

Box A, 8

POKER MACHINES

The Need For

GOVERNMENT CONTROLS

by

C. J. CAHILL, M.L.C.



LEGISLATIVE COUNCIL

SYDNEY

With the compliments
of
the Hon. C. J. Cahill, M.L.C.

"That, in the opinion of this House, in view of the economy of the State, the Government should institute stricter control on poker machines, to reduce the large amounts of money which individuals and families are losing."

—The Motion put to the Legislative Council.

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WHY THIS IS PUBLISHED

For five years I have watched legalised poker machines strangling the economic and social life of New South Wales.

In that time, the economy of the State, and especially that of country communities, has suffered serious disruption. Simultaneously, much social harm has resulted, ranging from family hardship to an appreciable increase in crime.

In an effort to do something about the matter I recently proposed a motion in the Legislative Council calling on the Government to institute stricter control over the operation of poker machines. The Government declined to act, but there is reason to believe that action may yet be taken if this proposal is pursued by the thinking leaders of New South Wales public opinion.

The following is a documented record of evidence against poker machines. It is the case placed before the Legislative Council and is a reprint of my speeches on the subject taken from "Hansard."

It is submitted to you in order that as many opinion leaders as possible may view the evidence for themselves and may take action to force a solution to the problem.

C. J. CAHILL,
Parliament House,
Macquarie Street,
SYDNEY.

Effects on Rural Life

Note that my motion makes no reference to the abolition of poker machines; it merely calls for their control. My reference to the economy of the State has nothing to do with the credit restrictions imposed by the Federal Government, but it has much to do with the general economy of the working man and woman and everybody in the community who loses money on poker machines—money that goes out of circulation. As I proceed I shall produce evidence and statements by reputable and reliable persons, whose opinions should be respected, of the consequences to shopkeepers and townspeople of the present lack of control over poker machines. A great deal of the money that is being spent on these machines would normally be spent on other amenities or would be placed in a savings bank account or some other form of deposit. The effect of taking this money out of circulation by means of poker machines snowballs and begins to play a part in the economy of the State.

I do not ask Hon. Members to accept only my word for this statement; I propose to produce interesting and informative evidence from representatives of all sections of the community. I want first to report a statement made on 8th August last by the president of the Dubbo Chamber of Commerce. Hon. Members will agree, as I quote these statements, that those making them are men of substance who are not merely venting their spleen or being exhibitionists. Mr. Moss Wiley, the president of the Dubbo Chamber of Commerce, had this to say:

A recent retail census in Tasmania showed that £3 per head of population was spent there on furniture annually. This figure would, in my estimation, approximate to the amount of money spent in Dubbo in a year. There are, to my knowledge, five Dubbo clubs where poker machines are in operation and you need only to tot up their receipts from this source to realise that the money put through them would average out in excess of this figure on a per-head-of-population basis.

I do not have the figures of profits for the five clubs in Dubbo, but on information from clubs of other areas, I would say that a conservative estimate would be that losses on poker machines in Dubbo represent from £8 to £10 a year for each one of its 13,000 people. It is the considered view of the President of the Dubbo Chamber of Commerce that more money is spent in his community on poker machines than is being spent on furniture for homes.

The Hon. J. A. Weir stated that timber workers do not play poker machines. If there is one place that they do play them it is on the North Coast, where most of our timber is produced. On 27th May, 1958, the Wingham Chamber of Commerce expressed itself on the subject. I remind Hon.

Members that this is what a Chamber of Commerce—not an isolated individual, but leaders in the community—had to say. This was the resolution:

That this Chamber notes with alarm the decline in the spending power, due no doubt, to poker machines.

The annual report of the Secretary of the Chamber, Mr. Dave Addison, included this view:

It is estimated that the profit from poker machines is currently running at the phenomenal rate, in Wingham, of £15,000 a year. It is felt that this Chamber should find some remedy for this germ which must eventually eat away the foundation on which our business and economic structure is built.

Wingham is a small community of 3,000 persons. Take £50 a day out of this community and the butcher and baker must suffer.

I have quoted the resolution of the Chamber of Commerce. I am repeating the statement of a responsible organisation, that, three years ago, £15,000 was being taken out of Wingham each year. Doubtless the profit from poker machines in Wingham is now well over £15,000 a year. Let me take a broader view. In 1959, the annual conference of the State Chambers of Commerce—representative of Chambers of Commerce throughout New South Wales—was held in Goulburn. As evidence of their concern at the disruption of business through the playing of poker machines, I should like to tell the House that the conference urged that the Government should fix the pay-out percentage of poker machines. This move was aimed at returning to players more of the money placed into the machines. The conference called also for stricter control of poker machines. Mr. L. Whitefield, a delegate from King's Cross, said that poker machines exploited the weaker members of the Community. Another delegate from the metropolitan area, Mr. R. H. Barratt, of Paddington, said that in one night a club member from his area—I take it that he would be a worker—lost his week's earnings through playing the machines. Thereupon his wife made it her business to visit the offices of the club, who handed back to her the money her husband had lost, and then banned him from playing the machines in future.

It might be as well for me to interpose now my view about the responsibilities of club committees. It is specious to claim that these committees should be required to police the use of the machines on club premises. If this were made a requirement of membership of a committee, men would be loath to seek office. It is completely outside the province

**Noted
with
"Alarm"**

of committee membership to require a club officer to supervise the playing of machines by the members of his club. Admittedly, some men are willing to accept this responsibility, but for every one who will, there will be a dozen or more who will say, when asked to stand for office: "Leave me out of it. I shall not attend the club on election night." It is all very well for a club, after a wife has made a complaint, to hand back to her the money that her husband has lost and to bar him from playing the club's poker machines. I have often heard of this being done. But what of the countless number of men who lose half their incomes and their wives do not complain publicly?

