of the electors of East Perth have to work hard for their living, and as a rule do not cease work on Saturday until 1 o'clock. If they want to bet on the races, they will have to get to the betting shops before 1 o'clock, and if they desire to bet on the six races they will have to make their bets with the bookmaker for the whole six races before that time. The shop bookmaker then will go to the course. Say he gets 10s. from A on a horse in the second race. He bets starting-price. Now, when the odds at the course are called, that particular horse might open at seven to one. If the public backed the horse until the moment before the race, the horse would be two to one. So the bookmaker who got the 10s. from the bettor in East Perth before 1 o'clock, being on the course, puts the punter's 10s. on the horse, getting sevens, or perhaps five to one. He knows that if the horse wins he has only to pay the punter two to one, which is the actual starting-price. So he has a margin of three or more to one. Such a man is not a bookmaker at all. He is a betting broker. The East Perth elector must give that man the money before 1 o'clock and the man goes out to the course having in his possession, say, £5. He invests half the punter's money in such a way that he himself will have £2 10s. if the horse loses and five times £2 10s. if the horse wins. That is not gambling at all, because in gambling both parties must have a chance.

The closing of betting shops at 1 o'clock on Saturday would merely place the bettor in a more disadvantageous position than that he now finds himself in. The starting-price bettor should be compelled to bet not less than tote odds. In passing I may mention that I did not obtain from the University the information I am now dispensing. I got a law course free, but this is information I paid for. If you, Mr. Speaker, were going to back your horse, you would wait for the right time. A horse might open at seven or eight to one, and, by virtue of its improving, the bookmaker has to bring the price down until the horse finishes at three to one or

two to one. With the tote, all the money is invested there, and the tote price comes out a fair average. If a horse opens at seven to one and finishes at two to one, the tote will usually pay about half way between two to one and seven to one. That is because the tote gives the average price. I understand that $12\frac{1}{2}$ per cent. is deducted from the total amount wagered on the tote, and that of this deduction $6\frac{1}{2}$ per cent. goes to the Government and the other $6\frac{1}{2}$ per cent. to the racing club. Tote prices are considerably higher than starting prices. The starting-price bookmaker has the advantage that he bets the minimum price. No matter what price a horse is laid at by the bookmaker, no matter what price the horse pays on the tote, the starting-price bookmaker pays the absolute minimum. The starting-price bookmaker runs no risk whatever of losing. The only condition on which I would patronise licensed shops would be that the starting-price bookmaker should pay tote odds without limitation.

Mr. Lambert: What about the closed tote proposed in 1916?

Mr. HUGHES: That would be a good thing if there was to be betting off the course. It would not be difficult to establish two or three totes in the cities of Perth and Fremantle, but I doubt that a tote could be established in every country town. There might be a tote at, for instance, Southern Cross. But in many places totes could not be established. One hears racing clubs complain about the harm starting-price bookmakers are doing, and so on. Racing clubs have not been sufficiently enterprising. In my opinion, they are largely to blame for what has happened to the racecourses. The heads of those clubs in Western Australia have not yet realised that this is A.D. 1938, and not A.D. 1738. They are doing now exactly what was done 200 years ago. No effort has been made to popularise the sport or to combat its evils. If the clubs thought the starting-price shops were attacking their position, they should have devised some scheme to extend the tote. It would be easy for the clubs to say, "We will sell tote tickets in Perth and Fremantle and pay tote odds." Over the years there would be no loss.

Mr. Marshall: Can you say why Western Australian punters bet more on Eastern States races than on local races?

Mr. HUGHES: The racing clubs here have fallen down on their jobs. In the Eastern States the fields as a rule are larger, the horses are superior, and the odds are greater. The larger stakes in the East attract a better class of horse.

Mr. Marshall: The horses there are more consistent.

Mr. HUGHES: I made a point of asking some starting-price bookmakers how they thought they would fare if the shops had to close at one o'clock, with no betting after that hour. They replied: "Eighty per cent. of our business would go by the board." In the shops bettors try to pick the winner up to the last moment before the race. If the clubs would really tackle the problem and put forward a scheme for the extension of the tote, the obvious advantage would be the absence of proprietary interest in the tote. All profits derivable from the tote would go back into the racing itself, thus increasing stakes and improving the class of horses competing.

Mr. Withers: How long do you think race meetings would continue without attendances?

Mr. HUGHES: I cannot imagine a football match without spectators, though I do remember getting much pleasure out of a game when it had taken us all our time to get eighteen players, without any spectators. In youth one is more keenly interested in the game itself, and therefore does not worry about onlookers. The prevention of off-the-course betting would not materially increase racecourse attendances. For a man with, say, 5s. to bet there is no use in visiting a racecourse. How could, say, a resident of Bunbury—unless he has a motor car—attend the races, seeing that most of them are held in the metropolitan area? Not 20 per cent. of Bunbury residents could conveniently attend race meetings in Perth. In earlier days we were keener and were more interested in the game than in the spectators. If we stop betting off the course, we will not add much to the attendances at the courses. Of what good would it be for a man to save 5s. so that he might attend a racecourse instead of using it for a bet before he got there? How could a resident of Bunbury attend races in Perth unless he had a motor car? Not 20 per cent. of the people of that town could with any degree of convenience attend races in Perth. They get only a secondhand description of what has

been going on. As one listens-in to a wireless description of a race, one certainly knows where every horse is at every stage of the race. When a man is watching a race from the grandstand, he hardly sees his horse until it is within ten yards of the finishing post. Very frequently he gets a better description of the race over the air than if he watched it himself.

