ROYAL COMMISSION ON

LOTTERIES AND BETTING

1932-3

FINAL REPORT

Presented by the Secretary of State for the Home Department to Parliament by Command of His Majesty, June, 1933

LONDON
PRINTED AND PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE
To be purchased directly from H.M. STATIONERY OFFICE at the following addresses
Adastral House, Kingsway, London, W.C.2; 120, George Street, Edinburgh 2
York Street, Manchester 1; 1, St. Andrew's Crescent, Cardiff
80, Chichester Street, Belfast
or through any Bookseller

1934

Price 3s. 0d. Net

Cmd. 4341

THE ROYAL WARRANT.

GEORGE R.I.

GEORGE THE FIFTH, by the Grace of God, of Great Britain, Ireland and the British Dominions beyond the Seas King, Defender of the Faith, to

Our Trusty and Well beloved Sir Sidney Arthur Taylor Rowlatt, Knight Commander of Our Most Exalted Order of the Star of India, lately one of the Justices of Our High Court of Justice;

Our Right Trusty and Well beloved Mary Gertrude, Baroness Emmott, Widow of the late Alfred, Baron Emmott;

Our Right Trusty and Well beloved Counsellor Sir Francis Stanley Jackson, Knight Grand Commander of Our Most Exalted Order of the Star of India, Knight Grand Commander of Our Most Eminent Order of the Indian Empire;

Our Trusty and Well beloved:—

Concemore Thomas Cramp, Esquire;
Rollo Frederick Graham-Campbell, Esquire;
William Lionel Hichens, Esquire;
Sir James Leishman, Knight;
Alexander Maitland, Esquire, one of Our Counsel learned in the Law in Scotland;
Sir David John Owen, Knight;
Arthur Shaw, Esquire;
Sir Sydney Martyn Skinner, Knight; and
Mary Danvers, wife of John Leofric Stocks, Esquire;

Greeting!

Whereas We have deemed it expedient that a Commission should forthwith issue to enquire into the existing law and the practice thereunder relating to lotteries, betting, gambling and cognate matters, and to report what changes, if any, are desirable and practicable:

Now know ye that We, reposing great trust and confidence in your knowledge and ability, have authorised and appointed, and do by these Presents authorise and appoint you the said Sir Sidney Arthur Taylor Rowlatt (Chairman); Mary Gertrude, Baroness Emmott; Sir Francis Stanley Jackson; Concemore Thomas Cramp; Rollo Frederick Graham-Campbell; William Lionel Hichens; Sir James Leishman; Alexander Maitland; Sir David John Owen; Arthur Shaw; Sir Sydney Martyn Skinner; and Mary Danvers Stocks to be Our Commissioners for the purposes of the said enquiry:

And for the better effecting the purposes of this Our Commission, We do by these Presents give and grant unto you, or any four or more of you, full power to call before you such persons as you shall judge likely to afford you any information upon the subject of this Our Commission; to call for information in writing; and also to call for, have access to and examine all such books, documents, registers and records as may afford you the fullest information on the subject, and to enquire of and concerning the premises by all other lawful ways and means whatsoever:

And We do by these Presents authorise and empower you, or any of you, to visit and inspect personally such places as you may deem it expedient so to inspect for the more effectual carrying out of the purposes aforesaid:

And We do by these Presents will and ordain that this Our Commission shall continue in full force and virtue, and that you, Our said Commissioners, or any four or more of you, may from time to time proceed in the execution thereof, and of every matter and thing therein contained, although the same be not continued from time to time by adjournment:

And We do further ordain that you, or any four or more of you, have liberty to report your proceedings under this Our Commission from time to time if you shall judge it expedient so to do:

And Our further will and pleasure is that you do, with as little delay as possible, report to Us under your hands and seals, or under the hands and seals of any four or more of you, your opinion upon the matters herein submitted for your consideration.

Given at Our Court at *St. James's*, the *Fourth* day of *June*, one thousand nine hundred and thirty-two, in the Twenty-third year of Our Reign.

By His Majesty's Command.

Herbert Samuel.

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NOTE

The estimated gross total expenditure of the Commission is £3,400. Of this sum £200 represents the estimated cost of printing and publishing this report.

The sum of £325 has been recovered by the sale of the Minutes of Evidence taken before the Commission and of the Commission's interim report.

ROYAL COMMISSION ON LOTTERIES AND BETTING

(1932-3)

FINAL REPORT

TO THE KING'S MOST EXCELLENT MAJESTY

MAY IT PLEASE YOUR MAJESTY

We, the undersigned Commissioners, having been appointed by Royal Warrant " to enquire into the existing law and the practice thereunder relating to lotteries, betting, gambling and cognate matters, and to report what changes, if any, are desirable and practicable :"

HUMBLY SUBMIT TO YOUR MAJESTY THE FOLLOWING REPORT.

PROCEDURE.

1. At a preliminary meeting held on 9th June, 1932, we agreed that all organisations or persons applying to give evidence should be instructed to submit a summary or statement of their evidence. A notice was published in the Press asking intending witnesses to apply to the Secretary, who would inform them as to the procedure to be followed.

In addition to those who applied to give evidence, we also invited evidence from a number of organisations who were affected by some portion of our enquiry, from Government Departments, holders of public and judicial offices, social workers, and other persons whose experience was likely to afford us assistance. In all we heard evidence from 97 witnesses.

2. Our witnesses were drawn from a wide field.

The official witnesses included representatives of the Home Office and Scottish Office; the Deputy Commissioner of Police of the Metropolis; Chief Constables of various Counties and Boroughs, and representatives of the three Associations of Chief Constables in England and Scotland; the then Chief Magistrate of the Metropolis, and a number of other persons with experience of Court work.

3. We heard evidence from representatives of the Christian Social Council (a body consisting of representatives officially appointed by all the churches in England except the Roman Catholic church); the Church of Scotland; the Salvation Army; and from a number of persons engaged in social work or with special knowledge of working class conditions.

The organisations controlling sport or concerned with the administration of sporting enterprises whose representatives gave evidence before us included the Jockey Club; the National Hunt Committee; the Football Associations of England, Scotland and Wales; the National Greyhound Racing Society; and the British Greyhound Tracks Control Society.

4. As regards those concerned with the conduct or control of professional betting operations, we heard evidence from representatives of the Racecourse Betting Control Board; Tote Investors Limited; and the two principal organisations of bookmakers. We also heard evidence from persons concerned with the management of tote clubs, and evidence was heard in private from two persons conducting street betting businesses.

Representatives of the Association of Municipal Corporations, and of the Convention of Royal Burghs gave evidence in regard to the proposal that cash betting offices should be permitted.

Two members of the Commission visited Dublin in order to supplement the information otherwise available to us as to the system of cash betting offices which has been in operation in the Irish Free State since 1926.

5. On various aspects of the lottery issue we heard evidence from Sir Arthur Stanley; the Chairman of the British Charities Association; the Chairman and Hon. Secretary of the Lotteries Group in the House of Commons; and the former organiser of the London Stock Exchange Sweep.

The President of the Newspaper Society, and representatives of The Times, Odhams Press Limited, and Associated Newspapers Limited, gave evidence as to newspaper competitions and as to the effect upon the volume of betting and gambling of the publication in the Press of certain matter.

In regard to gaming, we heard evidence from the Showmen's Guild and the Amusement Caterers' Association.

A list of the witnesses heard in oral evidence is given in Appendix I.

6. Besides the witnesses heard in oral evidence we received a considerable number of written statements from other persons. In many cases it was unnecessary for the statements so submitted to be supplemented by oral evidence. We wish to acknowledge the assistance afforded to us in our enquiry by those whom we invited to give evidence, and by others who have put their experience at our disposal.

We obtained written statements of the law and practice as to lotteries, betting and gaming in the Dominions and in a number of foreign countries. A summary of the salient points contained in these statements is included in the minutes of evidence.

7. We held 24 meetings for hearing oral evidence, and 21 meetings for discussion. Evidence was normally held in public, but on certain matters we heard evidence in private. The minutes of evidence heard in public have been published in daily parts during the course of our proceedings.

8. In the middle of December last, when we had nearly completed the hearing of evidence, it was intimated to us that it would be convenient if we could submit a report dealing with certain forms of totalisator or pari-mutuel betting. We accordingly submitted to Your Majesty an interim report dated 5th January, 1933, dealing with this subject.

9. The matters with which we are called upon to deal are, for the most part, highly contentious. The subject matter of our enquiry is difficult in itself and entangled with other issues. Our conclusions have only been reached by consideration of the various alternative courses and their probable effects in relation to the general aim which we think the legislature should pursue in regard to gambling questions. We are glad to find that in the result we have been able to reach a substantial measure of agreement amongst ourselves.

As, however, some branches of our enquiry have given rise to public controversy, we set out in our report the alternative courses open to Your Majesty's Government, the advantages and disadvantages attending each, and the reasons which have led us to our conclusions.

10. The form of our report is framed so as to enable a general survey to be obtained of the whole field of our enquiry. Thus in the first two chapters we give a brief historical account of the policy adopted in this country in regard to the matters covered by our enquiry, and a summary of the existing legal position. These chapters are followed by a description of the position as we find it to-day. Before proceeding to set out our recommendations on each branch of our enquiry we devote a chapter to the general policy which in our opinion should be adopted by the State in regard to gambling, and to the considerations which should be given weight in determining that policy.

We wish to record our high appreciation of the services of our Secretary, Mr. E. E. Bridges, M.C., of the Treasury, and our Assistant Secretary, Mr. A. Johnston, of the Home Office, in the performance of a most laborious task. Without their industry and accuracy supported by a wide grasp of the subject, our enquiry could not have been conducted or this report compiled.

CHAPTER I

HISTORICAL SURVEY

11. Our enquiry is concerned with what in legal language is known as " gaming and wagering ". As a general statement it may be said that in gaming and wagering transactions there must be an unascertained event and an agreement under which each party stands to win or lose according to the way in which the event is decided.

The subject may be divided under the three heads of lotteries, betting, and gaming. The characteristic feature of a lottery is that it is a distribution of prizes by lot or chance. A bet is a promise to give money or money's worth upon the determination of an uncertain or unascertained event in a particular way, and (unlike a lottery) may involve skill or judgment. The term " gaming " is applied to the playing of any game for stakes hazarded by the players.

12. In this chapter we give a brief survey of governmental action and legislation in this country. Since the various forms of wagering are inter-related, we deal so far as possible with the whole subject in historical sequence, but for convenience of reference the summary is divided into sections dealing with the main divisions of our enquiry.

In this survey reference is made to civil as well as criminal law. Parliament, besides making wagering transactions in certain circumstances a criminal offence, has passed measures (sometimes in consequence of changes in the criminal law as to wagering, sometimes independently of such changes) making wagering transactions void at law.

Unlawful Games Act, 1541.

13. The earliest English legislation as to gambling, namely Acts of 1388, 1409, 1477, and 1541, prohibited the playing of certain games, and as a consequence prohibited gaming in the form of playing at those games for money. The motive behind these laws was the desire to promote archery and other military exercises by preventing men from wasting their time on games. Thus the Act of 1541 prohibited the keeping for gain of a house for playing at games such as bowls or tennis, or games of cards and dice. The Act made it an offence for anyone to play at those games in houses of this description, or for artificers servants and others to play such games at all, except at Christmas time. Portions of this Act are still in force.

In 1621, an Act of the Scottish Parliament prohibited in Scotland the playing of games of cards or dice in inns or (save where the master of the family played) in private houses, and imposed penalties on excessive gaming.

Authorised Lotteries (1566 to 1823).

14. During the next three centuries the lottery was the form of wagering which attracted most interest.

There are records of lotteries being held in different parts of Europe in the fifteenth and early sixteenth century. The first recorded lottery in England was projected under State auspices in 1566 and drawn in 1569. The magnitude of the scheme, and the absence of any suggestion of novelty in the notices of it, make it probable that lotteries were not unknown in England by that date.

In the lottery of 1566 there were 400,000 lots and the prizes were in plate, tapestry and money. The proceeds were to be " converted towardes the reparation of the havens and the strength of the Realme and towardes such other publique good workes."

15. During the next hundred years many lotteries were promoted for public or semi-public purposes. Thus there were lotteries in aid of the English plantations in Virginia (1612), to finance schemes for bringing fresh water to London (1627 and 1631), to repair the damage done to the fishing fleet by the Spaniards (1640), and for the ransom of English slaves held in Tunis and for poor and maimed soldiers (1660).

16. From the first, lotteries were the subject of State regulation. Lotteries were not considered to be illegal at Common Law, and until 1698 there was no statutory prohibition of private lotteries. The basis of State control in the sixteenth and seventeenth centuries appears to have been that lotteries were a form of monopoly to be granted by the King or King-in-Council by letters patent. All the early lotteries of which there is record appear to have been licensed in this way.

At the end of the seventeenth century, control passed from the King-in-Council to Parliament. An Act of 1698, which is still in force, enacted that all lotteries were common and public nuisances and all patents and licences void and against law. Thereafter the only legal lotteries were those authorised by Act of Parliament.

17. The first English State lottery promoted for the direct assistance of the Exchequer was the lottery loan of 1694. This lottery, the first promoted by Act of Parliament, had more in common with " premium bonds " than with the State lotteries of later years. A loan of a million pounds was raised in a hundred thousand shares of ten pounds each. The element of lottery lay in an arrangement whereby one fortieth of the shares received interest at a much higher rate than the remaining shares.

18. During the next fifty years lotteries were frequently authorised by Parliament, usually as a means of finding money for the general needs of the State, less frequently for some special purpose, such as the lotteries promoted in 1739 to supply funds to

build Westminster Bridge, and in 1753 to buy and house the collections which later formed the nucleus of the British Museum; and sometimes for the benefit of some private individual who had managed to make out a case for preferential treatment.

19. In the first half of the eighteenth century about twenty lotteries were authorised by Parliament for the benefit of the Exchequer. By 1755 the lottery had become virtually an annual event. After 1776 it was a regular institution voted annually by Parliament. First adopted as an expedient to meet some special need, and in particular as an inducement to assist in raising a loan, the State lottery became a regular financial instrument and ceased to be associated with loans.

20. The procedure of these later lotteries was that the Government announced the intention of issuing a lottery with, say, 50,000 shares, in which £500,000 would be distributed in prizes. The Chancellor of the Exchequer then invited offers for the shares from leading stockbrokers, and disposed of the whole issue at, say, £15 a share, the Government thus receiving a profit of £250,000. The brokers then proceeded to dispose of the tickets to the public at the best price they could obtain. Much of their profit came from retailing fractions of shares at prices which represented a considerable advance on the price paid for whole tickets. Between 1786 and 1792 the annual net profit to the State from the lotteries rose from £150,000 to £300,000. In 1802 it amounted to £520,000. Subsequently, however, the revenue from this source fell, and the lotteries of 1821 yielded only £175,000.

21. Opposition to State lotteries began to gather force towards the end of the eighteenth century. Thus in 1773 the City of London petitioned the House of Commons against the authorisation of lotteries, as highly injurious to the commerce of the kingdom and to the welfare and prosperity of the people. The opposition, however, made little headway against the argument that the State could not forgo so substantial a source of revenue.

Select Committee on Lotteries (1808).

22. In 1808 a Select Committee of the House of Commons was appointed " to enquire how far the evils attending lotteries have been remedied by the laws passed respecting the same; and to report their observations thereupon, and upon such further measures as may be necessary for the remedy thereof ". The Committee issued two reports. The first report consisted of six resolutions for remedying the abuses attendant upon lotteries in case it was thought expedient to continue the lottery system. Much of the Committee's second report was concerned with the illegal practices

connected with lotteries, and in particular with " clandestine insurances ".* Various measures had been enacted by Parliament to put down the practice of insurance, but without success. The Committee reported that " the lottery and illegal insurances are inseparable; that the former cannot exist without the latter for its support."

23. Turning to the lottery system itself, the Committee denounced the social evils to which it gave rise. Regarded as a method of raising revenue they reported that " the pecuniary advantage derived from a State lottery is much greater in appearance than in reality " . . . " No mode of raising money appears to Your Committee so burthensome, so pernicious, and so unproductive ".

The final conclusion of the Committee, extracts from whose second report are given in Appendix II, was that the evils of the system could only be done away with by the suppression of the system itself.

24. The report of the Select Committee of 1808 did not result in the immediate discontinuance of State lotteries. The system continued for a few more years, notwithstanding strong opposition, led by Lyttelton and Wilberforce, who raised the issue regularly in the House of Commons. In 1823 the Chancellor of the Exchequer announced that, while he would propose a lottery for 1823, this should be the last. The schemes authorised by the Lotteries Act, 1823, the last of the State lotteries, came to an end in 1826.

The Prohibition of Lotteries not authorised by Parliament (1698 to 1846).

25. The earliest statute against lotteries (the Act referred to in paragraph 16) was passed in 1698, during a period when the State was not engaged in promoting lotteries for its own purposes.