I shall quote an instance of a railway worker losing all his wages and, later that night, attempting to break and enter into certain premises. He was caught, taken before a court and sentenced to a term of imprisonment. Yet his wife, long before that night, had approached the committee of that club where her husband played poker machines and had been handed back a sum of £18. What sort of an accounting system is used by a club where one of its officers is able to hand a fairly large sum of money to a woman waiting at the front door of the club, and then tell her to go home? What is going on in these places, where money can be handed out in this way?

On 3rd May, 1958, the Bathurst Chamber of Commerce declared itself against poker machines. The resolution adopted at the meeting, which coincides with my view about them, reads:

This Chamber of Commerce, as an association of businessmen, holds that poker machines are detrimental to the economy of the State and, for that reason, supports any move aimed at their abolition.

Some Hon. Members might say: "It's all very well your talking about business people. What about other people's views on these machines?" To answer this query I shall turn to a different group, the members of the Farmers and Settlers' Association. In the second week of June, 1958, the Wyalong District Council of the association carried a resolution calling for the complete removal of poker machines from all clubs. Mr. C. J. M. Thomas, who moved the motion, had this to say:

The time has come when poker machines should be removed from all clubs. There is no better way to go stoney broke than to get on to one of these infernal machines and continually pull it. And yet it is peculiar that most of the people who pull these machines, and drink the slops, are people who can't afford it. They are doing it all at the expense of their children.

It is a fever that has grown on the people. All it does is that they wake up next morning without any money and their children suffer during the rest of the week.

Mr. Thomas said, also, that £20,000 was taken out of the West Wyalong district by the three clubs there, that no district economy can stand such a loss, and that every businessman and family in the area was affected. *I cannot help wondering whether the economy of New South Wales can stand the loss.*

In the first week of June, 1958, the Junee District Council of the Farmers and Settlers' Association unanimously decided that poker machines should be scrapped. On that occasion, Mr. H. S. Belling, of Junee Reefs, said that, although he agreed with the resolution, he could not see the Government introducing legislation abolishing poker machines when it was receiving more than £1,000,000 a year in revenue from the playing of these machines. It is a strange Government that relishes taxation revenue from an economically unsound and destructive source.

Yet another instance of uneasiness over the playing of poker machines comes from the Culcairn Council. In the second week of August, 1958, it agreed to allow the local bowling club the use of some parkland for the establishment of a bowling green only on condition that the club relinquish its poker machines. A letter from Culcairn citizens read to the council meeting included a claim that the club made a great deal of money out of the playing of the poker machines on its premises, but none of it was used for the benefit of the town. The statements that I have been reading to the House have been made by reputable, reliable people. Some Hon. Members might say that I have been speaking only about the members of the Farmers and Settlers' Association and about businessmen. Let me turn now to what some members of the Australian Labor Party have to say about this matter.

On 29th October, 1958, the Albury and Border Trades Union Council decided to make representations to the late Premier, the Hon. J. J. Cahill, for the total abolition of poker machines. This was a recommendation straight from a wage-earners' stable, to borrow a horse-racing term. The *Albury Mail* reported, on 30th October, that, at the meeting of the council, speakers claimed that one-armed bandits were causing untold hardships in many Albury homes. It was also emphasised that business houses were indirectly affected by the loss of spending power caused by losses on poker machines. I remind Hon. Members that slower business results in more unemployment. To continue with the views of members of the Australian Labor Party, the representa-

Evidence Against

tives of the working class, I shall tell Hon. Members about the views of a Labor League reported in the June *Southern Cross* issue of 17th December, 1958, in these words:

When the local member, Mr. W. F. Sheahan, visited Gundagai at the weekend, the Labor League waited on him on various matters.

One of these related to poker machines.

The League asked that Mr. Sheahan move for the abolition of the 2s. poker machines, such machines to be limited to 1s. and 6d. and such licences to be granted on a *pro-rata* membership only.

As far as I know, nothing has been done in that regard. In colloquial language, the Labor Party in Gundagai got the crow, but the Gundagai men are going further. They have declined to be defeated by the Minister for Health's inertia. On 24th July, 1960, a special Hume Australian Labor Party electoral conference, held in Cootamundra, agreed to a motion submitted by Gundagai branch of the Australian Labor Party, calling for the abolition of poker machines. If things are "fair dinkum," it will appear on the agenda of the Australian Labor Party's June conference.

So far I have quoted from decisions of no less than nine organisations in various parts of the State. These were the State Conference of Chambers of Commerce; Dubbo, Wingham and Bathurst Chambers of Commerce; Culcairn Council; the Wyalong and Junee branches of the Farmers and Settlers' Association; the Albury and Border Trades Union Council; and the Gundagai Labor League. The protests that came from those organisations were not based on pleading for hotels against clubs—they were a direct attack on poker machines, not on religious or philanthropic grounds, but on plain, commonsense, business grounds. Poker machines were having a detrimental effect on the economy of the community and these organisations wanted to be rid of the evil.

This might be a suitable time to refer again to the trend of concealing profits from these machines. I mentioned this when I spoke before on this matter, but it is difficult to assess accurately how much these bandits are producing. I shall give plenty of examples of how attempts are made, by different accounting procedures, to prevent disclosure of the amounts the machines return to the clubs. In the city of Orange, the Orange Golf Club, in its 1958 report, showed "clubhouse profits" at more than £22,000. In the following year, the same enigmatic entry showed the sum of £25,000. The Orange (Newstead) Bowling Club, in its balance sheet for the year ended 30th June, 1959, has a single entry of

**Machine
Takings
Hidden**

Poker Machines

**Profits
Versus
People**

£11,000 under the heading of "bar trading and income from machines." No dissection was made. In the following year, this is increased by £1,000. The income and expenditure accounts of the Orange (City) Bowling Club for 1959 and 1960 also contain aggregate entries entitled "bar and machine profits." There, three clubs in the one provincial city have seen fit to try to conceal the money that they are getting from machines. Apparently, the clubs feel that it should be hidden. People in the bush are not hill-billies and they are annoyed about this.