The Bill does not provide facilities for the electors of East Perth. All the betting shops are to be closed at 1 o'clock, but if the member for Avon (Mr. Boyle) gets his way, they will not be opened at all. It is not possible with the session so close to an end to frame a good Bill in Committee. Numbers of amendments have already appeared on the notice paper, and the Bill yet has to run the gauntlet of another place. I am inclined to think its fate is doomed. The Bill provides no facilities for those who want to bet off the course, unless they are lucky enough to be free on Saturday afternoon. I regarded the member for Avon as being a man possessed of inside information, and asked him how many betting shops would be licensed. There are five such establishments in East Perth. Does he propose that all should be licensed? If not, which of the five would be licensed? The question will be a burning one. Nothing in a Bill guarantees that the shops at present operating will be licensed. I require a great deal of information on that point. I recollect that in the case of another licensing authority that distributes licenses for the sale of liquor, a great deal of dissatisfaction has been caused. I would hesitate a long time before agreeing to the setting up of any other licensing authority of the kind. Although the measure was brought down to assist starting-price betting, and relieve those concerned of the necessity for paying fines, four of the five shops may find themselves without any license.

Mr. Withers: That is so.

Mr. Marshall: Why not all five of them?

Mr. HUGHES: I think the hon. member could back one of them to get a license. My electors would tell me I was a fine representative to pass a Bill that wiped out four of these shops. I require a great deal of information before I will agree to the appointment of any other licensing authority of the kind I have described.

Mr. Sleeman: How do you propose these places shall be licensed?

Mr. HUGHES: I would allow them to remain open, and would license all existing establishments. We should not declare that because the starting-price evil has been a menace to the community, four out of the five shops in East Perth are to be sacrificed, and the remaining one given all the opportunity to do the business. Would that be fair?

Hon. C. G. Latham: Of course not!

Mr. HUGHES: We ought to be assured that the reputable shops will be allowed to remain open. We can define the word "reputable" by the number of convictions that have been secured. Many of the shopkeepers have been convicted week after week.

Hon. C. G. Latham: Not the same men.

Mr. HUGHES: Yes. One of these days I expect to see established "A Betting Shop Dummies' Association" as a branch of "The Piled-up Old Boys' Association." I want to know whether all five shops in East Perth are to be treated alike, or whether some will be put out of business, and the others allowed to continue. The Bill proposes to create a board of three. One of its members will be a stipendiary magistrate. If a stipendiary magistrate is to be appointed, because of his knowledge of procedure and training, I should have thought he would have been made chairman, but that is not so. Probably a layman will be the chairman. True, the Bill does not say a stipendiary magistrate will not be chairman.

Hon. C. G. Latham: It provides for a chairman, apart from the stipendiary magistrate.

Mr. HUGHES: Under the Bill I do not think it would be permissible for the Government to appoint a magistrate as chairman.

Hon. C. G. Latham: The first man mentioned will be the chairman.

Mr. HUGHES: The board should consist of three stipendiary magistrates.

Hon. C. G. Latham: Who would take the cases if any offences occurred against the law?

Mr. HUGHES: A magistrate would not lose his faculties as such because he became a member of the board.

Mr. Marshall: The Licensing Court grants licenses and controls its own activities afterwards.

Mr. HUGHES: Doubtless the hon. member will soon be leading a deputation to the Minister asking him to appoint Mr. Cabill as chairman of the board. A stipendiary magistrate has the same security of office as has a judge, and cannot be dismissed except by Parliament. He has nothing to hope for from the Government in office. One of the great objections I have to the Licensing Court is that its members are appointed for three years, and that their reappointment is in the hands of one or other political party. They have no freedom, and have not the security that a person requires when occupying a judicial position. A stipendiary magistrate, or three of them, would administer the Act without fear or favour, because their positions would be secure. On the other hand, what will be the position of the public accountant? He will be appointed for three years and will be eligible for re-appointment. Should he offend someone, we know what will happen. Political influence will be availed of so that he shall not be given a position on the board again. The licenses granted by the board will be valuable.

Hon. C. G. Latham: Do not you think the bookmakers should have a representative on the board?

Mr. HUGHES: No.

Hon. C. G. Latham: Why not?

Mr. HUGHES: Why should they have one?

Hon. C. G. Latham: They are interested parties.

Mr. HUGHES: But they get their licenses from the board. The public are more entitled to a representative.

Hon. C. G. Latham: They will have a representative in the chairman.