In later years Parliament, while authorising lotteries for State and certain public purposes, was engaged in suppressing other lotteries and the sale in this country of chances in foreign lotteries. One reason for this legislation was the desire to prevent competition

* Under the system adopted, every ticket in the State lotteries was drawn (i.e., those which drew blanks, as well as those which drew prizes). It was a frequent practice to "insure" against a particular ticket being drawn on a particular day. Thus, if the draw for the lottery was spread over forty-two days, as was the case in the earlier State lotteries, a premium of 8d. would secure a payment of a guinea if a particular ticket was drawn on the first day's drawing, the cost of insurance rising as the draw proceeded. This practice, which was commonly indulged in, not only by those who had purchased tickets in the lottery, but also by those who had no material interest in the lottery, was in effect nothing more than gambling on each draw of the lottery; but no share in the profits of this gambling accrued to the State.

with the lotteries authorised by Act of Parliament, but there was also a recognition that unregulated lotteries led to demoralisation and fraud. The most important of the provisions belonging to this period which remain in force are the unrepealed sections of the Gaming Act, 1802.

26. The Act of 1823, which authorised the last State lottery, contained provisions against other lotteries and against the sale of foreign lottery tickets. Since it is frequently said that the provisions at present in force against lotteries were passed simply to prevent competition with the State lotteries, it is well to point out that the provisions in the Act of 1823, against lotteries not authorised by Act of Parliament, were prefaced with a statement that "it may be expedient to discontinue raising money for the public service by way of lottery after the sale of the tickets authorised by this Act, and in that case it will be necessary to continue in force such parts of this Act as will be necessary to repress unlawful insurance in little goes and private lotteries, and prevent the sale of . . . foreign lottery tickets." The provisions thus retained are those most commonly used in prosecutions at the present day.

27. Subsequent Acts dealing with lotteries can be briefly noticed.

In 1836, a Lotteries Act was passed to prevent more effectively the advertisement of foreign lotteries in this country. Penalties were made recoverable by common informers in the High Court.

By the Lotteries Act, 1845, the right of a common informer to sue for penalties in respect of infringements of the Lotteries Acts was taken away, and it was provided that High Court action for penalties in such cases could only be instituted in the name of the Law Officers of the Crown.

The Art Unions Act, 1846, exempted from the provisions of the Lotteries Acts, voluntary associations formed for distributing by chance works of art.

Gaming (1664 to 1873).

Policy of early legislation.

28. After the statutory position in regard to lotteries had become settled, interest shifts to the events which led to the passing of the Gaming Act, 1845. It is necessary to trace briefly the history of legislation as to gaming subsequent to the Unlawful Games Act, 1541.

In the period 1664 to 1744 a number of Acts were passed which penalised excessive gaming or fraud in certain forms of gaming, and prohibited altogether certain games such as pharaoh, hazard, passage, games with dice (except backgammon) and roulet. These games were regarded as undesirable because they led to excessive gaming, or were unduly favourable to the promoters, or opened the way to fraud. So far as the civil law was concerned, gaming and

betting contracts remained enforceable in the courts, except where they related to certain forms of excessive gaming.

29. By the middle of the nineteenth century much of the gaming legislation had ceased to be applicable to the conditions of the times. The Act of 1541 made unlawful sports which three centuries later were regarded as healthy forms of recreation, while the provisions against excessive gaming were sometimes employed by common informers acting from spiteful motives.

Select Committees on Gaming (1844).

30. As a result of this situation, Select Committees to inquire into the subject were appointed in 1844 by the House of Lords and the House of Commons. The Lords Committee recommended that

> " the Law should henceforth take no cognizance whatever of Wagers; that all Statutes making it penal should be repealed; and that debts so contracted should be recovered by such means only as the Usages and Customs of Society can enforce for its own protection."

31. The House of Commons Committee, of which Lord Palmerston was Chairman, made several important recommendations.

The Committee recommended that the " old and obsolete Enactments which restrain persons of any degree from Playing at certain Games, many of which are conducive to health as well as to amusement " should be repealed. The political motive upon which " those enactments were founded has long ceased to exist, and even if these laws were expedient when they were passed, which may well be doubted, they ought no longer to remain in force."

The Committee also recommended the repeal of " those Laws about Gaming, which are of the nature of Sumptuary Laws, and which prescribe the pecuniary amount which private individuals may win or lose by Playing at or by Betting upon any Game."

32. The Committee, while recommending that " wagering in general should be free, and subject to no Penalty ", were " also of opinion that Wagers are not matters which ought to be brought for adjudication before Courts of Law." They recommended that in England, as was already the case in Scotland under the Common Law, " the Courts of Law should be entirely relieved from the obligation of taking cognisance of claims for money won by wagers of any kind ".

33. In one respect the Committee recommended a tightening up of the existing law. They reported that the existing enactments for the suppression of common gaming houses had not hitherto accomplished the purpose for which they were intended, and that

many houses of this description had been open nightly in the Metropolis. The Committee strongly recommended that these nuisances should be effectually put down. They suggested that the police should have power to search the persons of individuals found in gaming houses; and that the convictions of the keepers of such houses would be more effectual if magistrates were to award imprisonment and hard labour instead of pecuniary fines.

The Committee also condemned the practice on some race-courses of letting out ground for the erection of gaming booths during the races for the sake of the high rents obtained thereby.

Gaming Act, 1845.

34. The main recommendations of Lord Palmerston's Committee were given effect to in the Gaming Act, 1845. The provisions of the Act of 1541, in so far as they prohibited the playing of games of skill, were repealed, and the Acts of 1664 and later dates directed against excessive betting or gaming were also repealed.

The Act provided that all contracts or agreements, whether by parole or in writing, by way of gaming or wagering, should be null and void and unenforceable in Courts of Law.

New powers were authorised with a view to facilitating the suppression of gaming houses.

Later Legislation.

35. The later Acts as to gaming show no change in general policy and it will be convenient to dispose of them here, out of chronological sequence.

The Gaming Houses Act, 1854, was passed because the provisions of the Gaming Act, 1845, had proved insufficient to secure the suppression of gaming houses. The Act of 1854 made it easier to obtain proof of the use of a house as a common gaming house and provided heavier penalties for persons using a house for unlawful gaming.

36. The Vagrancy Act, 1824, contained a provision prohibiting playing or betting in a public place with an instrument of gaming at any game of chance.

The Vagrant Act Amendment Act, 1868, extended the Act of 1824 to cover cases in which coins were employed as a means of gaming. This was done because a case in 1864 had shown that the earlier Act did not cover the playing of " pitch and toss " which was becoming a nuisance in colliery villages.

The penalties provided under the Vagrancy Acts were felt to be too severe, especially with youthful offenders, and section 3 of the Vagrant Act Amendment Act, 1873, which replaced the provisions of the Act of 1868, gave magistrates power to impose a fine in such cases in lieu of imprisonment.

Certain special provisions as to gaming in licensed premises are contained in other statutes, and are noticed in paragraph 101.

Betting (1845 to Present Day).

37. Until about the end of the eighteenth century when the professional bookmaker is said to have made his appearance, betting was a private matter among individuals. It was subject to the various laws relating to gaming. Thus until 1845 excessive betting was a criminal offence, and one effect of the Gaming Act, 1845, was to remove betting entirely from the operation of the criminal law, though at the same time it made all betting contracts unenforceable in the Courts.

Betting Act, 1853.

38. It is clear from the evidence given before the Commons Select Committee of 1844 that bookmakers were common by that time; but as no mention is made in the evidence or report of betting houses for ready money betting, it is to be presumed that they did not exist or at least were not at all numerous. Nevertheless by 1853 betting houses had become numerous in the larger towns and the Betting Act of that year was passed for their suppression.

The rapid growth of ready money betting shops between 1845 and 1853 is usually explained by reference to the provision in the Gaming Act, 1845, which rendered gaming transactions unenforceable. This is said to have led to the practice of requiring money to be paid in advance. Another factor appears to have been certain decisions of the Courts in 1845 that sweepstakes were illegal. These lotteries had had a great vogue in public houses and elsewhere. The stake was paid in cash in advance, and when sweepstakes were declared illegal, bookmakers, and no doubt former promoters of sweepstakes, developed betting businesses on the same basis.

39. The manner in which these betting houses were conducted was as follows:

> "A list of races about to take place and the current odds against each horse were placarded, and the proprietor (who either himself or by another conducted the business) received deposits from all sorts of persons, to abide the event of races on which they were willing and anxious to bet, and they in return for their deposits usually had a ticket handed to them which enabled them, when the race was over, to receive the money from the office if they won; and if they lost, the deposit was gone and they had no further interest in the bet."*

40. In moving leave to bring in a Bill for the suppression of Betting Houses (the Betting Act, 1853) the Attorney-General (Sir Alexander Cockburn) said that the evils which had arisen from the

* From the judgment of Mr. Justice Hawkins (later Lord Brampton) in R. v. Cook (13 Q.B.D. 377).

introduction of these establishments was perfectly notorious and acknowledged upon all hands. The difficulty lay in the fact that it was not desired to interfere with the description of betting which had prevailed at such places as Tattersalls where individuals betted with each other. The object of the Bill was to suppress the opening of houses, shops, or booths, for the purpose of betting, the owner of which held himself forth to bet with all comers. It had been suggested that the more effectual course would be the licensing of these houses, but for his part he believed that would be discreditable to the Government, and would only tend to increase the mischief instead of preventing it.

The Act prohibited betting houses and declared them to be common nuisances; it imposed penalties on those who kept such places and on those who advertised them; and it also provided that places suspected of being betting houses might be broken into, the persons in them arrested, and all documents found therein, relating to racing or betting, seized.

Betting Act, 1874.

41. The Betting Act, 1853, applied to England and Ireland, but not to Scotland. Betting businesses located in Scotland, the Channel Islands, and neighbouring foreign countries, did a considerable amount of ready money betting with persons living in England and advertised extensively in certain English papers. Advertisements of such businesses, since they did not relate to an illegal betting house under the Act of 1853, were not illegal.

In consequence of this and of a movement in Scotland for the suppression of betting houses, the Betting Act, 1874, was passed, which extended the Betting Act, 1853, to Scotland, and prohibited the advertisement in the United Kingdom of a betting business, as defined by the Act of 1853, whether situated in this country or elsewhere.

Street Betting.

42. In the sixties and seventies of the last century there was a considerable development of street betting. The enforcement of the provisions of the Betting Act, 1853, made it impossible for a bookmaker to keep a house or shop for ready money betting, and he went into the streets in search of business.

When street betting became a nuisance local authorities took powers to deal with it. Where actual obstruction was caused existing powers could be employed; but street betting was found to be a nuisance without causing actual obstruction. At first local authorities secured local Acts or made bye-laws to the effect that persons assembling together for betting should be deemed to be obstructing the street. Later local authorities made bye-laws directly penalising the frequenting and use of streets for bookmaking or betting.

43. The tendency for street bookmakers to drift into "free" areas proved a strong incentive for the adoption in an increasingly large number of areas of bye-laws, or of provisions in local Acts, dealing with the matter.

Where the matter was dealt with by bye-law, the maximum penalty was £5, no matter how often the offence was committed; and there was no power of summary arrest or of search. Further, differences in local powers and administration made impossible an efficient enforcement of even such limited powers as were possessed, since offenders were able to secure immunity by crossing the boundaries of local authority areas.

Select Committee on Betting (1902).

44. Mainly in connection with the problem of street betting, the House of Lords in 1901, and again in 1902, appointed a Select Committee, of which the Earl of Durham was Chairman, "to inquire into the increase of public betting amongst all classes, and whether any legislative measures are possible and expedient for checking the abuses occasioned thereby."

The Committee found that betting was generally prevalent in the United Kingdom and had increased considerably of late years, especially amongst the working classes. It was not confined to horse racing but was also prevalent at athletic meetings and football matches.

In their view the increased prevalence of betting was largely due to the great facilities afforded by the Press (especially the publication of starting price odds) and to the inducements by means of bookmakers' circulars and tipsters' advertisements.

45. The Committee's main conclusion was that it was impossible altogether to suppress betting but that the best method of reducing it was to localise it as far as possible on racecourses and other places where sport was carried on. They considered various means of effecting this object. The proposal that bookmakers should be licensed was negatived on the grounds that it was not desirable to legalise betting in this manner and that the establishment of such a system would increase rather than lessen the amount of betting. The Committee likewise negatived the establishment of pari-mutuel or totalisator betting on the ground that the encouragement of the gambling instinct would far outweigh any gain that might accrue.

46. The main recommendation made by the Committee was that a general statute should be passed prohibiting betting in streets and public places, and providing heavier penalties than could be imposed under local bye-laws. The Committee further recommended that a bookmaker who engaged in betting transactions at a sports

ground where the management did not desire betting to take place, should be liable to summary arrest and a fine.

47. The Committee also recommended that the provisions of the Betting Act, 1853, should be extended to cover offices for credit betting by correspondence, and that betting advertisements and circulars and tipsters' advertisements should be prohibited. The Committee did not, however, recommend the prohibition of the practice of publishing starting price odds.

Street Betting Act, 1906.

48. The Street Betting Act, 1906, gave effect to the recommendations of the Select Committee of 1902 set out in paragraph 46. The provisions of this Act are given in paragraphs 67 and 68.

Ready Money Football Betting Act, 1920.

49. Shortly before the War the Football Association became concerned at the growth of organised football betting, particularly on the coupon system, which they considered to have a detrimental effect on the game. A Ready Money Football Betting Bill was introduced in 1914, but the outbreak of the War prevented further progress. The matter was again taken up by the Association after the War, and the Ready Money Football Betting Act, 1920, was enacted. The Act is directed against the business of ready money football combination betting.

Select Committee on Betting Duty (1923).

50. In 1923, a Select Committee of the House of Commons on Betting Duty was appointed, of which Mr. (now Sir Henry) Cautley was Chairman, " to consider the question of imposing a duty on betting, and to report whether such a duty is desirable and practicable." This Committee had concluded the hearing of evidence, and the consideration of part of the Chairman's draft report, when their enquiry was cut short by the dissolution of Parliament in November, 1923. The main conclusion recorded by the Committee in their report was that " the imposition of a duty on betting is practicable but the impending dissolution of Parliament has prevented your Committee from sufficiently considering the remaining paragraphs of the Chairman's draft report."

Imposition of Betting Duty.

51. The Finance Act, 1926, imposed an excise duty in Great Britain on every bet made with a bookmaker on an event of any kind. The standard rate of duty was 3½ per cent. of the stake, but the rate of 2 per cent. was applied to a bet on a horse race where both the bookmaker and backer were present on the course. The Finance Act of 1927, extended the 2 per cent. rate to cover any

bets where the backer and bookmaker were present at a sporting event. The Finance Act, 1928, reduced these rates to 2 per cent. and 1 per cent. respectively.

The Finance Act, 1926, also imposed a duty of £10 on bookmakers' personal certificates, and £10 on entry certificates in respect of betting premises kept or used by bookmakers.

52. The yield from these duties fell short of expectations. Thus the Budget receipts for 1927-8 were £2,669,242 against an estimate of £6,000,000. The duty also encountered considerable opposition. One objection raised was that the duty was unfair in its incidence, inasmuch as the tax was levied on every stake, whereas a bookmaker's profits do not bear a constant relation to his turnover. Another objection was that in practice it was impossible to stop certain evasions of the duty. Others objected to the duty on the ground that the State should not recognise betting.

53. In April 1929 the Chancellor of the Exchequer announced that he proposed in the Budget for that year to repeal the Betting Duty, and to substitute therefor an increased licence duty together with a duty on " off the course " bookmakers, based on the number of telephones in their offices. A tax of ½ per cent. on totalisator turnover was also proposed.

On a change of Government in 1929, the duties on bets were repealed, but the scheme for increased licence duties was not proceeded with. The licence duties on personal certificates and entry certificates were repealed by the Finance Act, 1930.

Racecourse Betting Act, 1928.

54. This Act was passed in order that the betting at horse racecourses should make some contribution to the sport of horse racing and to horse breeding For this purpose the Act authorised the setting up of totalisators at certain horse racecourses and allowed special charges to be imposed on bookmakers attending those courses.

The history of the Act was summarised in our interim report and we deal with the matter in detail in Chapter VIII.

Lotteries (1908 to present day).

Joint Select Committee on Lotteries and indecent advertisements (1908).

55. In consequence, *inter alia*, of the development of prize competitions in newspapers a Joint Select Committee was appointed in 1908 " to consider and enquire into the law (i) as to lotteries, including the sale of lottery bonds, competitions for prizes which

involve an element of chance, and advertisements relating thereto; (ii) as to indecent literature and pictures, and advertisements relating to things indecent and immoral; and to report what amendments, if any, in the law are necessary or desirable ".