The Orange ex-servicemen's club puts a gross profit down in an "amusement account." I doubt whether there is a good deal of amusement in losing money, but the club has an account that it calls an amusement account against which appeared the figure of £35,214.

In Cootamundra, a town of 6,000 people, the ex-servicemen's club disclosed a poker machine profit of £25,900 for a fifteen-months' period. That gives an idea of how the money is rolling in. Hillston, with a population of 5,000 people, provided the Hillston Club with a profit of £11,259. Casino Bowling Club had poker machine profits of £8,500.

I have here one club, a workers' club by name, which earned £28,000 for the year. The soldiers' club at Yass showed £13,000 for the financial year 1958-1959 from a town population of 3,000 people. Dubbo Soldiers' Club had a profit of £19,000, with a town population of 13,000 people. Dungog R.S.L. Club admitted having a profit for 1958 of £7,000. The population of the whole town and shire is 6,000 people. Maitland District Leagues Club for 1958-1959 showed a profit on poker machines of £20,900 for a population of 24,000.

Can any Hon. Member consider these figures, affecting as they do thousands of families and every branch of industry and commerce, without realising the tremendous effect they have upon the State's economy?

The Treasurer has estimated that poker machine licence fees for the current financial year will yield £1,350,000.

It is hard to be accurate in this matter, but it appears that licence fees are about 5 per cent. of the profits. It is clear that the annual poker machine profits for the whole State must be about £27,000,000 a year or about £500,000 a week.

**State Loss
£500,000
Per Week**

It is no defence to say the clubs spend money purchasing chairs, tables, movie projectors, putting in dance floors and so on. The money is taken from family income, which would go to some item of family welfare. Money that would go to purchase something for the family is being lost to the community. Over £27,000,000 annually is being diverted from the normal legitimate course of expenditure on family welfare. If that does not dislocate the economy of the State, Hon. Members might tell me what will. It is nonsense to say that most of this money comes out of the rich man's pocket. It is just as silly to say that every motor car is a Rolls-Royce. The clubs are open every day. They are congenial places, well lit and pleasing to visit. They are open seven days a week and even on days of religious feasts, such as Good Friday and Christmas Day.

According to the law, the clubs may open every day of the week and people, no matter how humble or how rich, are losing their money on the machines.

Freedom or License

Having given the House some evidence of the various types of responsible citizens who have sought the limitation of poker machines, I want to say something about the futility of the argument that a man should be free. We have heard statements about men going to the war and doing a good job, but it is patently unfair that these men, having done such a good job in World War I and World War II, should, through some instrument, have their money taken from them. Rather should the Government be protecting these people. It certainly should not exploit them. The men who were willing to do the hard work should be protected by the Government. Country people are very annoyed that some move has not been made.

A good friend of mine, who was a high-ranking army officer and now conducts a hardware business in Tamworth, told me that it is rare to see an ex-serviceman in ex-servicemen's clubs. Most of these clubs are now ex-servicemens and citizens' clubs and, therefore, what he says is quite credible. Unfortunately, I cannot inform the House of the proportion of ex-servicemen members of these clubs. Of course, I know that some clubs are selective and take only ex-servicemen.

Hon. Members are aware that the law discriminates between sport and licence. For example, fish can be caught singly in the ocean, and that is considered to be sport; but one is not entitled to catch all kinds of fish, including those under the legal size, by netting certain parts of the sea.

Racing Betting Controls

Again, bookmakers are controlled. They can operate only at certain places and at certain times. The argument for freedom of the individual raised during this debate is an argument for the freedom that many workers had during the last depression. They were free to trudge from town to town in search of work. It is possible for the Government to control poker machines in the interests of the people of the State and, in doing so, the Government need not impose any undue restrictions on freedom. Poker machines are dangerous because they are so convenient. They are available every day of the week. Not one of our racing clubs holds a meeting even once a week.

These machines are most conveniently situated where men gather to fraternise and indulge in friendly conversation. They are available at convenient times and there is convenience of finance. A man might go to one of these clubs, lose all his money on the poker machines, and then get a blank cheque form, draw a cheque on his own account, have it cashed and lose that money on the machines.

Any working man can open a cheque account. Race meetings are controlled, and at Randwick Racecourse, no one can cash a cheque at the bar. If a man loses his money at the races, he has to go home. He then has a full week or so to think about his losses before he goes back to the racecourse.

This may have been in the mind of Dr. John McGeorge, consulting psychiatrist to the Department of Justice, who is well known to Hon. Members as a leading authority in his field. In the course of a broadcast interview last August, he asked the State Government to ban poker machines. He was asked to comment on a complaint that had been received from a woman to the effect that her husband's addiction to playing poker machines had ruined them. This woman said that they had not a penny in the world and that they owed money everywhere. She said that her husband was otherwise intelligent, but had a blind spot about gambling on poker machines. In my opinion, poker machine playing is the only form of gambling at which a person cannot become proficient. Gambling on horse and dog races has been mentioned here, but Hon. Members know that, in this city of Sydney, hundreds of people make a good living from both horse racing and dog racing. They have become specialists in their particular sphere.

