operation on the 1st November, 1926, and in its first full year it yielded £2,669,000. That was less than one-half the revenue the Chancellor of the Exchequer had expected from it. In introducing his budget in April, 1928, Mr. Churchill budgeted for a yield of £3,250,000 and referred to the evil of evasion which he hoped would be checked by the Customs and Excise authorities. However, the yield from the tax continued to shrink, and on the 15th April, 1929, in announcing the repeal of the tax, Mr. Churchill described it as a fiasco. He said:—

> In practice the duty has failed. The volatile and elusive character of the betting population, the precarious conditions in which they disport themselves, have proved incapable of bearing the weight even of the repeatedly reduced burdens we have tried to place upon them.

He added that as a monument to the betting tax there existed the healthy machinery of the totalizator on the turnover of which a tax of one-half per cent. was imposed.

79. Accordingly, from the 16th April, 1929, the tax on bets was repealed after rather less than two and one-half years, as one writer comments, "in which to justify its existence on the statute book." The personal licence duty of £10 upon all bookmakers and £40 a year on every telephone installed in a bookmaker's office were, however, still retained. Mr. Snowden, when announcing the repeal of the tax on bookmakers' certificates in his Budget speech on 14th April, 1930, said:—

> I propose to abolish the last vestiges of the inglorious betting duty. I propose now to repeal the duty on the bookmaker's certificate so that the statute-book will once more be entirely free from the blemish of a measure that ought never to have appeared on it.

This repeal provoked a heated debate in the House of Commons, it being contended that it was a case of morality or puritanism as opposed to financial expediency. However, the tax was repealed.

80. The experience of the difficulty of collecting the tax on bets in England does not encourage any belief that a similar tax in New Zealand would prove satisfactory. Licence fees would, doubtless, be paid promptly, but the amounts payable would not, in the aggregate, even distantly compare with the total revenue that would be collected if the money expended in off-course betting were to pass through the totalizator. This would certainly be so if the licence fees suggested by the Dominion Sportsmen's Association were charged. Those fees range from £100 for a bookmaker with one telephone to £500 per annum for a bookmaker with nine telephones. The increase is at the rate of £50 per telephone per annum.

81. This being so, it is obvious that it is in the interests of the revenue, both of the State and of the racing clubs, that the money involved in off-course betting should, if possible, go through the totalizator.