56. So far as concerns the first branch of their enquiry, the Committee found that " the Statute law on the subject of lotteries, although antiquated and in some respects ineffective, is yet strong enough to prevent the holding in Great Britain of lotteries in the usually accepted meaning of the word ". They considered, however, that further legislation was required " in view of the great development within the last few years of all kinds of prize competitions in which the element of chance largely predominates, and for which entrance fees are charged or coupons required . . . ." In the view of the Committee no good purpose was served by these competitions which encouraged a spirit of gambling and speculation. They recommended that it should be made illegal for any proprietor, publisher, or editor of a newspaper or periodical, to charge any form of entrance fee, including the purchase and return of coupons, for prize competitions in his paper.

57. Action on the recommendations of the Committee was not taken at the time, and the outbreak of war in 1914 led to the abandonment of Bills then before Parliament, which were designed to give effect to certain of the Committee's recommendations, including the restrictions proposed on newspaper competitions.

Select Committee on Premiums Bonds (1917).

58. In 1917, a Select Committee of the House of Commons was appointed " to enquire into and report on the desirability or otherwise of raising money for the purpose of the War by the issue of premium bonds." The Committee found a sharp division of opinion among the witnesses, and among the members of the Committee. The main conclusion of the Committee is expressed as follows in the final paragraphs of their report.

> " The present opportunities of investment for the general public are not sufficient to obtain their free and full support, and there is a considerable untapped source of investment, which might be secured for war needs by means of an issue of bonds, which would, by a speculative element, whilst preserving the capital intact, attract the savings of the small investor to whom the ordinary flat rate of interest does not appeal.
>
> " We doubt, however, whether the amount of new money to be obtained would justify any change of a contentious character in our financial methods, and are satisfied that such strong views are held with regard to Premium Bonds that legislation to sanction them would be difficult to obtain, and that such a proposal might cause a controversy in the country

which would be most undesirable. We do not therefore advise that an issue of Premium Bonds be made at the present time, or until further efforts have been made to render present issues more attractive to the investor."

Lotteries Bills, 1918 *and* 1932.

59. In 1918, the subject of lotteries was discussed in Parliament in the debates on the Lotteries (War Charities) Bill, 1918, the object of which was to allow the governing body of any registered War Charity, with the consent of the police, to raise money by lotteries. The Bill was passed by the House of Lords, but rejected on second reading in the House of Commons by 81 votes to 77.

In May, 1931, a private member in the House of Commons moved for leave to bring in a Bill to authorise the raising of money by means of lotteries for the support of hospitals. This motion was rejected by 181 votes to 58. A motion in somewhat similar terms was moved by the same member on 22nd March, 1932, and passed by 176 votes to 123.

CHAPTER II.

THE EXISTING LAW.

BETTING.

60. Betting itself is not illegal, but various statutes have imposed restrictions on betting of certain kinds and in certain places.

Betting Houses or Places.

61. Under the Betting Act, 1853, it is illegal to keep or use any house, office, room, or other place, for the purpose of the owner or occupier

(*a*) betting with persons resorting thereto, or

(*b*) receiving money in advance in respect of bets or transactions in the nature of bets.

Anyone keeping or assisting in the keeping of such a place is liable to a fine of £100 or imprisonment for six months, and anyone receiving money in advance in respect of bets or transactions in the nature of bets is liable to a fine of £50 or imprisonment for three months.

62. The Act is framed in wide terms and covers the various circumstances in which a betting house may be conducted where the management or servants of the management bet with persons resorting to the house or receive ready money bets.

Resorting means resorting in person; but it would seem that a person can resort to premises without actually entering them. Thus if a bookmaker having an office upon a public thoroughfare were to invite members of the public to put their bets into a box in front of his office, he would probably be considered to be betting with persons resorting to him and so to be contravening the Act of 1853.

The Act prohibits the receipt of money in advance in respect of a bet. Consequently a bookmaker can keep an office for betting with persons on credit terms, provided that they do not resort to his office to make their bets, but communicate by other methods, for example by post, telegram or telephone.

There are no restrictions under the Act on the manner in which a bookmaker may pay out winnings to his customers.

63. One of the most difficult questions is what, in the case of a person who bets with persons resorting to him, constitutes *the use of a place*, so as to render his actions a criminal offence under the Act. This question arises when a bookmaker carries on his business in premises owned or occupied by some other person; for example on a racecourse, in a club, or in a public house.

In the leading case of *Powell* v. *Kempton Park Racecourse Company**, the Lord Chancellor (Lord Halsbury) said: "Any place which is sufficiently definite and in which a betting establishment might be conducted, would satisfy the words of the statute." In regard to the manner in which the place must be used to render it a betting house he said: "It is not the repeated and designed, as distinguished from the casual or infrequent, use which the employment of those words imports here, but the character of the use as a use by some persons having the dominion and control over the place, and conducting the business of a betting establishment with the persons resorting thereto."

The application of these principles to a racecourse is dealt with in paragraph 71.

64. In the case of a club, if the owners or managers of a proprietary club bet with the members of the club, then there is a clear offence under the Betting Act. If some members of a club act as bookmakers and have a definite "place," then they commit an offence. If members of a club bet among themselves, acting sometimes as layers and sometimes as backers, then they do not commit an offence, unless the place where they bet is strictly localised, in which case the legality of their actions is doubtful.

65. In the case of a bookmaker betting in a public house, it would appear that if the bookmaker localises his business at a particular spot (e.g. has the use of a table), or if he carries on his business with the assent of the owner or occupier of the public house, he commits an offence against the Betting Act.

66. The Act by reason of its wide terms covers more than betting by a bookmaker. The second part of section 1 of the Act prohibits the receipt of money or valuable thing as a consideration for an assurance to pay money or valuable thing on any contingency relating to a race, game or exercise; and an offence under this provision may be committed in certain circumstances by, for example, the organiser of a newspaper competition, the promoter of a whist drive, or the occupier of premises in which automatic gaming machines are being operated.

Betting in Streets or Public Places.

67. Under the Street Betting Act, 1906, it is illegal for a person to frequent or loiter in streets or public places for the purpose of bookmaking, or making or settling bets.

The penalty for a first offence is a fine not exceeding £10, for a second offence a fine not exceeding £20, and for a third or subsequent offence (or in any case where the offender had a betting transaction with a person under 16 years of age) a fine not exceeding £30 or imprisonment for a term not exceeding three months, or

* (1899), A.C. 143.

on conviction on indictment a fine not exceeding £50 or imprisonment for a term not exceeding six months.

The Court has power to forfeit all books, cards, papers and other articles relating to betting which may be found in the offender's possession. There is no power under the Act to forfeit money.

68. The Street Betting Act applies to an enclosed place to which the public have a restricted right of access, if at every public entrance there is conspicuously exhibited by the owners or persons having the control of the place a notice prohibiting betting therein.

The Act does not apply to any ground used for the purpose of a racecourse for racing with horses on the days on which races take place.

Horse Racecourses.

69. *Approved Horse Racecourses.*—The Betting Act, 1853, does not apply to a horse racecourse in respect of which there is in force a certificate of approval issued by the Racecourse Betting Control Board, in accordance with the provisions of the Racecourse Betting Act, 1928. At such approved horse racecourses, totalisators may be set up under the authority of the Racecourse Betting Control Board, and betting between a bookmaker and members of the public is legal without restriction, except that it is illegal for any person to enter into any betting transaction with a person apparently under 17 years of age.

70. *Other Horse Racecourses.*—As regards racecourses, other than horse racecourses approved by the Racecourse Betting Control Board, betting between a bookmaker and a member of the public is legal, provided that the bookmaker does not appropriate or monopolise any part of the racecourse so as to be using a place within the meaning of the Act of 1853.

71. The question in what circumstances a bookmaker on a racecourse uses a place so as to bring his operations within the ambit of the Betting Act, 1853, was considered by the House of Lords in the case of *Powell* v. *Kempton Park Racecourse Company*, referred to in paragraph 63, and the House of Lords decision has been interpreted and applied in various subsequent cases. If a bookmaker occupies a position on a racecourse and has certain apparatus (e.g. a large umbrella or a wooden stand) which serves merely to indicate his identity and his willingness to bet with anyone who will bet with him, then he is not committing an offence under the Betting Act, 1853. But if the apparatus is used to indicate a definite place at which the business of betting is carried on by him and to which, therefore, people can go for the purpose of betting with him, then there is a presumption that an offence is being committed.

Racing Tracks other than Horse Racecourses.

72. The provisions of the Street Betting Act, 1906, prohibiting bookmaking and the making or settling of bets, apply to

(i) any unenclosed ground (except if used for horse racing) to which the public have unrestricted access;

(ii) any enclosed ground to which the public have a restricted right of access if the persons controlling the place exhibit at every public entrance a notice prohibiting betting in the ground.

In enclosed grounds to which the public have a restricted right of access, at which a notice prohibiting betting is *not* exhibited, betting between a bookmaker and members of the public is legal, subject to the conditions set out in paragraphs 70 and 71.

73. The position may be illustrated by a few examples. Betting between a bookmaker and members of the public is illegal under the Street Betting Act at village sports held on the village green or on unenclosed common land; and likewise at an enclosed football ground, if a notice is exhibited that betting is prohibited. It is not, however, an offence for a bookmaker to conduct his business at an enclosed greyhound track at which no notices against betting are exhibited, so long as he does not localise himself.

Ready Money Football Betting.

74. The Ready Money Football Betting Act, 1920, prohibits the printing, publication or circulation of any advertisement, circular or coupon of any ready money football betting business; and a ready money football betting business is defined as any business or agency for the making of ready money bets or wagers, or for the receipt of any money or valuable thing as a consideration for a bet or wager in connection with any football game.

A person committing an offence under the Act is liable on summary conviction to a fine not exceeding £25 or, in default of payment, imprisonment for not more than one month, or, in case of a second or subsequent conviction, to a fine not exceeding £100 or to imprisonment for not more than three months.

75. The Act is drawn in wide terms, so far as ready money football betting is concerned. A newspaper which runs a competition in which competitors are invited to indicate the results of various football matches on a coupon printed in the newspaper, commits an offence under the Act.

The Act does not apply to football betting conducted on credit; but if a printer, although asked to print " for credit only " on coupons, knows that the coupons are in fact to be employed for ready money betting, he may be convicted under the Act.

Advertisements.

76. Under section 7 of the Betting Act, 1853, and the Betting Act, 1874, it is illegal to advertise any business in the United Kingdom or elsewhere, kept for purposes declared to be illegal by the Betting Act, 1853.

An advertisement, to come within this prohibition, must make it appear that the betting house to which it relates is so used as to contravene one or other of the purposes stated in section 1 of the Betting Act, 1853. As it is not difficult to frame an advertisement for an illegal betting business in a manner which leaves little doubt as to its character but does not explicitly reveal its illegality, the scope of the prohibition is limited.

Under the Betting and Loans (Infants) Act, 1892, it is illegal to send to any person under the age of 21, any notice or advertisement inviting that person to bet.

Totalisator Betting.

77. Totalisator or pari-mutuel betting is in most respects subject to the same restrictions as betting conducted by a bookmaker at fixed odds. Thus most of the prohibitions contained in the Betting Act, 1853, the Street Betting Act, 1906, and the Ready Money Football Betting Act, 1920, apply to totalisator as to other forms of betting.

It would seem, however, that it is not illegal to keep an office or other place for totalisator betting on credit.

Scotland.

78. The Betting Acts apply to Scotland, and such differences in law as have arisen have followed from different interpretations of the statutes by the Scottish Courts. There are, however, certain statutory provisions which are peculiar to Scotland.

Under section 407 of the Burgh Police (Scotland) Act, 1892, a police constable of a burgh may enter any house believed to be used as a betting house and take into custody all persons found therein and seize all papers and money. The owner of the betting house is liable to a fine of £50 and all money seized is forfeited. Similar provisions are contained in local Acts applying to burghs to which the Act of 1892 does not apply.

The Betting (Juvenile Messengers) (Scotland) Act, 1928, prohibits the use of persons under the age of 16, for the conveyance of betting slips or betting information. The penalty on first conviction is imprisonment not exceeding one month and a fine not exceeding £20, and on a second or subsequent conviction imprisonment for a term not exceeding three months or a fine of not less than £20 but not more than £50.

LOTTERIES.

79. The statute law in force on the subject of lotteries is contained in the unrepealed provisions of twelve Acts, dating from 1698 to 1846. Many of the earlier provisions are of little practical importance to-day.

The effect of the Acts is to declare illegal all lotteries not authorised by Act of Parliament. The only lotteries so authorised are the distribution by chance of works of art by voluntary associations known as Art Unions, which comply with the conditions set out in the Art Unions Act, 1846.

The prohibition of other lotteries is unqualified. No distinction is drawn by reason of the object for which a lottery is promoted. A lottery is illegal whether it is conducted for a charitable object, for the private profit of the organiser, or simply for the benefit of the participants. Although it has never been decided by the Courts that a lottery organised among friends is illegal, we know of no statutory provision which draws any distinction between public and private lotteries.

What is a Lottery?

80. A raffle or a prize drawing is a simple form of lottery; a sweepstake is a more complicated form of lottery since the distribution of prizes depends first upon a draw and secondly upon an independent and unascertained event, usually the result of a horse race. Premium bonds are another form of lottery.

Some of the earlier Lotteries Acts stigmatised certain types of schemes as lotteries, but the later Acts do not define what is a lottery and thus leave it to the Courts to decide whether a given scheme is or is not a lottery. The case law on the subject of lotteries is therefore of great importance.

81. Before a scheme becomes a lottery there must be an element of chance and an element of wager.

In regard to the element of chance, the definition of a lottery in Webster's dictionary has had judicial approval; "a scheme for a distribution of prizes by lot or chance."

The Courts have held that if a scheme involves any element of real skill, it is not a lottery within the meaning of the Lotteries Acts. It would appear that the mere exercise of common sense or common intelligence is not regarded as skill for this purpose. Skill involves calculations based upon some facts which would form a starting point for arriving at a correct answer. Thus in a competition it may be a matter of skill to guess in what order of preference an expert will place a series of articles; but it would be a matter of chance to guess the order determined by the votes of all the competitors.

82. An element of skill does not prevent a scheme from being held to be a lottery if, in addition to the skill, there is an independent element of chance; for example the award of a prize to the first correct solution opened on a particular day.

Even if a scheme is not on the face of it a lottery, it may be shown by extraneous evidence that it was contemplated that it should be conducted in that way; e.g., a newspaper competition nominally involving skill in which it is manifestly impossible for the adjudicators to examine properly all the entries.

83. It may be inferred from the decisions that a purely gratuitous distribution of prizes by chance would not amount to a lottery. But if a participant, or the body of participants taken as a whole, directly or indirectly makes a contribution for the chance, then the scheme is a lottery. Thus it has been held that a newspaper which gave away without charge numbered medals, some of which entitled the holder to a prize, and published winning numbers in its issues, was conducting a lottery, although a prize-winner could see the published numbers in a copy of the paper free of charge at the newspaper offices. Again it has been held to be a lottery to distribute, in packets of tea, coupons entitling purchasers to prizes of various values, although the tea was held to be good value for the money charged for the packet.

A scheme may be a lottery although the prize money is not paid out of the subscriptions received or even by the promoters of the scheme, e.g., where the prize is presented by some outside body. The vital consideration is that there is a sale of tickets which gives the holders the chance of winning a prize.

Offences.

84. The statutory provisions which are of practical importance at the present day are contained in the Gaming Act, 1802, the Lotteries Acts of 1823 and 1836, and in regard to the importation into this country of lottery advertisements, section 1 of the Revenue Act, 1898.

Section 2 of the Gaming Act, 1802, provides that no person shall keep a place for the promotion or conduct of a lottery.

The Lotteries Act, 1823, under which most prosecutions are now undertaken, makes illegal the sale of chances in a lottery or the publication of any proposal for the sale of tickets.

The Lotteries Act, 1836, prohibits the printing or publication of any advertisement or other notice relating to the drawing of a lottery or the sale of tickets.

85. The various offences which are prohibited under the statutes relating to lotteries may be summarised as follows:—

setting up or exercising a lottery;
keeping an office or place to exercise a lottery;

selling any ticket or chance in a lottery;
publishing any proposal or scheme for the sale of tickets in a lottery;
printing or publishing any advertisement or other notice of the sale of tickets or drawings in any lottery.

86. *Publication.*—The Courts have held that any person who makes known a proposal for a lottery to another person *publishes* that proposal. Thus a printer who prints lottery tickets and sells them in bulk to another person, in order that that other person may conduct a lottery, commits the offence of publishing a proposal for a lottery.

The publication in a newspaper of information about the existence of a lottery, and where and at what price tickets can be obtained, is probably an offence against the Lotteries Act, 1836. It is doubtful whether the publication in a newspaper of the results of lotteries is an offence, since the phrase "drawing or intended drawing" in the Lotteries Act, 1836, may refer only to some future event. When the results are published, the contingency has occurred on which the scheme depended.