Those who make money gambling on dog races have to acquire the same sort of knowledge, but no knowledge or skill is required to play poker machines. I think it was Mr. Malcolm Muggeridge who said that between the imbecile

Doctors' Damning Attacks

and the genius there is no difference when they get in front of a poker machine. Dr. McGeorge, speaking about the woman who had complained about her husband's gambling, said, "Such complaints are common, so I am not speaking for the lunatic fringe." *The Northern Daily Leader*, a newspaper published in Tamworth, reported this from Dr. McGeorge's statements:

The mischievous, malicious poker machine seems to feed this disease more than anything else does. It is possible to get a prohibition order from a court to prevent a man from drinking to excess, but a woman in the position described cannot get a court order against her husband to prevent him from throwing his money away in poker machines. Man believes he has sufficient intelligence to beat a machine but he has not enough intelligence to stop trying to beat poker machines.

Dr. McGeorge has not been the only psychiatrist to express opposition to poker machines. No less a person than the Professor of Psychiatry at Sydney University, Professor W. H. Trethowan, said, on 1st March, 1960, that he would not belong to any club which had poker machines. Professor Trethowan was taking part in a symposium with the theme: "Do Australians have a poker machine mentality?" at the Wallace Theatre, Sydney University. I have not singled out poker machines from any desire to limit the freedom of the people, but simply because they offer a most dangerous and convenient method of losing money.

Despite the profits that are obtained from poker machines, there have been unmistakable signs that the rank-and-file membership of some clubs have decided that the machines are not in their own best interests. In May, 1958, for example, the members of the Chatswood Bowling Club decided almost unanimously to ban 2s. machines from their premises. On 23rd May, *The Sun*, of Sydney, stated that alarm was expressed by the members of that club about the effect of these machines on family life.

In August, 1958, the Temora Bowling Club decided by 114 votes to 59 to ban 2s. machines. Mr. E. Sinclair, who moved for the banning, said on that occasion that the club, with 368 members, had accumulated £54,978 in a few short years. The chairman of the poker machines sub-committee, Mr. N. Marshall, gave some figures to the meeting that set an alarming pattern. This is a precis of what he said as reported in *The Temora Independent* of 11th August, 1958—

On the average, the 2s. machines are played twice as much as the others.

On an average, a normal player would insert 15 coins every minute.

The estimated loss for an hour's playing at the 2s. machine is approximately £7 to £8.

No wonder a member of the Temora Bowling Club said that 2s. machines were putting the town back and creating unemployment. Evidence from various parts of the country demonstrates the danger of these machines to the economy. On 27th August, 1958, the *Tumbarumba Times* reported that the Tumbarumba Bowling Club had decided against the purchase of a second poker machine. The club has only one 1s. machine. *The Sydney Morning Herald* of 3rd March, 1960, reported that the Moss Vale Services Club had recommended a referendum of members of all licensed clubs in Moss Vale on the abolition of 2s. machines. This recommendation was reported to have been made at a general meeting of members of the Services Club.

On 29th March, 1960, the Epping R.S.L. Club was reported to have decided that it would continue a ban on 2s. machines, though it planned to spend £40,000 on extensions. Mr. Max Norton, secretary of the club, was reported as saying that the big-money machines were undesirable. In May, 1960, the Barraba Golf Club decided to abolish all its poker machines from 30th June, 1960. On 1st June the *Daily Telegraph* reported the secretary as saying:

The machines were installed to allow the club to undertake building operations. The work has been completed and the machines are no longer needed. The machines have affected the club's social activities.

In some places the unionists themselves are concerned about poker machines. Some men have been selected to do work, including overtime, and others have not. Unionists say that men with two or three jobs are breaking the awards. On 29th June, 1960, the Goulburn Bowling Club, by a seven-to-one majority in a secret ballot, banned 2s. poker machines. On 30th June, 1960, the *Goulburn Evening Post* reported:

It was stated that the profit on the machines in the last year had been £13,000 and a profit of between £14,000 and £15,000 was expected this year. One speaker said the contraptions can cause the downfall of this State.

On 18th August, 1960, the *Goulburn Evening Post* reported that the Gunning All Services Club had banned 2s. machines. On 11th August, 1960, the *Katoomba Advertiser*, under a four-column headline, had this to say:

The Blue Mountains Chamber of Commerce at its Annual Meeting took steps to start a State-wide campaign to ban poker machines. Initially, the Chamber resolved to enlist the support of the Combined Chambers of Commerce to seek a ban on 2s. machines, which were described as—"evils which sent people broke." The newly elected president, Mr. John Gailey, said: "No district can afford to sit by and see such vast sums drained from weekly pay envelopes."

**"Big Money
Machines
Undesirable"**

On 20th September, 1960, the *Daily Mirror*, under the heading "New Clubs Don't Want Bandits," reported that, of twenty-nine new clubs that had been registered in New South Wales in the past year, only thirteen had applied for poker machine certificates.

I have quoted from the proceedings of one Chamber of Commerce and eight registered clubs that have expressed grave concern at this community problem. No doubt many more clubs and other bodies also have complaints about poker machines. I trust that the reports I have read will induce Hon. Members to put on their thinking caps and to realise that these statements are not merely hot air.

These reports demonstrate a desire for some control over the amount of money that can be legally put into poker machines. The motion seeks to have some form of control imposed on poker machines; some control of the money that people lose in them; and some control of the tremendous drain on the economy of this State.

The annual report of the Licensing Bench and the Licences Reduction Board, a State Government authority, for the year ended 31st December, 1957, contains this paragraph:

From the balance sheets accompanying the applications for the renewal of club registrations, it is evident that the amount of profit from poker machines is so enormous as to create quite an unhealthy economy in some small country towns.

Most of the complaints come from the country. The city of Sydney, with a population of 2,000,000, has only one-third of the poker machines in New South Wales. The country areas, with a much smaller population, have two-thirds of them. Four or five machines can be seen in small clubs and the country people are losing their money in them. The report continues:

Not only is it affecting the publican but it is quite possible there is good ground for statements made to us that it is having an adverse effect on business generally. Wisely spent on necessary club amenities, there is no doubt that it can do a service for members, but we feel that, in some instances, there is unnecessary expenditure . . . the matter has received our earnest attention from time to time.