Mr. HUGHES: One great difficulty regarding the board relates to the period for which the members will be appointed. The House should realise that the police dare not interfere with certain starting-price bookmakers. In my electorate the police go round and arrest some in turn and they are fined £50. The police do not go into other betting shops, but pick the men off the street on charges of obstructing the traffic and those men are fined £10. If the bookmakers are powerful enough to do that sort of thing, they will be sufficiently powerful to secure the removal from the board of the member that gives offence and perhaps does not agree to the issuing of licenses to certain

parties. The House will realise what an awkward position the public accountant would be in on the board. Political influence would be sought to secure his removal, and the same thing would apply to the chairman. Therefore I claim that the board, if created, should consist of three stipendiary magistrates who would not be subject to victimisation or penalisation. Another complaint I have to make with regard to betting concerns concession doubles which I believe have an injurious effect upon racing.

Hon. C. G. Latham: What is a concession double?

Mr. HUGHES: It is rather late for me to explain what concession doubles are. As a matter of fact, I felt sorry for the Leader of the Opposition when he dealt with this Bill. His speech indicated one disability he suffers from through leading such a virtuous life.

Hon. C. G. Latham: I did not say anything about a virtuous life.

Mr. HUGHES: This is one instance indicating that virtue is not always its own reward.

The Minister for Employment: You would not think the Leader of the Opposition had been a soldier.

Mr. HUGHES: Well, I might tell the Minister that—

Mr. SPEAKER: Order! The hon. member had better confine his attention to the Bill.

Mr. HUGHES: Concession doubles do interfere with betting because after the first horse wins, interested parties do their utmost to ensure that the horse coupled up with the first horse shall not win. They start tying up horses whose prospects are dangerous to the bookmakers. That is why I contend that, in the interests of racing, a clause should be inserted in the Bill prohibiting concession doubles. The Bill contains nothing to indicate who is to get licenses, how many licenses are to be issued, and so on. Such matters are left to be dealt with by way of regulations. In common with yourself, Mr. Speaker, on every available occasion I have objected to passing skeleton Bills that leave so much to be done through regulations. If we pass the measure in its present form, the board will be appointed for three years and we may be astonished at the regulations that will be promulgated. Members would have to wait until the next Parliament before those regulations

could be challenged. One other most objectionable feature of the Bill is that it provides a handsome gratuity for proprietary racecourse owners. I have not encountered anyone in or out of Parliament that does not agree that proprietary race clubs should be abolished. The courses so controlled are owned by one individual for personal profit. If any member were to make inquiries at a proprietary race club office for information as to the membership, he would be told that no records were kept to show who were the members. As a matter of fact, there are no members of those clubs; they are owned by one man. Why should one individual be given the right to conduct a racecourse for his own profit? He can charge bookmakers fees to operate on his course in defiance of the law. On the other hand, if two decent citizens have a game of poker in a Chinese den where they do not interfere with anyone else, down comes the strong arm of the law and they are arrested and fined. To my mind, that is the most objectionable of the dozen and one features of the Bill to which I take exception. An East Perth elector who wishes to have a 2s. bet has to pay 3d. on his ticket, and that money goes to the proprietary racecourse owner who may not even be a resident of the State. One owner of a proprietary racecourse lives in Melbourne and visits Western Australia once every three years or so. Notwithstanding that fact, on every betting ticket 3d. has to be charged so that it may go into the pockets of this Melbourne millionaire. The resident of Perth who pays 2s. 6d. for a ticket in a State lottery realises that he is charged 1s. 3d. for the privilege, but nevertheless has the satisfaction of knowing that the money is used for purposes within the State. The racing game would be greatly improved if it received some investigation. For my part I enjoy a day at the races occasionally. I do not attend them regularly, but when I do I like to have a small investment on each race.

Mr. Sleeman: What are you like as a tipster?

Mr. HUGHES: In my opinion horse racing in this State in all its ramifications should be made the subject of a comprehensive and exhaustive investigation. I am not very enamoured of the Western Australian Turf Club, under whose auspices some outrageous actions have taken place. Jockeys have been badly treated. I know one jockey

and although I may not esteem him highly personally, I realise that he has been terribly treated and has been made a scapegoat for others who were let off. We should thoroughly overhaul the racing game. If we are to have off-the-course betting, reasonable protection should be afforded the man who wants to bet as well as the bookmaker with whom the bet is made. I do not often change my mind. I am frequently accused of being a very obstinate person. Until I heard the member for Avon I had intended voting for the Bill with the object of endeavouring to secure amendments during the Committee stage. The trouble is that Parliament is now within two or three weeks of the close of the session and, in view of the large number of amendments that may be suggested, I think the whole subject is worthy of careful and prolonged consideration. With the time at our disposal we will not have the opportunity to make the Bill a reasonable measure. Even so, I am afraid that if we were to deal hurriedly with the Bill in order to send it to another place, it would experience the same fate as my unfortunate measure which sought to amend the Constitution. If we dealt with this Bill with more time at our disposal, greater enthusiasm might be aroused and a better Bill might result from our deliberations. On this occasion I feel I must vote against the second reading. Let members reject the Bill, and then have a comprehensive investigation of the whole business next year.

On motion by Mr. Watts, debate adjourned.

House adjourned 12 o'clock (midnight).