87. *Purchasing of Tickets.*—As regards persons who purchase chances in a lottery, some of the earlier Acts referring to particular types of lotteries make "adventuring" an offence. As regards lotteries generally, the purchaser of a chance could no doubt be prosecuted for aiding and abetting the sale of tickets; but in practice this has not been done. What is true of individual purchasers is also true, for the most part, of groups or syndicates of purchasers. If a syndicate employ an agent to procure a number of tickets in a lottery, neither the syndicate nor the agent commit an offence under the Lotteries Acts most commonly employed against the promotion of lotteries.

88. *Search Warrant.*—Under section 4 of the Gaming Act, 1802, and section 59 of the Lotteries Act, 1823, justices can issue a warrant authorising the entry of premises where a lottery is believed to be carried on and the arrest of those found on the premises. There is, however, no power to authorise the search of premises without the arrest of persons found there.

89. *Procedure.*—The Gaming Act, 1802, and the Lotteries Act, 1823, provide two procedures under which proceedings may be taken in respect of contraventions of those Acts. An action may be taken in the High Court for the recovery of penalties amounting under the Act of 1802 to £500 and under the Act of 1823 to £50 in respect of each offence. Alternatively summary proceedings may be taken against an offender as a rogue and vagabond, with liability to imprisonment for a term not exceeding three months or a fine of £25, and to imprisonment for twelve months as an incorrigible rogue on a subsequent conviction. The Act of 1836 only provides for an action in the High Court for penalties.

Such actions in the High Court can only be instituted in the name of the Attorney-General or Solicitor-General. The Court must award the full amount of the penalty in respect of each offence proved.

A joint stock company cannot be proceeded against under the Act of 1823, either by action in the High Court or summarily, but the directors or officers may be personally liable.

90. *Use of Ports and Post.*—Under section 1 of the Revenue Act, 1898, there is added to the list of goods which may not be imported into the United Kingdom, "any advertisement or other notice of or relating to the drawing or intended drawing of any lottery, which in the opinion of the Commissioners of Customs is imported for the purpose of publication in the United Kingdom, in contravention of the Lotteries Act, 1836, or any other Act relating to foreign lotteries". Such material is forfeited, and may be destroyed or otherwise disposed of, as the Commissioners of Customs may direct.

The Secretary of State has an inherent power by warrant to require the Postmaster General to open or detain any postal packet. This power is expressly recognised in section 56 of the Post Office Act, 1908.

Scotland.

91. The summary of the existing law set out above relates primarily to England. The position in Scotland is, however, broadly speaking the same as in England, and it is only necessary to notice the main differences between the two countries.

(i) In Scotland, lotteries have probably always been illegal at Common Law. Some of the earlier Lotteries Acts and the Gaming Act, 1802, do not apply to Scotland; but in substance the effective statutory provisions are the same in both countries.

(ii) The Burgh Police Acts, 1892 and 1903, which apply to all burghs in Scotland, except five (which have local Acts with similar provisions), contain provisions directed against the conduct of lotteries in public places.

(iii) On a conviction under section 41 of the Lotteries Act, 1823, it is not necessary to find the accused to be a rogue and vagabond.

(iv) Proceedings under the Lotteries Acts cannot be taken in Scotland against the purchasers of tickets. Aiding and abetting the commission of a statutory offence is not punishable in Scotland, unless there is an express provision to that effect in the statute.

GAMING.

92. Gaming is the playing of a game for stakes hazarded by the players. In certain circumstances gaming and the keeping of houses for the purpose of gaming are criminal offences.

The effective provisions of the criminal law relating to this branch of our subject are contained in the Common Law relating to gaming houses, the Gaming Act, 1845, the Gaming Houses Act, 1854, the Vagrant Act Amendment Act, 1873, and section 79 of the Licensing (Consolidation) Act, 1914; but the Unlawful Games Act, 1541, and the Gaming Acts of 1738, 1739, and 1744 which penalise the keeping of a house for play at certain games are still on the Statute Book. Those early Acts are never now enforced, but the Courts have from time to time examined them for the purpose of interpreting terms such as " unlawful games " which are used in the later (and effective) legislation.

Keeping a Common Gaming House.

93. The law against common gaming houses is contained in the Common Law, the Gaming Act, 1845, and the Gaming Houses Act, 1854.

A common gaming house has been defined judicially as " a house in which a large number of persons are invited habitually to congregate for the purpose of gaming."

The Acts do not prescribe the nature of the evidence necessary to prove a place to be a common gaming house, but they indicate certain types of evidence which the Courts may treat as sufficient for that purpose.

94. Thus section 2 of the Gaming Act, 1845, provides that in default of other evidence proving any house or place to be a common gaming house it is sufficient to prove that the house is kept or used for playing therein at any unlawful game, and that a bank is kept there by one or more of the players, exclusively of the others, or that the chances of any game played therein are not alike favourable to all the players, including among the players the banker or other person by whom the game is managed or against whom the other players stake, play, or bet.

Under the provisions of the Gaming Houses Act, 1854, obstruction to the entry of the police executing a search warrant in respect of a suspected gaming house or the finding of instruments of gaming in a search under warrant is evidence, unless the contrary is made to appear, that the house is a common gaming house.

95. Justices may by warrant authorise constables to enter and search houses suspected of being common gaming houses and to arrest persons found therein. Any person obstructing the entry of the police is liable to a fine of £100 or to be imprisoned for six months. In the Metropolitan Police District the power to authorise the search of houses suspected of being common gaming houses is exercised by the Commissioner of Police of the Metropolis.

Justices may compel any person arrested in a house believed to be a common gaming house to submit to examination on oath

concerning gaming in the house, and justices are empowered to grant a certificate of indemnity from prosecution to such person as makes a " true and faithful discovery to the best of his knowledge of all things as to which he is so examined."

96. Under the Common Law, the keeper of a common gaming house may be tried on indictment, and is liable to imprisonment for a period not exceeding two years or to a fine. Proceedings are, however, normally taken summarily under section 4 of the Gaming Act, 1845, which provides that the owner or keeper of a common gaming house and every person having the care or management thereof and also every banker, croupier and other person who acts in any manner in conducting the business of any common gaming house is liable, on conviction before two justices, to a fine not exceeding £100 or to imprisonment with hard labour for a term not exceeding six months.

The justices may order instruments of gaming seized by the police in a gaming house to be destroyed.

97. As pointed out in paragraph 95, persons found in a common gaming house may be arrested in the execution of a search warrant. The Court can require them, on pain of imprisonment, to enter into a recognizance not to frequent gaming houses. In the Metropolitan Police District, however, players in common gaming houses are liable to a fine of £5.

Keeping a house for Unlawful Gaming.

98. Under section 4 of the Gaming Houses Act, 1854, any person who keeps or uses a house for the purpose of unlawful gaming being carried on therein, and any person who assists in keeping a house for this purpose is liable on summary conviction before two justices to a fine not exceeding £500 and to pay the cost of the prosecution or to imprisonment for a term not exceeding 12 months.

It will be observed that the penalties are more severe than those under the Act of 1845 for the offence of keeping a common gaming house.

99. The meaning of the term " unlawful gaming " has been considered in a number of cases, the leading case being *Jenks* v. *Turpin*.† It was held in that case by Mr. Justice Hawkins that gaming was unlawful (*a*) at the unlawful games of " ace of hearts, pharaoh, basset, hazard, passage, roulet, every game of dice except backgammon, and every game of cards which is not a game of *mere* skill; and I am inclined to add, any other game of mere chance "; (*b*) if carried on in premises which could be described as a common gaming house, since playing for money at any kind of game in a common gaming house was unlawful.

† (1884), 13 Q.B.D. 505.

It has been held that progressive whist (a whist drive in which the partners are changed) is not a game of mere skill. Consequently a place in which progressive whist is habitually played, a charge being made for admission and the prizes paid directly or indirectly out of the money charged, is a common gaming house and a place kept for the purpose of unlawful gaming within the meaning of section 4 of the Act of 1854.

Again, certain types of automatic gaming machines have been held to be games involving chance and the keeper of any place in which they are set up to be played for money or money's worth may be convicted of keeping a common gaming house or a house for unlawful gaming.

Gaming in a Public Place.

100. Section 3 of the Vagrant Act Amendment Act, 1873, provides that every person playing by way of wagering or gaming, in any street, highway or open place to which the public have access, with any instrument of gaming or any coin, card or token at any game or pretended game of chance, shall be deemed a rogue or a vagabond and be liable to imprisonment for a term not exceeding three months or to a fine.

The expression *open place to which the public have access* has been interpreted in a wide sense: thus passengers in a railway carriage playing a game of chance with cards for money have been held to commit an offence against this section.

Gaming in Licensed Premises.

101. Under section 79 of the Licensing (Consolidation) Act, 1910, the holder of a justice's licence is liable to a fine of £10 on the first occasion and £20 on any subsequent occasion, if he suffers any gaming or unlawful game to be carried on upon his premises or if he suffers his premises to be used in contravention of the provisions of the Betting Act, 1853.

In the Metropolitan Police District there is a wider power, under section 44 of the Metropolitan Police Act, 1839, which provides penalties against the keeper of any refreshment house who knowingly suffers gaming on his premises.

Scotland.

102. The Scots Law on gaming is similar in substance to the English Law, though the countries have not many statutes in common on the subject.

(i) As in England, there is a certain amount of old law which is not in practice enforced. Under an Act of the Scots Parliament passed in 1621, playing at cards or dice is illegal in certain circumstances, and the Gaming Act, 1710, directed against excessive and fraudulent gaming, appears to be still in force in Scotland.

(ii) The Gaming Act, 1845, and the Gaming Houses Act, 1854, do not apply to Scotland; but it is an offence at Common Law to open and keep a common gaming house where games of chance are commonly played for money and for the gain of the keeper of the house.

(iii) Under section 407 of the Burgh Police (Scotland) Act, 1892, referred to in paragraph 78, the police can enter any place kept as a gaming house and take into custody all persons found therein and seize moneys and instruments of gaming. The keepers are liable to a fine of £50 and frequenters to a fine of £10; and the moneys are confiscated and the instruments of gaming destroyed. It is not necessary to prove that the house is kept for the gain of the keeper of it.

(iv) Fraudulent gaming in public places or in public conveyances is struck at by the Prevention of Gaming (Scotland) Act, 1869, which imposes penalties on professional gamesters and card sharpers. A provision in somewhat wider terms is contained in section 406 of the Burgh Police (Scotland) Act, 1892.

(v) Under section 393 of the Burgh Police (Scotland) Act, 1892, it is illegal for two or more persons to assemble together in any street or open place within the burgh, for the purpose, *inter alia*, of gaming. The penalty is a fine not exceeding 40s. In a county area gaming in public places may be subject to bye-laws of the County Council made under the Local Government (Scotland) Act, 1889.

(vi) Under the Gaming Machines (Scotland) Act, 1917, the use in any place of a machine or mechanical contrivance for gaming is prohibited under penalty of a fine not exceeding £10 or imprisonment for a term not exceeding sixty days. This Act was passed in consequence of conflicting decisions by the English and Scottish Courts which threatened to result in Scotland being flooded with gaming machines which had been declared illegal in England. The Act is drawn to cover all mechanical games, whether or not skill is required for their operation. Under the Summary Jurisdiction Acts, there is power to confiscate any machine which is the subject of successful proceedings.

(vii) The Licensing (Scotland) Act, 1903, makes it unlawful for the keeper of a public house or inn to suffer any unlawful game to be played on the premises.

CHAPTER III.

THE EXISTING POSITION.

103. In this chapter we describe the methods and extent of the existing facilities for organised or professional gambling, and we explain what are the main difficulties in regard to the enforcement of the law.

BETTING.

104. Until a few years ago nearly all organised or professional betting in this country related to horse racing. Recently betting on other sports has increased, notably on greyhound racing and professional association football. Betting on horse racing, however, still accounts for most of the organised betting in this country and betting on horse racecourses is the natural starting point for a description of the existing betting facilities.

BETTING ON HORSE RACECOURSES.

105. Horse racing takes place on approximately 70 principal courses under the rules of the Jockey Club or the National Hunt Committee. This figure excludes various courses where one or two days' racing is held each year under National Hunt Rules, or point-to-point meetings are held once a year by hunts. There are two racecourses where racing takes place under the rules of the Pony Turf Club, and in a few cases pony racing is held independently of any racing authority.

Horse racecourses are situated all over the country, in many cases at a considerable distance from urban centres, and in many cases racing takes place only on six to ten days in the year.

Betting with Bookmakers.

106. Betting with bookmakers on horse racecourses is carried on in the various enclosures, such as Tattersalls Ring and the silver ring, and also at some meetings in places along the course to which the public have free access.

The method by which betting is conducted by bookmakers on the course is known as *ante-post* betting. A bookmaker on a racecourse bets at stated or fixed odds agreed between him and the backer at the time when the bet is made. Such bets are normally made in the interval before the race to which they refer, and the bookmaker varies the odds which he offers to backers according to the amounts which he finds are being staked on each horse.

107. The object of the bookmaker is in theory to make a " round book " in order that the amounts staked with him on each horse, and the odds which he has offered, so combine as to assure him

of a profit whichever horse wins. In practice, however, this object cannot always be attained. An individual bookmaker may find that the odds which would give him a round book are shorter than those which are being offered by other bookmakers, and that if he is to secure business he must offer longer odds. Again, prices in the rings generally are always liable to be affected by a single large bet, or by any indication of " inside information."

Most racecourse betting is carried on for ready money, but a certain number of bookmakers bet on credit with known and trusted customers.

Some bookmakers only carry on business on racecourses, but others combine office businesses with representation at race meetings.

108. For the twelve months ended 31st October, 1928, the turnover of on-the-course betting on which betting duty was paid was £45,300,000. Evidence given before us indicates that, apart from money diverted to the totalisator, there has been a considerable decline in the volume of on-the-course betting since 1928. We refer to this in paragraphs 199 and 200.

Betting disputes and Tattersalls Committee.

109. This is, perhaps, the most appropriate place to mention the part played by Tattersalls Committee in settling betting disputes.

The Committee consists of fourteen members, of whom two are nominated by the Jockey Club, and the remainder are co-opted, subject to the approval of the Jockey Club. Prior to 1899, the function of adjudicating in betting disputes had been discharged by the Committees of two betting clubs, known as the Committee of Tattersalls Subscription Room and the Committee of the Newmarket Subscription Room. The former club is known to have been in existence since 1795 or earlier.

110. Any person who is aggrieved in a betting dispute can bring a complaint before the Committee. A fee, payable by the complainant, is charged for hearing and determining claims. Findings are reported to the interested parties only, except in cases where a general ruling as to the destination of bets is asked of the Committee. Persons declared to be in default in the payment of betting debts are reported privately to the Stewards of the Jockey Club.

The action of the Stewards in these cases is to treat the defaulters as disqualified persons under the Rules of Racing and warn them off Newmarket Heath, which is the property of the Jockey Club, so long as their default continues. Such warning off carries with it the exclusion from all enclosures at all race meetings held under Jockey Club and National Hunt Rules.

Totalisator Betting.

111. The Racecourse Betting Control Board have now established facilities for totalisator betting at all except one of the principal horse racecourses. Totalisator facilities are also provided in marquees at a further 35 courses, where meetings are held under National Hunt Rules, and also at a number of point-to-point meetings.

112. The essential feature of *pari-mutuel* or *totalisator betting* is that the odds are determined on the conclusion of the betting by the total amount of money staked on the several horses by their backers. The normal procedure is as follows. Anyone wishing to back a horse in a race, buys one or more tickets on that horse; the tickets being all of the same value, say 2s. or multiples of that unit. The proceeds of all the tickets sold in respect of each race or event are pooled. A predetermined percentage of that pool is deducted and paid to the owners or operators of the totalisator or pari-mutuel, out of which the expenses of operation and other charges are defrayed. On the result of the race or event the remainder of the pool is divided equally by the number of winning tickets or units, and the resulting amount is the "dividend" payable on each winning unit. The percentage deducted from the pool is normally 10 per cent. in this country, but it is usually provided that the dividend shall be rounded down to the nearest convenient figure, the difference which accrues to the operating company being described as "breakages". This provision results in increasing the percentage deducted from 10 per cent. to say 11 or 12 per cent.

113. For the 12 months ended 31st December, 1932, the total turnover of on-the-course betting conducted on the totalisator was somewhat in excess of £3,000,000. Details as to the activities of the Racecourse Betting Control Board are given in Chapter VIII.

We think that the totalisator has been responsible for some widening of the circle of those who bet on the course, but that there is some tendency to bet in smaller amounts with the totalisator than with the bookmaker.

OFFICE CREDIT BETTING.

114. As explained in paragraph 62, it is lawful for a person to keep an office for betting with persons who do not resort there in person but communicate by post, telegram or telephone, provided the betting so conducted is on credit. Many large businesses are conducted on this basis, the betting being all, or virtually all, on horse races. Settlements are usually made weekly. Horse racing lends itself to regular betting, especially during the flat racing season, as racing takes place on some racecourse and often on more than one, almost every weekday throughout the year.