The trend may continue as shown in the figures of this report, but there is every reason to believe that the apprehension is not so much as at present, but rather the effect of the increase of registered clubs in the years to come, with a corresponding increase of profits from poker machines.

These were the prophetic words of three years ago. A year later, in its annual report for the year ended 31st December, 1958, the board echoed the criticism in these terms:

The expenditure on alterations to existing premises increased by £373,015 over the 1957 figures, financed, as the balance sheets show, mainly by proceeds from poker machines "so enormous (as we said in our last report) as to create quite an unhealthy economy in some small country towns."

What has the Government done? Two successive reports criticising poker machines have been made by an independent authority that is charged with the responsibility not of making decisions, but of reporting on the situation as it sees it. Members of the board are careful, cautious and responsible men. They are in constant touch with the affairs of communities throughout the State. It is inconceivable that, without proper evidence and due consideration, they would say that poker machines are bringing about an unhealthy economy. These reports bolster my arguments tremendously. The members of the board are charged not with the responsibility of dictating policy, but merely of making a report. They have repeatedly warned the Government that something must be done about poker machines. No better proof could be given that the machines are a menace to the country people of New South Wales.

Perhaps the profit-and-loss account for poker machines is well expressed by the Reverend G. W. Trudgeon, of Mudgee, who wrote a letter to *The Mudgee Guardian* on 5th May, 1960. The reverend gentleman does not make a violent attack on any form of gambling except poker machines. That is significant. He quietly describes his observations and conclusions on the subject of poker machines by saying:

Our clubhouse is a pleasant place, and I like it, for my fellow clubmen and women are nice people, exuding an air of friendliness and fellowship. But there is something which seems to spoil this air of sociability just a little. Not far away from where I was sitting stood those squat, ugly, noisy metallic monsters which are known to the club fraternity as "One-armed Bandits."

Then began for me a watching brief. In one minute of just sixty seconds it was possible to put from ten to twenty shillings into the machine; in one hour one could place thirty to sixty pounds into the machine. But worse still, that was just what people had been doing for weeks. Even with the knowledge that they could not win.

I went to the officers of the club and tried to persuade them to do something about these machines. But they gave me the stock answer. They pointed to the lovely environs, the comfortable clubrooms, the comfortable chairs and they said,

rightly enough, that if these machines went, club fees would have to be increased or this comfort, these surroundings may have to go.

Are splendid environs worth the poverty and family wretchedness that they have cost the poker machine addict? How do we feel when we sit on a comfortable chair knowing that it has been bought with the money that should have paid for the groceries, the medicine, the doctor's fees, of the man who, gripped in the horrid fascination of the "One-armed Bandit," has put every penny of his weekly income into its gaping maw?

As I watched, a woman put, in a few hours, sixty or seventy pounds through the machine. I felt as though I were guilty of robbing her of money that it would have taken months of saving from her slender income to make up. Is it worth it?

In that letter the Reverend G. W. Trudgeon gives the human profit-and-loss account—comfort for some and unpaid bills and unhappiness for others.

Statements by the judiciary have been mentioned during this debate. Indeed, one Hon. Member said that judges are entitled to their opinions, but that we should not take much notice of them. However, more than one learned judge has commented on poker machines, the most recent being Judge Amsberg, who charged the Government with neglect, ineptitude and callousness. He said that, by the continued use of these wretched poker machines, the Government has abandoned its parental attitude and has thrown the weak-minded people of the community to the wolves. If they like, Hon. Members may neglect what was said by Judge Amsberg, who is a man of the world and honoured in his profession. Of course, this was not the first time that he criticised poker machines; it was no snap, irritable decision. In 1958, the same judge expressed similar sentiments when he was dealing with a truck driver who was charged with breaking and entering after losing money on poker machines. That man was bound over for three years and directed not to go near places where poker machines were played. After two and a half years, during which he had further experience and realised fully what he was saying, the judge expressed the same view.

Judge Furnell, also, attacked poker machines at the Lismore Quarter Sessions. It is not possible to get from the court reporters all the statements that are made by judges and magistrates; we see only those that appear in the newspapers. Though important statements are made from time to time in this Chamber and in other places, they do not hit the headlines, for the newspapers are short of space. Therefore, they contain only a small fraction of the adverse comments that are made by judges about poker machines.

Legality Condemned In Courts

Judge Furnell said to the accused, "I cannot help feeling that you are another of the victims of the one-armed bandits." It is significant to note that he said "another." It proves that he must have had experience of many other similar cases.

I shall quote what was said by a well-known and respected—possibly the greatest—citizen of Sydney, Judge Curlew, who is the president of the Surf Life Saving Association. On 27th January, 1960, he was reported in the *Daily Mirror* as saying:

I am most emphatically against the idea of using poker machine money. What distresses me more is the principle of youngsters being allowed, or having the right, to enter these clubs. Personally, I feel the means being used to prevent future financial crises is in itself creating new and greater evils. I know that a great number of parents are terribly concerned at the prospect of their children going into these clubs.

On 16th July, 1958, at the Quarter Sessions held at Darlinghurst, Judge Bruxner, when passing sentence on a man whose crime of theft was attributable to money lost on poker machines, said, "Anyone who thinks he can win on poker machines ought to be locked up." On 16th December, 1959, Mr. Mathieson, Stipendiary Magistrate, referred to the insidious effect of poker machines when he was dealing with a young railway fireman who had graduated to a position where his next promotion would have been to engine driver. He had attempted to knock down a club door at Barraba after losing his money on poker machines. When dealing with this man in the Barraba court, Mr. Mathieson said:

The insidious effect of poker machines could be realised from the case. If the abolition of poker machines was discussed, this case should be quoted against them.

On 7th February, 1961, the Chief Stipendiary Magistrate, Mr. Meagher, in the Central Police Court, refused to award compensation against a man who had cashed valueless cheques in a club while continuing to lose money on poker machines. Mr. Meagher observed that the club could get the money back out of the machines. It is quite clear that Mr. Meagher felt that the legalising of poker machines had given rise to such a doubtful moral and ethical position that to order compensation would be unjust. People talk of the rectitude of the club committees. This unfortunate man went into a club and, after losing his money, cashed cheques for £50 or £60, which he put into the machines. Had he had another £50, he would have lost it, too. Then the club had the audacity to sue him for the cheques.

"Parents Concerned"

United Religious Opposition

I turn now to what the churches feel about this matter. On 28th April, 1958, the New South Wales Council of Churches issued a statement saying in effect that several country towns were in hock, in pawn, to poker machines. The president of the Council, the Reverend A. W. Stephenson, explained that it had been found that the machines had caused a drop in business in many centres, wives could not meet bills and arguments developed, and such continual domestic arguments could lead to broken marriages. Hon. Members must agree that broken marriages are detrimental to communal welfare. Nearly a year later, in the first week of March, 1959, the same Council of Churches issued another statement, with this plea:

We call for a total ban on poker machines . . . the most pernicious gambling facility allowed in this State.

The following reverend gentlemen are signatories to that petition: J. S. Moyes, Bishop, Acting-Metropolitan, of New South Wales; W. J. Hilliard, Bishop Administrator, Diocese of Sydney; W. Kinmont, Moderator, Presbyterian Church in New South Wales; S. R. Bowyer Hayward, President, Methodist Church, New South Wales; N. F. Goodsell, Chairman Congregational Union, New South Wales; F. E. Pepper, President, Baptist Union of New South Wales; R. Greenhalgh, President, Conference of Churches of Christ; F. L. Coutts, Territorial Commander, The Salvation Army; and A. W. Stephenson, President, The Council of Churches in New South Wales. These are highly respected, well-educated and responsible men, yet some Hon. Members have the audacity to say that we should take no notice of them.

The Reverend A. W. Stephenson said, on 18th March:

We are not attacking club members as such, but rather the anti-social consequences of the system which has been allowed to develop and which thinks more of money for amenities than for family welfare.

If that is not plain enough, I do not know what is. The Church of England has not been tardy in entering the conflict. The Newcastle Diocesan Synod for 1958 considered gambling generally and poker machines in particular. The Rector of Merewether Church of England, the Reverend F. G. Standen, gave details of a man who had lost more than he could afford on poker machines. He commented: "We know this is an evil, and we must take a stand against

Synod's Grave View

it." In August, 1958, the Riverina Synod was more outspoken; it carried a motion, without dissent, in these terms:

That this Synod is gravely concerned with the increasing economic, social and moral ills resulting from the unrestricted use of gambling devices known as poker machines and believes that the State Government should ban their use.

Archdeacon Twigg declared that addiction to playing poker machines could become worse than alcoholism. In September, 1960, the Bishop of Grafton, the Right Reverend K. J. Clements, protested against the combination of poker machines and alcohol. He said—

It is a plain and an accepted fact that alcohol enables a man to shed his anxieties and inhibitions. This fact, before a poker machine, coupled with some exhibitionism and the gambling spirit leads many men and some women to an extravagance they cannot afford.

The learned bishop continued:

I have it on absolutely secure authority that in one town alone in this diocese within the last year, at least three farms have been sold up because of man's weakness before these machines. I know of one case in which the victim was led to embezzlement and finally the selling of his home over the heads of his wife and family.

That is a telling story from the Bishop of Grafton. The Anglican attitude is perhaps best summarised in this temperate extract from an article by Archdeacon Twigg in the December, 1960, issue of his parish magazine. He said:

We need a few club committees with the moral courage to ban poker machines in their clubs, or to reduce their value to such an extent that they will do little harm. A businessman friend has suggested sixpence. I would suggest a penny.

The Methodist Church has a similar uncompromising attitude. The Reverend Armand Whitehead, the Methodist Minister at Maitland, in the first week of March last year, said that the poker machine was a blight on community life. He added:

The sooner we wake up and save our people from destroying their home economy and their future security, the better.

At the same time the *Maitland Mercury*, a well-known, highly respected provincial daily newspaper that can scarcely be accused of having any religious bias, said this in an editorial article which summed up the controversy in that city on poker machines:

Price Too High

Community distress from poker machines is too high a price to pay for Government revenue from licences.

The Central North Coast Synod of the Methodist Church met at Macksville at the end of last July. One of its decisions was to ask the State Government to ban poker machines. It would be possible to give many more quotations to show the opposition of the churches, but I shall quote only two more. In February, 1959, the Goulburn Ministers' Fraternal came out very strongly against poker machines. In the course of discussion, one member said, "The poker machine has now become Goulburn's greatest social problem." In June, 1958, the Baptist Church in Bathurst sent a protest to the Chief Secretary against what it called "the increase of gambling in our State." The protest included this specific note:

It seems that the favourable attitude that the Government has shown toward poker machines and bigger lotteries has been an incentive to the community to engage in gambling to an alarming degree.

I have quoted enough to give a fair cross-section of church opinion in the north, south, east and west of the State, from provincial cities, small towns, individual ministers and synods. The twin themes running through all their remarks are that poker machines lead to economic loss and damage to family life. If that is not a good reason why the Government should seriously review their use, I am afraid we cannot take much notice of these reverend gentlemen and they should not occupy their exalted positions.