These firms carry on a certain amount of ante-post betting in the case of the more important races, e.g., stated odds will be quoted on horses entered for the Derby or the St. Leger several weeks before these races are to be run. But nearly all the business transacted by these firms is at what is known as starting price.

115. The method of determining *starting prices* is as follows. The racecourse representatives of two sporting newspapers make a rapid survey of the odds which bookmakers in the more important rings are offering just before the start of each race. The prices reported in this manner are published in the newspapers shortly after the race is run, and later are recorded in the racing calendar as the " official " starting prices.

116. Although the amount of betting carried on at starting price by credit offices is at least as large as the volume of betting on the course, off-the-course betting is thus conducted at prices which are determined by the market fluctuations of the betting on the course. To meet this situation a channel of communication has been provided by what is known as the " Blower " service between the starting price betting carried on by office bookmakers and the betting on the course. One organisation carrying on this service is the London and Provincial Sporting News Agency, Limited. This company has a headquarter office in London and subsidiary offices in some of the larger towns. The headquarter office is in telephone communication with agents on the racecourse, and also with the larger office bookmakers, who are kept informed of the current prices on the racecourse. By means of this service office bookmakers are also enabled to place bets with the bookmakers in the rings on the racecourse, or with the totalisator, if they wish to lay off some portion of the money staked with them, or to influence the starting price by backing a particular horse.

A few office bookmakers, instead of betting at starting price, conduct betting among their customers on the pool or pari-mutuel system.

117. The large credit betting businesses are mostly in London and other large cities, but there are also a considerable number of smaller businesses up and down the country. The fact that a credit bookmaker has to be assured of the *bona fides* of his clients gives a certain advantage to a local man who may have personal knowledge, or at least can readily secure reliable information on the matter.

Most of the clients of the credit bookmakers are drawn from the upper and middle classes. We were informed that the credit bookmakers are liable to incur many bad debts, amounting, according to one witness, to 15 per cent. of the turnover. This factor tends to reduce the profitableness of credit bookmaking and we were told that the gross profit made by many credit bookmakers on turnover amounted to between 3 and 5 per cent.

The bookmakers' representatives informed us that owing to various causes there had been a considerable decrease in the business done by credit bookmakers, and that in some cases the turnover was only one-half of what it was a few years ago.

118. *Tote Investors Limited.*—This company carries on what is in effect a credit office business with its customers, but has an arrangement with the Racecourse Betting Control Board whereby substantially the whole of its business is transmitted to the Board's totalisators. The position of this company is explained in detail in Chapter VIII.

Postal Cash Betting.

119. It is illegal to receive money in advance in respect of bets, and it is therefore illegal to carry on a postal betting business in which money is paid in advance. Nevertheless, the evidence showed that in England a certain amount of ready money betting on horse racing is carried on by post by some office bookmakers; although the majority of office bookmakers (including the more reputable firms) do not conduct this class of business. This cash betting business is frequently combined with a business in football combination betting.

120. In Scotland, on the other hand, a very large volume of ready money postal betting is carried on with customers in all parts of Great Britain. Advertisements appear regularly in the sporting papers, inviting "letters" (which are contrasted with credit betting) to be sent to the addresses of bookmakers in Scotland.

The evidence showed that the large office bookmakers in Edinburgh are regularly raided by the police about once a year; that on the occasion of such raids a large volume of ready money postal betting is always found, the business of certain firms being divided into separate departments for ready money and credit business; that fines of as much as £100 are regularly imposed; but that ready money postal betting continues to be conducted on a very large scale, special vans having to be provided by the postal authorities to deliver the post to some of the larger office bookmakers.

121. It seems to be believed in many quarters that ready money betting by post is legal in Scotland, although illegal in England; but there is no foundation in law for this impression. The only explanation of it which we can offer is that the provisions of the Betting Act, 1853 (under which ready money postal betting is illegal), were not made applicable to Scotland until 1874 by the Betting Act of that year. It seems possible that owing to the difference between the laws of the two countries during the period from 1853 until 1874, ready money postal betting became firmly rooted in Scotland in these years, and was never subsequently eradicated. It may also be noted that the High Court of Justiciary held in 1910 that the police had no power to open closed packets found in a bookmaker's office in the course of a search under

warrant. English bookmakers took advantage of this and had receiving addresses in Scotland at which individual bets were received by post, for transmission in bulk to England. In 1925, however, the High Court reversed their previous findings and allowed the police to open closed packets.

Street Betting.

Organisation and extent.

122. A very large volume of cash betting takes place in streets, factories, works, and other places. Betting in all these places forms part of one organisation and can most conveniently be dealt with under the heading *Street Betting.*

The usual organisation is that the bookmaker has as his head-quarters some premises, commonly his dwelling house or an office kept ostensibly for credit betting, and that he employs agents who receive the bets from the bettors in the streets or at their place of work.

123. The agents of the bookmaker who take bets in the streets have "pitches" or "stances" in narrow streets or alley-ways or in the entrance to some house. Each agent or bet-taker usually has a watcher who lets the bookmaker's clients know where the bet-taker is to be found and signals the approach of the police. The bets are made by handing to the bet-taker a slip bearing the name of the horse backed, the amount of the stake, and the name or nom-de-plume of the bettor. The slip is wrapped round the money staked. The amount staked on each bet may be as low as 6d. or as high as £1 or more. The sums usually betted range from 1s. to 2s. 6d.

The bet-taker brings the bets to the bookmaker's premises, where they are entered up. During the afternoon lists are made out at the bookmaker's office for each bet-taker of the winning backers and the amounts due to them. Winners are paid out during the evening from, say 5 to 6 o'clock.

124. Many bookmakers employ other agents in addition to those who take bets in the streets.

Small Shops.—We received a considerable amount of evidence that ready money betting is conducted in barbers' shops, small newsagent's shops, and the like, where the occupier of the shop, or an assistant, acts as an agent for a bookmaker.

125. *House to House Canvassing.*—A police witness from the West of Scotland informed us that in his area street betting had been largely replaced by the collection of bets at houses, either by persons who were simply agents for bookmakers, or by tradesmen and roundsmen who acted in this capacity. This form of betting would appear to be common in certain districts.

126. *Factories and Workshops.*—There is evidence that in very many cases bookmakers have agents in factories and workshops, who collect money and slips on a commission basis, hand them over to the bookmaker or a bet-taker, and subsequently are given the necessary money to pay out winnings. The evidence showed that most large factories or workshops in this country contained an agent of this kind, or a person who had previously acted as an agent but who now received stakes and paid out winnings on his own account.

It would seem that in many cases employers turn a blind eye to betting on their premises, provided that it is conducted during intervals for meals, or in some other way that does not directly affect the work of the factory.

127. *Licensed premises.*—The evidence before us as to the use of licensed premises for betting was somewhat conflicting, some witnesses considering that it was negligible in amount, and others that it was of considerable volume. It is clear that, where betting takes place, the police experience considerable difficulty in obtaining evidence, especially since, as pointed out in paragraph 65, there is no complete prohibition of the use of a public house for the receipt of bets.

128. *Clubs.*—We had evidence as to clubs in large industrial areas in which bookmakers are directly interested, and which are used primarily for betting. The police experience some difficulty in detecting offences since they have no right of entry save under a search warrant.

129. Ready money betting of the type we have been describing is mainly conducted upon horse races at starting price odds. The betting on horse races is of considerably greater volume during the flat racing season than during the winter months, when a very considerable volume of football coupon betting is carried on, often by the same bookmakers. Recently a certain amount of betting on greyhound races has been transacted by street bookmakers, but this is not yet substantial as compared with the betting on horse races and on football.

130. The extent of the ready money betting business carried on in streets and elsewhere may be gathered from the fact that in the London area the street bookmakers are conservatively estimated to number over 750. This figure excludes their agents or runners. The number of street bookmakers in Manchester was estimated by one witness at 150 to 180.

131. The greatest volume of street betting is conducted in the poorer localities of the large towns. Bookmakers have recognised pitches which are regarded as their own territory, not to be invaded by other bookmakers. Our attention has also been drawn to the

fact that in the present depression a considerable number of pitches are to be found near Employment Exchanges when unemployed persons are receiving benefit.

Ready money "street" betting is not, however, confined to the large towns. It is equally common in industrial districts, such as the more populous parts of Staffordshire and Durham; and most small towns appear to contain one or more bookmakers' agents. Certain purely agricultural districts are probably the only parts of the country which are without facilities for ready money betting.

132. The prevalence of this type of betting is due to the fact that it meets the demand for betting facilities on the part of those who are unable to obtain facilities to bet on credit. The methods adopted by the street bookmaker enable his clients to make their bets with the minimum of inconvenience. It is the practice of the working man bettor to make his "selection for the day," after reading the sporting edition issued before mid-day of one of the evening papers. This contains a list of the probable runners for the day, the various tipsters' selections, and the latest advice from the course. The usual hour during which bets are taken is the dinner hour, from 12 o'clock to 1, or from 1 to 2.

Police difficulties.

133. The evidence of several important police witnesses was that street betting presented a grave difficulty to them, and that police action in dealing with it was to a large extent ineffective. At the same time the representatives of the Association of Chief Constables of Cities and Boroughs in England and Wales said that in their opinion the action taken by the police restricted the volume of street betting, which would otherwise be far greater. Another police witness said that police action prevented street betting from causing obstruction and becoming a nuisance to the community and had a deterrent effect.

134. Another consideration brought to our notice by many witnesses was that the existing position in regard to street betting affords a serious temptation to the police. While street bookmakers are reputed to conduct their business with honesty towards their clients, they would not hesitate to offer favours or inducements to the police in order to avoid a dislocation of their business. Some witnesses stated that arrangements are corruptly entered into between the police and bookmakers, the object of such arrangements being, either that a particular bookmaker's business should not be interfered with, or that, when an arrest is made, the person arrested should not be one of the bookmaker's regular staff, but some person put up for the purpose. The object of the latter arrangement would be two-fold; first to avoid the rising scale of penalties to which offenders against the Street Betting Act are

liable for second and third (or subsequent) offences; secondly, t make it unnecessary for the bookmaker to withdraw from the stree an experienced bet-taker; since it is admitted that men who hav been twice convicted under the Street Betting Act usually ceas to be employed by street bookmakers.

135. It is not, of course, our function to test the allegation made in this matter. In fairness to the police it should be sai that a number of the accusations of corruption are proved to b unfounded; and that it has been known for such accusations t be directed against members of the police who have shown them selves especially zealous in the discharge of their duties.

On the other hand cases of corruption, arising out of stree betting, have been proved to the satisfaction of the Courts and of th police authorities. We think it will be generally admitted tha street betting offers a serious temptation to the police, and that th danger of corruption from this source is a factor which must b given serious consideration.

Football Combination Betting.

136. In this type of betting, bets are made upon the combined results of a number of separate matches. It originated in prize offered by newspapers for the most successful predictions of the results of groups of matches. The professional bookmakers saw that this offered a method of betting which could be successfully exploited and it has now become a large and lucrative trade.

In the simplest form of this kind of betting, a list is given on a coupon of certain football matches taking place on the following Saturday, usually the matches between the league association football teams. The bettor predicts in the space provided opposite each match his forecast of the result of the match (i.e., which team will win, or that the result will be a draw). He fills in at the foot of the list the amount of his stake. The coupon states the odds which the bookmaker offers against the competitor predicting correctly the results of all the matches in the list.

137. The form of football combination betting usually adopted is more elaborate. A list of football matches is given on a coupon and the competitor is given the choice of predicting the result of any five, or more, matches in the list. A series of different odds is offered by the bookmaker. In the first place different odds are offered according to the number of matches which are selected; thus the bettor who predicts the results of twelve matches gets better odds than the man who only undertakes to predict the results of six matches.

Again, draws are regarded as more difficult to predict than decisive results, and "away" wins than wins on a team's home

ground. Longer odds are therefore offered for a successful prediction of draws than of wins, and for " away " wins as compared with " home " wins.

Usually the coupon contains more than one list of matches—e.g., a " long list," a " short list," and perhaps a " special list " with separate tables of odds for each. A specimen coupon is reproduced in Appendix III.

138. There is also a considerable amount of football betting on the " pool " principle. In this form of football betting no odds are stated. The competitor has to forecast the results of all the matches on a list, or of a given number of matches on the list; and the total amount contributed, less a percentage (the amount of which is not always stated), is divided among the successful competitors in proportion to the amounts of their stakes. A coupon usually contains several lists, each with a separate " pool."

139. As stated in paragraph 129 many bookmakers who engage in street betting on horse races during the flat racing season, do a considerable amount of ready money football betting during the winter months. The coupons are distributed and collected by the bookmaker's usual agents, runners in the streets, the owners of small shops, and agents in works and factories.

A considerable amount of football combination betting is conducted by post, especially by bookmakers with premises in Scotland. Such businesses are built up, either by advertisement in sporting newspapers, or by the employment at a commission of agents in factories and institutions, who distribute the coupons, collect them when completed and send them by post to the bookmaker.

140. As ready money football coupon betting is illegal under the Ready Money Football Betting Act, 1920, this form of betting can only be conducted legally on credit terms. Most football combination betting is transacted with persons to whom a bookmaker would not normally grant credit facilities. Where football combination betting is conducted in accordance with the law (i.e. on credit) it is accordingly the practice of bookmakers to reduce the credit granted to the minimum consistent with compliance with the law. Coupons have to be sent bearing a postmark not later than 2 p.m. on the Saturday on which matches are played and losers must forward their stakes on the same day as soon as the matches are over and the results known.

141. Another expedient adopted (on the legality of which we offer no observations) is that the bettor is required to send his money, win or lose, by 5 p.m. on the afternoon of the matches, or to furnish with his coupon before the matches are played the counterfoil of the postal order he proposes to send in respect of his stake. It is clear that in many cases bookmakers insist on receiving the stake with the coupon before the matches are played, and that the law is widely disregarded.

The police witnesses informed us that infractions of the Act of 1920 were difficult to detect. The Act contains no provisions to assist the police in its enforcement (for instance, no power of search of suspected premises) and offences are usually only detected when premises are searched for other reasons.

Betting on Greyhound Racing.

142. According to figures furnished to us in December last and published in our interim report, greyhound racing after a mechanical hare was then conducted upon 187 tracks, while 55 further tracks were believed to be about to open. Later particulars give the number of tracks in operation as 220.

These tracks are almost all situated in or on the outskirts of densely populated urban districts. Racing usually continues throughout the year and meetings are held as often as five, six, or even seven times a week. Most of the meetings take place in the evenings.

143. From the first there has been a considerable volume of betting on the tracks. At the outset betting was carried on by bookmakers only, in the same manner as ante-post betting is carried on at horse racecourses. Later, totalisators were installed at many tracks, no fewer than 130 out of the 187 tracks in operation on 10th December last being so equipped. Since the judgment of the Divisional Court in the case of *Shuttleworth* v. *Leeds Greyhound Racing Company*† delivered on the 16th December last, totalisators have ceased to be operated on greyhound racing tracks in England. A case is pending regarding the legality of totalisators on greyhound racing tracks in Scotland, and in the meantime totalisators continue to be operated on Scottish greyhound racing tracks.

144. The paid attendances at tracks licensed by the National Greyhound Racing Club amounted in 1931 to 18,000,000. We were told that this figure represented about 1 per cent. of the surrounding population. We have no figures as to the attendances at greyhound tracks other than those licensed by the National Greyhound Racing Club; but we understand that the total would probably be less than in the case of licensed tracks.

The total volume of betting carried on at greyhound racing tracks is very considerable. Such information on this subject as is available is given in paragraph 201.

At the outset betting on greyhound racing was confined to the tracks, but a certain volume of betting on this sport is now carried on off the course.

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† (1933), 1 K.B. 400.

Betting on other Sports.

145. Horse racing, greyhound racing, and football combination betting account for all but a small proportion of the organised betting in this country.

A relatively small amount of organised betting takes place at coursing meetings and certain professional athletic meetings. For the most part, however, these meetings take place only a few times a year and last for a few days only.

Some organised betting also takes place upon motor races at motor racing tracks.

146. It may be noted that the controlling authorities of certain sports have taken special steps to prevent organised betting taking place at sports under their control. Such steps have been taken by the Football Associations of England, Wales and Scotland. The rules of the National Speedway Association likewise forbid betting at any meeting upon tracks licensed by the Association.

We believe that very little organised betting takes place on cricket or rowing. There is, however, always the possibility that some enterprising bookmaker will make a book upon some event which evokes considerable public interest.

LOTTERIES.

Lotteries promoted in this Country.

147. All lotteries are illegal, except those authorised under the Art Unions Act, 1846. The schemes thus excepted from the general prohibition of lotteries are relatively unimportant and are dealt with in paragraph 159.

Administrative practice.

148. In England responsibility for the enforcement of the law against lotteries rests with Chief Officers of Police, as part of their general responsibility for the maintenance of law and order, though it is open to any private individual to initiate criminal proceedings.