Just in case I might be accused of any sectarian bias, I want to quote from the *Catholic Weekly*, a paper that I do not read very much because I felt some years ago that it was not taking a sufficiently positive stand against another evil, D.L.P.-ism. Though I do not read it very much, I am grateful now for the assistance that it is giving to the cause. On 1st October, 1959, under the heading "The Bandit," the newspaper wrote:

The heavy tax on 2s. poker machines is a step in the right direction. The next step will be to ban them altogether.

From too many reputable sources the evidence is piling up that men regularly lose a large part of their wages on these "big bandits."

Even the "6d. machines," if played recklessly, can cause serious financial loss.

At one time you had to buy special tokens if you wanted to play the machines and these tokens could be exchanged for goods only, not for cash.

If we can't get rid of the "bandits" altogether, couldn't we at least go back to the token system? It would eliminate the worst feature of this mechanical gambling—the desperate plunge to try and get your money back.

I should like to quote another extract from the *Catholic Weekly*. Its editorial of 1st December, 1960, reads:

State Labor "rebel" M.L.C., Mr. C. J. Cahill, deserves praise for his courage in bringing before Parliament and the community something which was the one form of inflation overlooked by Federal Treasurer Holt in the recent curbs on the economy. It is to be hoped his private member's bill for stricter control of poker machines is not shelved or ignored but is given full-dress debate, with party members allowed freedom to vote as their conscience dictates. The home-wrecking business of the "bandits" doesn't stop because people won't face up to the social evil they have become.

Before some Hon. Members begin to cry damnation upon the press, I shall quote some newspaper statements. Newspapers sell advertising and copies to all sections of the community—to clubs, hotels, breweries, hotel patrons and club patrons—to the sacred and profane and to the rich and poor—all buy the daily newspaper. It is not the policy of any newspaper to take sides in this issue. Generally, they take an objective view of the problem and I want to pass on to the House some comments of newspaper leaders on the subject. The *Newcastle Sun* of 28th April, 1959, wrote:

How do clubs propose to go on absorbing their huge profits over a period of years? Many of them have already met from these profits heavy commitments for the building and luxurious appointing of new premises. Probably they can go on for a few years adding to these premises and their furnishing. But, surely, a saturation must be reached when they will find themselves embarrassed in their efforts to dispose of their riches. Perhaps before this time arrives the Government may have another look at the problem and contribute to its solution by at least limiting the number of poker machines allowed, or increasing licence fees heavily and thus ensuring a diversion to public funds and works of merit of some of the huge amounts which some people seem bent on squandering.

There is a careful plea for control over the operation of poker machines. It seems that the Government is not concerned at all.

A prominent journalist from the *Melbourne Herald*, a leading newspaper in Australia, reported on a survey of poker machines in this State on 13th July, 1959. This is what he wrote:

Independent Newspaper Criticism

Interstate Wariness

Poker machines are landing more and more people in court each month. The machines have been condemned by church leaders, used as a possible vote swinger against Labor by the Opposition . . . but praised as a wonderful source of "overdraft reducer" by club managements.

I comment upon a statement by an Hon. Member of this House who claimed that, unless clubs retained these poker machines, they would have no amenities. Neale Fraser, the tennis champion of Australia, did not learn to play tennis in a club equipped with poker machines. Peter Thomson, the only Australian and one of few men to win the British Open Golf Championship, came from Victoria, where there are no poker machines. When the last team of bowlers was sent abroad to the Empire Games, the champion by competitive knock-out play was Glyn Bosisto, a member of the Kew Club in Victoria. Ron Marshall and his partner, who played in the pairs, came from Brisbane, where poker machines are prohibited. It is stupid for anyone to say that poker machines are needed to maintain clubs.

I have a cutting of a report by Mr. Tom Shakespeare, the immediate past president of the Royal New South Wales Bowling Association. He is reported in the *Daily Telegraph* as saying that it would be better for clubs to concentrate on greens and to have a nail to hang their coats on rather than to worry about palatial buildings. Excellent bowling greens are to be seen everywhere in Australia.

The *Daily Mirror* was unequivocal when it said in an article on 25th August, 1959:

One-armed bandits is a good and precise name for these machines. The clubs should be given until July, 1961, to set their affairs in such order that they can operate without poker machines. The penalty for using poker machines after that date should be a mandatory £5,000 fine for the club concerned—plus six months' goal for the secretary and every member of the club committee.

The *Northern Daily Leader* summed up many aspects of the problem when it published in its issue of 25th November, 1959, this paragraph at the end of a leader headed "Bill to make Poker Machines Respectable":

The plain fact is that the one-armed bandit has become a firmly established device for raising revenue, both for the Government and the clubs. The volume of money passing through the machines is therefore the main consideration. The injurious financial and moral consequences of all-in poker machine gambling have apparently been discarded as hardly worth talking about.

After reviewing a £20,000 profit from the use of poker machines in the Maitland District Leagues' Club, the *Maitland Mercury* came out with this editorial on 25th February, 1960:

Community distress from poker machine losses is too high a price to pay for Government revenue from licences. The time has come for the Government to step in and control the one-armed bandits before they take over with disastrous results.

I turn now to an article appearing in an old friend, *The Bulletin*. Many Hon. Members will remember that, in its heyday, it supported one political party, and that later it switched its allegiance. It has been reduced considerably in size in recent years, but in its usual dry, dispassionate style, it said on 30th November, 1960:

Poker machines make it far easier to gamble than the lotteries because they speed up gambling and call for lower piecemeal "investment" so that the victim scarcely realises how much he is losing till it is lost. They are usually installed in places where liquor is served.

I could continue quoting press criticism like this for a long time yet and emphasise the need for control measures, but I think I have read enough to prove my contention.

There is some uneasiness among supporters of the Government on this matter, and that is reflected in a statement made by the Hon. W. M. Gollan, who has had some experience of racecourses and has in his electorate probably the best racecourse in the world. When he discussed a reported intention of converting 30 acres of Centennial Park into a public golf course, he said:

A clubhouse in Centennial Park would be followed by poker machines—the wickedest gambling device ever introduced into Australia. Poker machines rob workers and housewives and cut budgets for family necessities.