It is the practice of the Home Office to issue circulars to the police in England and Wales on matters affecting police work. The police have been informed in Home Office circulars that, while steps should be taken to bring to an end any lottery in which tickets are offered for sale to the public, private lotteries confined to the members of a genuine club or society should not be interfered with.

149. As a legal ground for this exemption, the Home Office pointed out that the Courts have not had occasion to decide whether a private lottery contravenes the Lotteries Acts. We think there is little doubt that it does, and that the Courts would so hold if the matter came before them. The strongest grounds for this

exemption are administrative in character; namely that private lotteries do not normally give rise to the mischiefs at which the Lotteries Acts aimed, and that their suppression would involve undue interference with the affairs of individuals and well-conducted institutions.

150. There is no clear line between private and public lotteries. In many club lotteries relatives and friends of members can obtain tickets. The Home Office have informed the police that, besides private lotteries, they should not interfere with any quasi-private lottery, which may be defined generally as a lottery promoted by a genuine club or society, not publicly advertised, in which tickets can only be obtained by or through a member, and in which the prizes are usually paid only to or through members.

151. In Scotland the Lord Advocate is responsible for the enforcement of the criminal law. It is the duty of the police to report any breaches of the law to the Procurator Fiscal with a view to the latter considering (with reference, if necessary, to Crown Counsel) whether a prosecution should be instituted.

Instructions were issued to Procurators Fiscal by the Lord Advocate in 1907 to the effect that if a lottery of any kind (other than an Art Union draw) were persisted in after the persons concerned had been warned, the case should be reported to Crown Counsel for directions as to prosecution. The distinction between public and private lotteries is, therefore, not drawn in Scotland. But the difference in practice is less than might appear, since it is admitted that in Scotland the attention of the authorities is drawn to few private lotteries, and it is probable that many are not interfered with.

Post Office practice.

152. The Postmaster General has been advised that he should not allow the post to be used for undertakings of an illegal character. All open postal packets containing matter relating to lotteries which come under notice in transmission are therefore detained, as also are undeliverable postal packets which are opened in the ordinary way for return to the senders and are found to contain matter relating to lotteries. Any packets so detained relating to lotteries promoted in Great Britain are brought to the notice of the Home Office with a view to the scheme being brought to the attention of the Chief Constable concerned.

Public lotteries.

153. The evidence of official witnesses was that the existing law is sufficient to prevent the promotion in this country of large-scale public lotteries.

A lottery may come to notice through a complaint being lodged with the police, or as a matter of common knowledge, or through

tickets and advertisements being detected in transmission through the post.

When a public lottery is brought to notice, it is the usual practice of the police to warn the promoter to abandon the scheme. If the scheme is believed to be fraudulent, or if the promoter is known to be well aware that he is breaking the law (e.g. if he has disregarded a warning) proceedings are instituted against the promoter, and usually also against the printer of the tickets and advertisements.

154. Cases were brought to our notice in which schemes of some magnitude have been persisted in, notwithstanding police warnings and prosecution; or again where persons, who have been required by warning or conviction to abandon a scheme, have subsequently promoted another lottery on somewhat similar lines. Such cases are, however, isolated and present no special difficulty to the authorities.

155. Small lotteries known as *Jockey Doubles* or *Football Doubles* or *Jockey* or *Football Trebles* are common in the poorer districts of large towns and are difficult to detect. In these lotteries tickets are issued and circulated weekly by street bookmakers and others, being sold in shops, workshops, and on the streets, for, say, twopence each. Each ticket bears the names of two or three jockeys or of two or three football teams, or sometimes numbers which correspond to the names of jockeys or football teams as printed in a list. The tickets on which the names or numbers are printed are folded over and clamped together by the printer, so that when buying a ticket the purchaser does not know what numbers he is purchasing. Each ticket bears a different combination of names or numbers and the holder of the ticket bearing the names of the jockeys who ride the greatest number of winners during the week, or of the football teams which secure the greatest number of goals during the week, wins the lottery. An occasional variant, intended to defeat the Lotteries Acts by the introduction of a pretence of skill, is that the purchaser is stated to have the right to inspect the numbers on his ticket and if he so desires to ask for another ticket in exchange.

As jockey doubles and the like are promoted by way of trade in contravention of the law, prosecutions are always instituted when sufficient evidence is available.

156. It is clear that a considerable number of small public lotteries are carried on, such as raffles at bazaars and small sweepstakes and draws in aid of local objects. The extent to which these small schemes flourish depends on the manner in which the police enforce this particular branch of the law. It was admitted that there is some difference in police practice between different parts of the country. Small schemes which are stopped in some police districts are allowed to continue in others. Generally speaking, however,

raffles at charity bazaars and the like are only stopped when a complaint is lodged, or where the scheme is publicly advertised, or there is a wide sale of tickets to members of the public. In such cases a warning is given to the promoters to desist.

As a general statement it may be said that, so far as public lotteries promoted in this country are concerned, the principal difficulty in administration is the task of discriminating between what can be regarded as too trivial to be noticed and what cannot be ignored.

Private and quasi-private lotteries.

157. We have no statistics as to the number of small private or quasi-private lotteries carried on without interference. It is clear, however, that lotteries of this type are numerous.

Schemes which preserve the characteristics of a quasi-private lottery may attain to large dimensions. The sweepstake on the Derby, organised among members of the London Stock Exchange, began in 1902 with subscriptions amounting to £100, and reached a total of £1,000,000 in 1929. The then Home Secretary stated in the House of Commons that the sweepstake was quasi-private in character and that he did not propose to interfere with it. In 1930, however, the total subscription to this lottery was limited to £100,000 and the subscriptions did not reach that figure. The fact that a lottery on this scale could be regarded as quasi-private in character illustrates the difficulties of discrimination resulting from the present position.

158. We were informed that lotteries are promoted by large trade unions or associations, with numerous branches, and such schemes can reach considerable dimensions. It is often difficult to decide whether a scheme is quasi-private or public. Presumably the London Stock Exchange sweepstake, when it attained a total subscription of £1,000,000 in 1929, could not have been regarded much longer as quasi-private.

Art Union Drawings.

159. The Art Unions Act, 1846, is administered by the Board of Trade. At present there are 39 Art Unions, of which 18 are in Scotland. Most of them are quite small organisations formed in conjunction with some local art club. The gross receipts vary considerably, some taking £20 or less, the majority a few hundred pounds, while only a few have gross receipts of £1,000 or over.

The Board of Trade have drawn up a set of requirements which the rules of any proposed Art Union must fulfil before it obtains the Board's sanction. These requirements are designed to ensure that the Union is run by reputable persons and that the schemes are properly conducted. The Board of Trade drew our attention to the fact that unless a union can be said to have been " perverted ",

i.e. is no longer being run for the encouragement of fine arts, the Board have no power under the Act of 1846 to revoke their sanction. Effective supervision is difficult when so radical a misfeasance must be proved before sanction, once granted, can be withdrawn.

Lotteries Promoted Abroad.

Administrative Practice.

160. In the case of lotteries promoted in this country, steps can be taken to bring the promotion to an end. In the case of lotteries promoted abroad (i.e. outside Great Britain) effective action is confined to preventing the entry of advertisements and tickets and the transmission of remittances, and to prosecuting agents in this country.

In this connection the restrictions on the use of the post for the transmission of matter relating to lotteries are important.

161. As stated in paragraph 152, the Postmaster General considers himself bound to detain any open postal packet which is found to relate to lotteries; and the Home Secretary by warrant has authorised the detention and opening of any postal packets believed to contain advertisements or circulars relating to lotteries. We were informed that under these powers 350,000 advertisements and circulars relating to foreign lotteries (of which 100,000 related to the Irish Hospitals Trust sweepstakes) were detained by the Post Office in 1931.

162. It is the usual practice of lottery promoters abroad who desire to sell lottery tickets in this country, to employ a large number of receiving addresses abroad to which persons in this country may send counterfoils of tickets and remittances. In this way it is hoped to evade postal restrictions on lottery correspondence.

The examination of packets detained in the manner indicated in paragraph 152 and information from other sources furnish the authorities with the names and addresses of the promoters and of agencies. The Home Secretary may then, by warrant, authorise the opening and detention of letters addressed to such addresses; and the Postmaster General on this authority opens all letters so addressed and detains such as relate to the lottery.

163. The Commissioners of Customs and Excise, acting under section 1 of the Revenue Act, 1898 (see paragraph 90), detain and destroy any advertisements or tickets relating to a lottery which are observed in the course of their examination of goods brought into this country, where there is reason to believe that the matter is intended for distribution in this country.

Any person found to be engaged in the sale of foreign lottery tickets in this country is prosecuted or warned to desist.

164. The evidence of witnesses from the Home Office and Post Office was to the effect that until the advent of the Irish Hospitals

Trust sweepstakes, the steps taken by the authorities to deal with the sale in this country of tickets in lotteries promoted abroad proved reasonably effective.

Irish Hospitals Trust Sweepstakes.

165. An Irish Free State Act, the Public Charitable Hospitals (Temporary Provisions) Act, 1930, authorised the promotion of lotteries, under the supervision of the Minister of Justice, in aid of hospitals in the Irish Free State which complied with certain conditions. Under this statutory authority a series of sweepstakes has been promoted by a body entitled Hospitals Trust Limited, usually known as the Irish Hospitals Trust. The first sweepstake promoted by the Trust was held on the Manchester November Handicap, 1930. The total subscription, including amounts retained by sellers as commission, was over £800,000, of which probably over half came from this country. Three sweepstakes were held in 1931, and three in 1932. As will be seen from the table printed in Appendix IV, the total sum subscribed continued to rise until the sixth sweepstake in the series, to which over £5,000,000 was subscribed. The subscriptions to the seventh sweepstake showed a slight falling off, and the subscriptions to the eighth sweepstake showed a further decline. The provisions of the Act of 1930 expire in July, 1934. A Bill is now before the Dail to make permanent provision for authorising sweepstakes in aid of hospitals in the Irish Free State.

166. The total subscribed to the first eight sweepstakes in the series, was about £27,000,000. An estimate based on the proportion of prize winners whose addresses are given as in Great Britain is that about £18,500,000 of this sum came from Great Britain. In face of these figures it is clear that the measures taken by the authorities on the lines indicated in paragraphs 160-163 have failed to stop the sale in this country on a large scale of tickets in the Irish sweepstakes.

167. The reasons for the inability of the authorities with the powers at their disposal to check the sale of tickets in the Irish sweepstakes deserve consideration.

In the first place these schemes appealed to the people in this country in a way quite different from the appeal made by the ordinary foreign lottery. They were sweepstakes on well-known English horse races promoted in a city in the British Isles under statutory authority.

168. Secondly, the promoters of the lottery drew the scheme in such a way as to make it a profitable business to those concerned in it. The Irish Hospitals Trust's normal practice is to sell

books of twelve 10s. tickets for a sum of £5 to their agents, who can thus obtain a profit of £1 on every £6 worth of tickets sold. This generous commission (described as " two free tickets to the seller of ten tickets ") soon brought into the field an army of agents and intermediaries, whose passage and communications between England and Ireland could not readily be distinguished from the general flow of travellers and communications.

A further inducement was the award of special prizes to the sellers of winning tickets.

The prize money is also divided in a way calculated to attract subscriptions. In the first sweepstake the first prize amounted to about £200,000, and in the second to about £350,000. The present arrangement is that there are a number of first prizes, each of £30,000. Presumably the promoters of the scheme are satisfied that the latter arrangement affords the maximum inducement to prospective purchasers of tickets. Another inducement is the award of a very large number of £100 prizes. By this means many people find that someone in their neighbourhood or of their acquaintance has won a prize, and are thus tempted to take a ticket in a subsequent sweepstake.

169. Thirdly, when the authorities succeeded in stopping subscriptions in the post and obtaining evidence against the sellers of tickets in this country, the penalties inflicted were not such as to prove a deterrent. As there was no power to forfeit subscriptions to the sweepstake, all the money stopped in the post was returned to the senders.

As regards the sellers, for the most part small penalties, sometimes derisory in amount, have been inflicted. The effect of these small penalties was to discourage the authorities and to render it well-nigh impossible to stop the sale of tickets under the existing law.

170. Fourthly, there is the factor of publicity. Some witnesses contended that the number of people who had taken tickets in the Irish sweepstakes had been enormously increased by the publicity given to these sweepstakes, and that if the Press had given no publicity the authorities could have dealt with them with as much success as they had dealt with foreign lotteries in the past.

The general view on this matter of the representatives of the Press who gave evidence before us, was that the first of the Irish sweepstakes attracted contributions amounting to more than £800,000 with very little, if any, Press stimulation; that the subsequent Press publicity was due to the interest in the sweepstake shown by the public; and that the extent of the publicity was determined by the habits of the people, though in degrees which vary from newspaper to newspaper. It was, however, generally agreed that the publicity given to the sweepstakes in the Press, and

in particular the publicity given to the results of the drawings and to legal proceedings in which merely nominal fines were imposed, added to the weight of the forces against the enforcement of the existing law.

171. In all these circumstances it is not unreasonable to conclude, as one witness suggested, that the authorities have been faced with a situation altogether different from any previously experienced, and that it is not surprising that the means at their disposal for enforcing the law proved inadequate.

Other Lotteries promoted abroad.

172. The success of the Irish sweepstakes has led to the promotion abroad of various lotteries with a view primarily to the sale of tickets in this country. So far as we are aware, the sale in this country of tickets in those schemes has not so far attained to large proportions.

GAMING.

173. A number of questions dealt with under this heading give rise to considerable complexity, but none of the issues involved are of the same importance as those dealt with under the headings Betting and Lotteries.

Gaming Houses.

174. The evidence of the police was to the effect that in general the existing statutory provisions are adequate, although somewhat cumbersome and capable of improvement in matters of detail.

Speaking generally, the authorities find no special difficulties in dealing with gaming houses. In London, the type of gaming house which is intended to attract persons of means for play at roulette or baccarat is not now common. When the police have reliable information of the habitual use of premises for this purpose, the Commissioner issues a warrant under which the premises are entered and the principals arrested. Heavy fines are usually imposed on the keepers of such houses.

In the East End of London and in the poorer districts of some other large towns, houses are kept, frequently by aliens, for the playing of cards for money. The police take action when they are in possession of sufficient information to justify a search under warrant.

175. *Scotland.*—A certain number of clubs are set up from time to time in the working class districts of large towns for the purpose of gaming. It is not easy for the police to secure information as to the manner in which such places are being conducted, but where they can be shown to be gaming houses the principals are prosecuted. Such clubs do not as a rule last very long. The existing law is regarded as adequate.

Whist Drives.

176. As explained in paragraph 99, a place where progressive whist is habitually played for prizes may be a common gaming house. The Home Secretary has, however, informed the police in England and Wales that in his view whist drives as ordinarily conducted in public halls are free from the essential mischiefs which accompany gambling, and that police action for their suppression is not called for. Unless there is reason to believe that these events are a cloak for gambling of a serious kind, the police do not interfere. There is, however, some difference in police practice in the matter in different parts of the country.

Whist drives for prizes in money or in kind are common, especially in some districts. They are frequently conducted in aid of some charitable object.

In *Scotland*, the authorities do not interfere with whist drives which are reasonably conducted for prizes on a small scale, unless there is some objection from the point of view of public nuisance.

Gaming in Public Places.

177. Gaming in public places, the most usual form of which is the playing of pitch and toss by youths, seems to be less common than formerly. The decrease is generally attributed to the spread of other forms of gambling. The police have no difficulty in dealing with this matter and regard the existing law as satisfactory.

In certain parts of the Midlands and the North of England, gaming of an organised character exists, sometimes on a considerable scale. " Gambling schools ", consisting of persons drawn from neighbouring industrial areas, meet on moors and other unfrequented places to play games for money. The promoters employ paid scouts to keep watch for the police. Gambling schools are, however, less common than they used to be, and although the police have some difficulty in enforcing the law on account of the inaccessibility of the places where the " schools " are held and on account of the measures taken to avoid detection, they regard the existing statutory provisions as sufficient.

178. *Scotland.*—The evidence of the police was that gaming in streets and public places in towns is fairly common, but that they are able to keep it in check.

In the larger towns there is a certain amount of gaming by youths who gather in such places as the drying greens behind tenement houses or private ground, to play games of cards for money. No action can normally be taken in such cases unless a breach of the peace is committed, as the Acts only deal with gaming in " streets and open places."

Gaming in Licensed Premises.

179. The police witnesses did not consider that gaming was common in licensed premises. Where gaming of a petty description is found to exist in public houses in the Metropolitan Police District, it is usual to caution the licensee. The licensee's fear that he may lose his licence in consequence of an offence is an effective deterrent.

Gaming at Shows.

180. The police witnesses informed us that they found no difficulty in getting the travelling showmen and the managements of amusement centres in towns to comply with the law. Where games of chance or games of mixed chance and skill were played, so as to infringe the law, a warning was generally sufficient.

The representatives of the showmen, however, informed us that there was a greater public demand than formerly for games involving chance. They said that in attempting to meet this demand they were handicapped by the operation of the existing laws, many of which they regarded as out-of-date. They also complained that the law was differently interpreted in different areas and that they were uncertain which games they would be allowed to employ in any district.

Automatic Gaming Machines.

181. The distinguishing feature of automatic gaming machines is that they do not require any supervision while being operated by players. The usual method of operation is that the player inserts a coin in a slot in the machine and either loses the coin or, if successful, receives money or money's worth of greater value than the coin.

In some machines the player may be able to control the machine's operation to some extent by the manipulation of some part of the mechanism. In many machines the player is supposed to be able to exercise control, but in fact has little or no opportunity to exercise skill owing to the slightness of the control or its erratic operation.

In other machines, the operation is entirely automatic; but the player is told on a printed card the manner in which the machine operates. Frequently the *modus operandi* is so complicated as to be beyond the wit of the ordinary player, or at least beyond the degree of attention which he is prepared to apply to the operation of a gaming machine.

182. Automatic gaming machines are usually found in such places as small confectionery shops, piers and promenades at seaside holiday resorts, in large towns in so-called " fun-fairs " and " fun-lands " and to some extent at shows and fairs; also in certain types of clubs.

Where gaming machines are installed in shops and like places, it is impossible to prevent their being used by children; and the evidence leaves no doubt that where machines exist in such places they are in fact extensively so used.

Many of the machines cost from £20 to £30. On account of the cost they are in some cases rented or installed by the manufacturer on the hire purchase system in shops and elsewhere. In the event of prosecution the manufacturer sometimes undertakes the defence and pays any penalty imposed on the shopkeeper.

183. The evidence shows that automatic gaming machines were numerous a few years ago; but there has been a series of decisions in which various common types of machine have been held to be illegal, and the law has been enforced with some vigour by the police with the result that these machines are less common than they used to be in places of public resort. A considerable number, however, appear still to exist in clubs.

184. In *Scotland*, the position is governed by the provisions of the Gaming Machines (Scotland) Act, 1917, which prohibits the use of gaming machines in shops and other places.

The Act has effected its purpose, as it appears clear that gaming machines are not now common in Scotland. There is a certain amount of evasion by the use of machines, nominally for amusement only, but in fact for the return of discs which may be exchanged for goods. The extent of evasion does not, however, appear to be serious.

CHAPTER IV.

THE STATE AND GAMBLING.

Introductory.

185. Our enquiry deals with the laws as to gambling. Our concern is therefore with the effect upon the community of gambling transactions, and with the action which the State adopts in regard to them. While we are not called upon to enquire into abstract questions as to the nature of gambling from the point of view of ethics or economics, some preliminary observations as to gambling transactions generally may not be out of place.

186. In all gambling transactions there is, in a greater or less degree, an element of chance, and money is staked with the object of gaining money staked by other persons. Gambling has been frequently denounced on the ground stated by the Archbishop of York in introducing the evidence of the Churches, that " as a social factor its essence is the distribution of wealth on the basis of chance. As a social principle that is plainly indefensible ".

Gambling is also attacked on the ground of its effect upon character and its economic consequences. We refer later to these points when discussing the social effects of gambling.

187. It is more difficult to find any whole-hearted defence of gambling. Most of what passes for such a defence would more accurately be described as a rejoinder to those who attack the practice of gambling and wish to see it restricted.

Thus, it is said that " gambling is an ineradicable instinct ", or that it is only in gambling that many people to-day can find an outlet for the spirit of adventure. From these premises the conclusion is often drawn that it is useless to attempt any interference with people's gambling propensities.

Or again, it is said that, provided a man gambles within his means, gambling is at the worst a trivial or venial failing; that it is no more or less a proper subject for State interference than the smoking of tobacco, or any other habit which, if indulged to excess, may become harmful.

188. Another point of view is that the man who makes an occasional small bet is not seeking wealth at the expense of others, but that his motive is to obtain the pleasurable excitement which comes from making a bet. Just as there are certain games which have in them an element of gambling or bluff and which become insipid to most people if they are played without any stake, so many people's interest in a race or a match is heightened by a small bet.

This line of argument, if pressed, leads to highly disputable ground. If a man derives pleasurable excitement from having a

bet, that excitement can only be derived from the fact that as a result of the bet he will either win or lose money. Again, it is impossible to draw a line at any given point and say that, on one side of the line the bet is indulged in for the sake of pleasurable excitement, but that once over the line the motive is a desire to obtain wealth without working for it.

Nevertheless, this point of view contains a considerable element of truth; and it is consistent with the opinion commonly held by a very large number of people, that gambling in moderation and within a man's means is a pardonable habit, and one which may fairly be reckoned among his amusements.

Except in so far as gambling in moderation can be regarded as containing some element of amusement, we are not aware of any positive advantage that can be claimed for it.

Extent of Gambling.

189. In dealing with the attitude of the State towards gambling, our first task is to estimate whether its social effects are sufficiently serious to demand action by the State. We use the expressions "social effects" or "social consequences" as comprehensive terms to cover the evils which have been stated to result from gambling; as, for example, impoverishment of homes; deterioration of character; inducements to crime; the prevalence of fraudulent practices; the loss of industrial efficiency or public disorder.

More drastic steps are necessary to deal with an evil which is tending to increase, than with an evil which shows signs of decreasing. It is therefore necessary, not only to examine the position as it exists to-day, but to ascertain to what extent the undesirable social effects of gambling have increased or decreased during recent years.

In dealing with the volume of gambling in this country, we are concerned primarily with betting, since for many years past a very large proportion of the gambling in this country has taken the form of betting.

Position in 1902.

190. The report of the *Select Committee of the House of Lords on Betting* (1902) is a convenient starting point for this enquiry.

The Committee reached the conclusion that "betting is generally prevalent in the United Kingdom, and that the practice of betting has increased considerably of late years especially amongst the working classes; whilst, on the other hand, the habit of making large bets, which used at one time to be the fashion among owners and breeders of horses, has greatly diminished" (paragraph 1). The Committee were of opinion that "even when due allowance has been made, both for the increase in population of towns, and the

rise in wages, betting is undoubtedly more widespread and general than it used to be " (paragraph 3). They considered that " the increased prevalence of betting throughout the country is largely due to the great facilities afforded by the Press, and to the inducements to bet offered by means of bookmakers' circulars and tipsters' advertisements " (paragraph 5). " It has been proved conclusively to the Committee that the practice of betting in the streets has increased very much of late years, and is the cause of most of the evils arising from betting amongst the working classes " (paragraph 18).

The Committee did not give any estimate of the total volume of betting at that time carried on in this country.

Position in 1923.

191. The *Select Committee on Betting Duty* (1923) made the following references in their report to the prevalence of the practice of betting.

" In addition to the employment of betting agents to make bets and collect slips—who are in his regular employment at weekly wages—the street bookmaker accepts bets from a number of other persons who collect them on commission. Numbers of small shopkeepers, such as hairdressers, tobacconists, newspaper sellers, confectioners, etc., are in the habit of receiving betting slips on behalf of a bookmaker. In numerous cases the betting business exceeds the legitimate business, and in many the latter is merely a cloak for the former. It is not too much to say that our industrial areas are permeated with these secret and illegal betting houses . . . .

" Further, so prevalent is street betting that the street bookmakers in the neighbourhood of large factories, engineering shops, shipbuilding yards, mines, etc., employ one or more of the employees to collect betting slips for them from his fellow workmen and women. Indeed, it is stated that there is scarcely a works in the country employing more than 20 workmen where one is not a bookmaker's agent, and this Your Committee believe to be near the truth " (paragraph 14).

" The canvassing of women, especially in the absence of their husbands, the employment of children as messengers to carry betting slips and thus teaching children to bet, the establishment of betting agents in works, etc., to encourage betting for the payment of commission, and the betting with children on their own account, are a very great moral danger to the rising generation.

" The permeation of the industrial districts by illegal betting houses is most undesirable from a moral point of view, and more so by their being secret and known to be illegal " (paragraph 15).

192. As stated in paragraph 50, the Committee's deliberations were cut short by the dissolution of Parliament and their report contains little more than preliminary observations. The draft

report prepared by the Chairman of the Committee, printed in the Committee's proceedings, contains a number of further observations on the extent and effects of betting.

The draft report refers to " the appalling hold betting has got of the large majority of the community " (paragraph 26); and again amazement is expressed at "the extent to which betting exists at the present time. The evidence of all the witnesses agrees that practically every class in the community now bet, and that the habit has taken hold of women, both old and young, and of boys and girls in many cases even under sixteen years of age " (paragraph 30).

193. As regards particular effects of betting, the view expressed in the draft report was that while in particular instances betting led to crimes of dishonesty, it could not be regarded as a primary cause of such crimes (paragraph 27). It was stated that " work in our mills and factories is stopped and damaged by the amount of time given to the discussion and thought about betting. A calculation of lost time and damaged goods would show each to be enormous " (paragraph 30). " There is considerable evidence to show that men in receipt of unemployment insurance benefit are using it for the purpose of betting " (paragraph 31).

194. It was estimated that " a yearly turnover of £200,000,000 could be safely assumed " (paragraph 24). " All the evidence goes to show that though the average stakes are now diminishing, due no doubt to the decrease and lack of wages, there is now, five years after the war, no decrease in the number of persons betting, but an increase " (paragraph 31).

The prevalence of the habit of betting, and its steady increase, is attributed in the draft report to the craving for some excitement among the working classes, arising from the general monotony of their daily work brought about by specialisation of industry. Another suggested cause for the great increase in betting among the weekly wage earning class was the fact that it was only by betting that they could exercise their desire for speculation.

195. The general conclusion expressed in the draft report was " that matters cannot be left as they are. The continued growth of betting must be stopped; the injury done by the continued canvassing of men, women and young children to bet must be prevented. It is intolerable that the streets should be infested with bookmakers and their agents." It was suggested that only by State control could the evils of betting be curtailed and modified (paragraphs 35 and 36).

196. An alternative draft report was prepared by another member of the Committee and is printed in the Committee's proceedings. Certain passages in the alternative draft emphasise even more strongly the undesirable effects of the betting habit.

Position at the Present Time.

197. For our purposes it is not necessary, even if it were possible, to collect precise statistical data as to the total volume of money expended on gambling, but it will be appropriate to notice at this point certain figures available since the publication of the report of the Select Committee on Betting Duty (1923).

The volume of taxed betting during the years 1927-8 and 1928-9 was about (or a little over) £90,000,000 a year. This figure was fairly equally divided between course and office betting.

198. We understand that in general tax was not paid on illegal betting, and it has been stated that there was some evasion in regard to legal betting. The figures of the volume of taxed betting cannot therefore be taken as disproving the accuracy of the estimate given in the draft report of the Chairman of the 1923 Committee.

The first annual report of the Racecourse Betting Control Board (for the year 1929) contained a section dealing with the total volume of betting, which indicated a figure of £230,000,000 as the probable annual turnover on betting.

199. The representatives of bookmakers' associations who gave evidence before us said that there had been a considerable decrease in the volume of betting carried out by their members during the last few years, the decrease being put at as high as 50 per cent.* They attributed this decrease to a number of causes, but in particular to the economic conditions of the last few years. It was stated that bets had decreased in size and that large bets were now very infrequent. Another suggested reason for this decrease was the growth of alternative betting facilities, e.g. betting on greyhound racing tracks.

200. These witnesses were for the most part concerned either with on-the-course betting, or with office credit betting at starting price. These are the types of betting conducted for the most part by the more well-to-do classes. The tendency for the volume of betting transacted by this section of the community to decrease, while no doubt accentuated by recent economic conditions, seems to be of long standing, and was noticed in the evidence given before the Select Committees of 1902 and 1923.

On the other hand the evidence of witnesses generally, and particularly of those with experience of social conditions, has been to the effect that betting has increased during the last few years. This opinion was expressed by police witnesses and social workers.†

201. In dealing with the extent of gambling at the present time, it is no longer sufficient to confine oneself almost wholly to betting

* Picken: Q. 7924 et seq. Bishop: Q. 8119 et seq.

† Bigham: Q. 461. Maxwell: Q. 688–96; Q. 700–02. Brook: Q. 893–99. Lamb: Q. 2572. Lockwood: Q. 3596–3601. Chamberlain: Q. 4202; 4220.

on horse racing. The largest new factor is betting on greyhound racing. The representatives of the National Greyhound Racing Society, giving evidence in September last, said that the gross turnover on totalisators on tracks affiliated to the Society in a normal year was estimated by the accountants of the Greyhound Racing Totalisator Control Board at approximately £8,000,000 per annum. This figure did not include betting on licensed tracks carried on with bookmakers, nor betting on unlicensed tracks, whether carried on with bookmakers or on the totalisator. At several of the licensed greyhound tracks as many as 200 or 300 bookmakers are present when racing takes place. While we are not in a position to give a figure for the total turnover of betting on greyhound tracks, it is clear that it must be very considerable, probably several times the figure just referred to.

No figures are available as to the total volume of football betting, but again the amount must be very considerable. Particulars have been submitted to us showing that an individual bookmaker running a football pool betting business has distributed as much as £3,000 in prizes in one week. The number of these football betting businesses is very large.

202. In Appendix IV we give particulars of the total money subscribed from this country to the Irish sweepstakes, which was nearly £10,000,000 in the year 1932.

Account must also be taken of the increasingly large sums expended as entrance fees for newspaper competitions of various kinds which are a disguised form of gambling. The Secretary to the Post Office informed us that approximately £3,000,000 was believed to have been expended in one year on entrance fees to newspaper competitions in the form of postal orders and stamps.*

203. We reach the conclusion that the total turnover on gambling to-day is probably at least as great as at any recent date and much greater than it was at the beginning of the century or earlier. Further, the amount of money so expended represents a considerable spread in the gambling habit, since a larger proportion of the turnover than at any previous time is represented by relatively small bets from the poorer classes of the community.

Causes of Increase in Gambling.

204. Many suggestions have been made to account for the increase in gambling.

Some witnesses thought that the craze for gambling was the outcome of bad social conditions. The drab conditions under which many people live and the monotony of their work create a demand for some relief by way of excitement which is sought in gambling.

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* Murray: Statement, page 420, paragraph 11.

Other witnesses, without attributing the increase in gambling to any specific cause, agreed that it is fostered by the conditions prevailing in urban civilization.

205. The experience of many observers suggests that those who are in serious financial straits are ready victims to the gambling habit. If income falls short of expenditure, the position cannot be made much worse by the expenditure of a shilling or two a week on betting, while a lucky bet may result in a coup which affords substantial relief. It is significant that gambling has increased at a time of economic and industrial depression.

Another witness suggested that much the same motive underlies a good deal of steady gambling in working class districts. The process of saving up a few shillings a week in order to pay for a gramophone or to have a holiday at the seaside seems altogether too lengthy and laborious.

206. Many witnesses said that in their view the increased publicity in the Press to gambling news had afforded a powerful incitement and stimulus to betting. We refer later to this subject. No doubt this publicity would not have been supplied had there not been a ready market for it. Nevertheless we are satisfied that the effect of such publicity in spreading the gambling habit is considerable.

207. Another suggested cause is the provision of facilities for organised gambling. Several witnesses regarded this as by far the most potent cause of the growth of the gambling habit. The Irish sweepstakes were instanced in support of this view. Many people, it was said, who now make a habit of taking tickets in that sweepstake, felt no desire to participate in mammoth lotteries until an elaborate organisation was built up, with headquarters in Dublin. Much the same arguments were used of the betting facilities at greyhound tracks or in tote clubs, or of gambling on automatic gaming machines. On this view increased facilities for gambling have been not so much the means of meeting an existing demand, as the instrument for fanning and encouraging a latent propensity.

Much ingenuity has been spent in the provision of modern gambling facilities. A tote club, in telegraphic or telephonic communication with the racecourses and with ingenious facilities for displaying news of runners and results, was no doubt much more attractive than the betting houses of 1853. Modern inventions have thus been employed to render facilities more seductive and so in turn to increase the amount of gambling.

208. Various developments in recent times have afforded a fruitful field for these causes to work upon. Shorter hours have resulted in increased leisure. This cause is of course most present in the case of the unemployed. Some witnesses pointed to the

decrease in drinking in recent years. While, however, it would seem probable that money formerly expended on drink is now expended on gambling, it would not seem that the decline in drinking and increase in gambling have any direct causal connection. Amusements and diversions of all kinds were never so plentiful as to-day, and there is no reason why money formerly spent on drink should now be spent on gambling.

We cannot estimate exactly the relative importance of these different factors in increasing the habit of gambling. The general impression left on our minds is, however, that while the economic and social factors referred to have been predisposing causes, and while press publicity to gambling news has played its part, one of the main causes, perhaps the most potent, in the growth in gambling has been the increased facilities for organised gambling.

Social Effects of Gambling at the Present Time.