There is an organisation in northern New South Wales called Poker Machines Anonymous. That was formed about twelve months ago in Tamworth and is a reliable and responsible body of public servants and businessmen. These men have decided to try to educate the people against the use of poker machines and they are meeting with rather extraordinary results.

I travel widely about New South Wales and I visit many clubs. During my travels, I have never met anyone either inside or outside a club who has disagreed with my expressed objections to poker machines. The only opposition that my move has met with has been here in this House. Not long ago I met the president of an important club. He said: "I know a bit about you and I am in your corner 100 per cent. Poker machines are my greatest worry." He also

**Labour
Leader
Against
Machines**

Evidence Against

Poker Machines Anonymous

indicated that he was most concerned about whether the revenue from poker machines was being rightly used and accounted for. It has been my experience that only three groups of people are in favour of poker machines. The first comprises the men who never use them. Their attitude is that if the mugs do not use these machines, club subscriptions will have to be increased. The second group is typified by the man who has a poker machine key, and many people value such a key more than a gold pass. The third group is composed of men who have some say in how poker machine revenue is being spent. They are the only three groups of people who favour these machines, but club presidents, many of the members of clubs and most other people would like to see poker machines banned. Indeed, the men who play the machines are the keenest supporters of a ban. One of the leading bookmakers in the north of this State said to me: "You are 100 per cent. right. I do my own money on them."

One Sunday afternoon there was an important bowling match in Tamworth and champions came to play from many districts. Late in the afternoon I went over to one of them and said, "I am sorry you lost; you played a good game." At the time he was playing one of these poker machines and he said: "Don't think that, because I am playing these, I like them. I believe that every one of them should be thrown in the creek." The men who play the poker machines are the men who would ban them, if they had the opportunity. Inverell, Glen Innes and Tenterfield have all thrown out the 2s. machines. Poker Machines Anonymous is doing a tremendous job. The president of an important club in the north told me, when I was riding in a car with him: "You know, Poker Machines Anonymous has made great inroads on our finances. In October we were down £500 and in November, £400." I hope this trend will continue. It has already spread and is a ray of hope.

Growth of Crime

I shall make brief reference to the statistics for crime in this State.

A high-ranking police officer suggested to me some time ago that, in the past few years, there had been a rather steep increase in the incidence of crime, and that this could be attributed to the ravages of poker machines. I had no idea until the figures were compiled that they were so revealing.

I propose now to take as the base year, 1956, when the poker machine legislation was introduced. The figures

Poker Machines

that I have now compiled reveal that *in the three years from 30th June, 1956, the population of New South Wales increased by 5.6 per cent., and that in the same period the incidence of serious crime known to police increased by 13 per cent., or nearly two and a half times as fast.* This was the period of rapid growth in the number of poker machines.

The population increases in New South Wales for the three years that I have chosen are shown in the *Year Book*. Serious crimes and offences known to police showed a much faster progression. In the year ended 30th June, 1956, serious crimes and offences known to police totalled 27,119; in the year ended 30th June, 1957, 27,809, an increase of 2.5 per cent. over the base year of 1956; in the year ended 30th June, 1958, 29,000, an increase of 6.9 per cent. on the base year; and in the year ended 30th June, 1959, the last year for which figures are available, 30,686, an increase on the base year of 13.1 per cent. Thus, it will be seen that, in the first year of legalised poker machine gambling, the incidence of crime tended to follow population increase, but in the following two years, when poker machine numbers were jumping, the incidence of serious crime outstripped the increase in population.

In the same period, liquor sales through clubs, hotels, restaurants and licensed grocers in the State tended to remain static, and then reflected a small increase only. It should be borne in mind that this period was one of relatively full employment, so that the problem was not accentuated by and could not be attributed to unemployment.

An argument has been advanced that if poker machines were abolished, the part of the licence revenue directed to the building of homes for the aged would be lost. According to the press, £250,000 is being used for this purpose. Housing for the aged is a commendable objective, but it should be the responsibility of the community—not of the unfortunate poker machine addict. The areas in which the greatest damage is being done—the country districts in which many of the places are little more than hamlets—will never see the homes for the aged. Usually, the homes are of the community or flats type, which are not built in small communities. This is another example of the country districts' subsidising of metropolitan and industrial areas. The amount set aside, £250,000, is trivial. It is less than one-hundredth of the money skimmed from the State's economy by poker machines.

Housing Fund Fallacy

I suggest that control could be instituted in these ways:

First, control should be established over the numbers of machines, by the issue of poker-machine licences on a *pro-rata* basis to the number of club members.

Second, control should be exercised over the denominations of licensed machines, with 1s. being the maximum denomination.

Third, control should be exercised over the payout rate of machines, so that each machine returns at least 95 per cent. of the takings to players—with provision for heavy penalties for tampering with the settings.

Fourth, control might be exercised over the ratio of Government revenue to machine turnover. In other words, a turnover tax should be imposed instead of the present flat licence fee.

Fifth, the location of machines should be controlled, a first provision being that they be banned from bar-rooms.

Sixth, control over finance available to players should be exercised by making it compulsory for any cheque cashed in a club to carry the endorsement of a director or committeeman.

Finally, I suggest that control be established over the life of each machine, with a maximum life of three years.

Methods
of
Control

"This Chamber of Commerce, as an association of businessmen, holds that poker machines are detrimental to the economy of the State and, for that reason, supports any move aimed at their abolition."

—Bathurst Chamber of Commerce.

"It is evident that the amount of profit from poker machines is so enormous as to create quite an unhealthy economy in some small country towns."

—Licensing Bench Report.