209. Since there are no public statistics dealing comprehensively with the causes of the types of social evil of which gambling is said to be a frequent cause, there can be no statistical proof of the extent of the social damage done by gambling. Any conclusion on this matter must necessarily be based on the evidence of experienced witnesses, and in particular of those with first-hand knowledge of social conditions in the country generally, more especially in the large towns. In weighing the evidence tendered to us on this point, it has been our endeavour to satisfy ourselves that the evidence was not based on isolated instances, but that it represented experience gathered over a wide field.

210. In dealing with matters of this kind the judgment of even the most experienced observer may be at fault in some particular. We are, however, impressed by the consensus of opinion among our witnesses in regard to their main conclusions.

The whole tenor of the evidence given before us was that gambling has increased during the last few years among the poorer classes, and that to-day it constitutes a most pressing problem in the large towns.

In the following paragraphs we summarise some of the main points referred to in evidence as to particular social consequences of gambling.

Gambling and crime.

211. It has often been said on the highest judicial authority that gambling is a frequent cause of crime, in particular of crimes of dishonesty. It is difficult, if not impossible, to say exactly what proportion of such crimes is due to gambling, or to say whether in a particular case a crime is attributable to gambling alone. Nevertheless, the weight of the evidence shows that gambling is

responsible for a considerable proportion of criminal cases where fraud or embezzlement is involved.

Extracts from the evidence, representative of the views expressed, are given below.

212. The Deputy Commissioner of Police of the Metropolis said he had known many cases where people had lost money on betting and afterwards had stolen to make up the deficiency, but he always felt doubtful whether betting was the only cause, or whether if it had not been betting there would not have been some other cause.*

The Chief Constable of the West Riding said that if the causes of crime generally were analysed, it could not be said that gambling was a contributing factor to any material extent. In certain offences, such as embezzlement and fraudulent conversion, gambling in one form or another accounted in some degree for the lapse into crime. Of the 457 such cases dealt with during the last five years at Assizes and Quarter Sessions for the West Riding, the police were satisfied that in 58 cases the direct cause was due to gambling.†

Sir Chartres Biron, giving evidence as Chief Magistrate of the Metropolis, stated from his experience as a magistrate that gambling was a very large factor in criminal cases involving people in responsible positions.‡

213. The senior partner of Messrs. Wontner and Sons, Solicitors to the Commissioner of Police of the Metropolis, stated that there were numbers of cases in which the habit of betting led to fraud and dishonesty. Those who had to investigate frauds and prosecute or defend such cases were well aware that dishonesty was frequently brought about by betting.§

Of the two probation officers heard in evidence, one stated that he did not think gambling was directly responsible for crime in the majority of cases, but he thought that betting often had repercussions in all kinds of ways and that it led men into difficulties.‖ The other stated that in charges of embezzlement there was no doubt that gambling played a very prominent part.**

Sir Josiah Stamp, speaking as the head of a corporation with a quarter of a million employees, said that in cases of peculation he found that for every case where there was an explanation that the man's wife was ill or that there had been an operation, there were probably four cases where the trouble began with betting.

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* Bigham: Q. 550–2

† Brook: Statement, page 64, paragraph 26.

‡ Biron: Q. 3080.

§ Knight: Statement, page 220, paragraph 17.

‖ Boswell: Q. 3343.

** Burgess: Statement, page 145, paragraph 2.

He was satisfied that where betting was given as the cause this was true, because it was known that it would be regarded as an aggravation of the offence.*

Effect on character.

214. There was a general consensus of opinion among our witnesses as to the undesirability of allowing young persons to be drawn into gambling. The evidence as to the bad effects of gambling on character relates mainly to young persons, but its effect on older persons who become overmastered by the habit cannot be ignored. From the nature of the case most of the evidence on this point came from social workers, who expressed themselves in the strongest terms. One witness said; "The whole outlook of young men and boys becomes changed when the habit of gambling has been acquired. . . . Our workers are only too well aware of the deterioration in character that follows upon the gambling habit."†

Commissioner Lamb, of the Salvation Army, referred to the deplorable effect which the unchecked habit of gambling was having amongst children of tender years.‡

The honorary secretary of a club in Mile End, catering mainly for young men between the ages of 17 and 25, giving evidence as to the effect on the members of the club of the enormous increase in gambling which had taken place in the East End in the last few years, said: "I should never have thought that any fresh custom of our people would have had such bad results as this gambling. There is nothing in its favour. They are all disgruntled. It is making them loungers."§

Gambling and impoverishment.

215. It is impossible to say exactly what constitutes excessive expenditure upon gambling, having regard to the circumstances of particular classes of the community. Here again we must rely upon the judgment of experienced observers.

The Secretary of the Investigation Department of the Charity Organisation Society said that the Society's district committees and inquiry department dealt with a considerable number of cases where the cause of distress was found to be gambling.‖

A probation officer told us that in his experience cases of destitution of families were now due to gambling rather than to drunkenness.**

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* Stamp: Q. 8410.
† Chamberlain: Statement, page 300, paragraph 149.
‡ Lamb: Statement, page 176, paragraph 32.
§ Lockwood: Q. 3609, Q. 3649.
‖ Astbury: Statement, page 379, paragraph 4
** Burgess: Q. 2215.

216. Several witnesses also gave evidence to the effect that persons in receipt of unemployment benefit or of public assistance frequently gambled. We are not concerned with the question whether public funds should be used in this way. The significance of this evidence, from our point of view, is that it shows that persons who are in receipt of what is regarded as the bare minimum necessary to enable them and their families to subsist, do not hesitate to use part of that sum in gambling, and thereby deprive themselves of necessaries.

The evidence points to the conclusion that impoverishment due to gambling is not uncommon; and that in very many cases sums are being spent on gambling which on any reasonable view ought to be devoted to the proper support of the home.

Economic Evidence.

217. It has been suggested that a man on a weekly wage may stake considerable sums each week without appreciably affecting his aggregate income for a considerable period. Sir Josiah Stamp pointed out that a steady income of say 50s. a week would be spent more usefully and to better purpose than an income of 40s. a week followed by a coup bringing the average up to 50s. a week. The same witness also expressed the view that from an economic point of view upon the whole the population spends too much upon betting.*

Localities in which gambling is most prevalent.

218. The evidence showed that the effects of gambling are not equally spread over the community generally. Among considerable sections of the population betting either is practically non-existent, or is for the most part carried on in moderation, and cases of people betting beyond their means or becoming mastered by the habit are not sufficiently frequent to demand action on the part of the State.

It is in densely populated centres, particularly in poorer working class neighbourhoods, that gambling has become a social factor which the State cannot disregard. Whether as a result of poor social conditions, of poverty, or of the lack of other interests, the gambling craze in one of its many forms has obtained a hold over a considerable proportion of the people living in many of these districts.

It is these neighbourhoods which are riddled with street betting, and are the favourite hunting ground of those who make a living out of imposing on other people's credulity; for example, the tipster who makes a living by selling tips for different horses in different localities. In the shops in these districts a ready sale

* Stamp: Qs. 8403 and 8397.

is found for publications consisting entirely of betting tips or devoted solely to newspaper competitions, the works and advertisements of professional solutionists, and mascots which are said to bring good fortune in betting transactions.

219. It may be that the remedy for these evils lies mainly in education, particularly as regards the better use of leisure, and also in the provision of better social conditions. Our task, however, must be to deal with things as we find them. Our concern is that we see before us the mass exploitation for private financial gain of the instinct or propensity to gamble. This is most marked in regard to a considerable part of the community in the poorer urban districts whose circumstances make such exploitation particularly easy and particularly unfortunate.

220. The existing position may be summarised as follows:—

(i) The social consequences of gambling have long been recognised as serious.

(ii) The total turnover on gambling to-day is probably at least as great as at any recent date, and is much greater than at the beginning of the century. The amount of money thus expended represents a considerable spread in the gambling habit.

(iii) Among the factors responsible for the spread of the habit of gambling an important part has been played by the increased facilities afforded for organised gambling, and by publicity in the Press and elsewhere.

LEGISLATIVE POLICY AS TO GAMBLING—SUMMARY OF EVIDENCE.

221. In this section we give first a brief summary of the views presented to us, followed by our own conclusions as to the general considerations which should be given weight in framing legislative policy as to gambling.

On two points of fundamental importance there was a very substantial measure of agreement among all our witnesses. First, it was agreed that the State is not called upon to impose restrictions or prohibitions upon private gambling between individuals. The measures advocated before us were all measures to deal with the facilities for organised gambling or the inducements thereto.

Secondly it was generally agreed that some restrictions must be placed upon organised facilities for gambling. No witness suggested that legislative control over gambling enterprises could be dispensed with altogether. By organised gambling we mean the conduct of some gambling facility or enterprise as a matter of business.

222. Another point upon which there was general agreement was that restrictions should be imposed, where necessary, for purposes

of public order. All witnesses agreed that it would be intolerable if gambling were allowed to become a public nuisance, and if, for example, persons congregated in public places to bet, or called out the odds in the streets.

On the other hand, the most divergent views were expressed to us as regards the measures of restriction or regulation which should be imposed and the objects to be attained by these measures. It will be convenient to summarise these views in two groups. First the witnesses who wish to see gambling facilities rigidly curtailed. This point of view is sufficiently illustrated by the evidence of the Churches and anti-gambling organisations. Secondly, those witnesses who wish to see a more lenient attitude adopted by the State towards gambling facilities.

223. Speaking broadly, the policy favoured by the representatives of the Churches and of the anti-gambling organisations, was the elimination of inducements to gambling, and the restriction of the facilities for organised or professional gambling. It will be appropriate, at this point, to indicate the main arguments relied upon by these witnesses in support of their views.

224. The representatives of the *Christian Social Council* urged the elimination of betting inducements and the reduction of organised betting facilities. They were opposed to the taxation of gambling and to any form of State regulation which implied a recognition of gambling.

The Council based their case against gambling on three main grounds; ethical, economic consequences, social effects.

As regards ethical grounds, the Archbishop of York, introducing the evidence of the Christian Social Council, said of gambling:—

> "It has become a great social factor, and when it is regarded as a social factor its essence is the distribution of wealth on a basis of chance. As a social principle that is plainly indefensible. Nobody would dream of maintaining as an abstract thesis that it is desirable that wealth should be distributed on a basis of chance."*

The Christian Social Council also said that "gambling challenges that view of life which the Christian Church exists to uphold and to extend."†

225. The evidence of the representatives of the *Church of Scotland* was directed to the same general conclusions as those supported by the Christian Social Council. They placed in the forefront of their evidence a resolution passed by the General

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* Temple: Q. 3711.

† Christian Social Council: Statement, page 260, paragraph 46.

Assembly, urging that " any amendment of the law should be in the direction of reducing the facilities for every form of betting."*

226. The evidence of the *National Anti-Gambling League* was mainly directed to working out various proposals for the reduction of the inducements to and facilities for commercialised betting and gambling carried on as a trade or profession. Measures were suggested for the suppression of advertisements of gambling enterprises, and for the prohibition of betting news.†

227. A more extreme view was put before us by the *Scottish National League against Betting and Gambling*. The representative of the League urged that " the prime principle governing all laws dealing with gambling should be, that inasmuch as it is a social and moral calamity to the State, it should neither be recognised nor encouraged as a public trade." In pursuance of this policy it was suggested that bookmaking should be made an unlawful calling, and that the State should withhold the use of the telegraph, telephones, and the postal services for betting.‡

228. The starting point of those who recommended a more lenient attitude on the part of the State in regard to organised gambling was that under the existing law various forms of betting and gambling have been prohibited for a number of years, but have nevertheless continued. It was suggested that the main effect of the law has been to drive the prohibited forms of gambling underground; and that what cannot be effectively prohibited had better be recognised and directed into channels where its harmful consequences can be checked and controlled. It was also urged that, on broad grounds of public policy, it was undesirable to keep on the statute book laws which could not be enforced; and that it was better that there should be a less stringent law, capable of enforcement, rather than that the law should continue to prohibit practices which, even if undesirable, could not effectively be prohibited.

229. On this basis some witnesses argued that, while there must be some regulation or control over facilities for gambling, the essential need was to substitute a recognised legal facility for what was at present illegal; and to allow sufficient facilities to meet the public demand for them.

As a further stage in the argument, some witnesses urged that since there was an insistent demand for gambling facilities, and since some State regulation or control was necessary, the State should take steps to ensure that the facilities provided conformed

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* Church of Scotland: Statement, page 151, paragraph 1.
† Gulland: Statement, page 185 *et seq.*
‡ Watson: Statement, page 164, paragraph 47.

to a certain standard. Thus, steps should be taken by the State to eliminate fraudulent bookmakers.

230. Another development of the same argument put forward by some witnesses was that those facilities which were permitted should be required to contribute to State or national objects. Thus it was suggested :—

(i) that revenue could be obtained for the State from the conduct of gambling enterprises, or from their taxation (whether by licensing or by other means);

(ii) that betting should be made to contribute towards the sport on which it takes place; or

(iii) That some of the profits of gambling enterprises should be devoted to charity. This last argument was most frequently used in regard to lotteries, but it is also used for example in regard to the profits of totalisators outside the provisions of the Racecourse Betting Act, 1928.

231. Broadly speaking, it is true to say that these witnesses favoured State regulation and supervision of gambling enterprises as part of a more lenient policy towards gambling. Measures of State regulation of gambling were, however, also advocated with a view to restricting the total facilities for gambling. In this connection frequent reference was made to State control over the liquor trade. Several witnesses pointed out that for many years past the State had exercised detailed supervision over the liquor trade, with a view to limiting facilities for excessive drinking, and putting a stop to undesirable practices in connection with the liquor trade. They urged that this policy had met with a very considerable measure of success, and that the State should now adopt a similar policy in regard to gambling transactions.

Commission's views as to Legislative Policy.

Aim of the State in legislation as to gambling.

232. We take as our starting point the distinction referred to in paragraph 221 between (i) private gambling between individuals, and (ii) facilities for organised gambling. In our view the State should not interfere with private gambling between individuals, but is concerned with the facilities for organised gambling. There is a sharp distinction between action which involves interference with individual liberty, and action directed against organised exploitation of the gambling propensity, often for private gain.

233. Stated broadly we think that the general aim of the State in dealing with facilities for organised or professional gambling should be to prohibit or place restrictions upon such facilities, and such facilities only, as can be shown to have serious social consequences if not checked.

In taking this view we do not ignore the objections to gambling on ethical grounds, put before us by the representatives of the Churches. But the field of ethics is not co-extensive with that of the criminal law. On the one hand there are many forms of conduct which are generally considered to be morally wrong or reprehensible, but which are not contrary to the criminal law. On the other hand there are matters in regard to which the State has found it necessary to make laws, independently of any question of morality. In any case, public opinion generally would not support legislation based solely on ethical objections to gambling.

234. In determining what restrictions should be placed upon facilities for organised gambling, a distinction can be drawn between the facilities themselves and the inducements and incitements which may be adopted to persuade people to make use of those facilities. The State may decide that, on balance, the right course is to allow a particular facility for organised gambling. But there is no reason why those who provide this facility should be allowed to advertise its existence, and to lure people into gambling by glowing accounts of their possible gains.

Further, the State has a special responsibility in regard to children and young persons and has recognised in the past that they require to be protected from inducements to engage in gambling.

235. A second and subsidiary purpose of the legislation dealing with gambling should be the avoidance of public nuisances and disorder. The excitement to which gambling enterprises give rise, and the opportunities for rapid gain which they offer, make these enterprises specially liable to degenerate into nuisances to the population generally, and in particular to those in the immediate neighbourhood.

236. In framing legislation with these objects in view, we regard it as of the utmost importance that not more prohibitions should be made than are absolutely necessary. Every new prohibition creates a new class of potential offenders. It must, of course, always remain a matter of judgment, based on the facts of each case, whether a particular social evil is sufficiently serious to justify criminal legislation. But as a general principle the criminal law must not lightly be invoked; and the evils which result from any prohibition, however desirable the object aimed at, must be set in the balance against the evil which it is sought to diminish.

Special considerations affecting legislation as to gambling.

237. Laws as to gambling are necessarily, and to a very considerable extent, based more upon past experience than upon considerations of logical consistency.

From the point of view of logical consistency it might be argued that there are only two courses which are wholly consistent. Under the one all forms of gambling would be allowed; under the other they would all be prohibited. From the point of view of logical consistency alone, and without recourse to past experience, it would be extremely difficult, if not impossible, to find adequate justification for permitting organised gambling in one form but not in another.

238. As a broad general statement, it may be said that neither in this country nor elsewhere is gambling legislation based upon abstract considerations. Such legislation has been largely determined, and in our view rightly determined, by the practical consequences which have been found to ensue from allowing or prohibiting particular facilities for gambling, and by the success or failure of earlier legislative measures. Facilities which have had harmful consequences have been forbidden; others, which have resulted in no serious harm, have been allowed to continue. Measures of repression which have been found unworkable have been modified or abandoned.

239. It follows that legislation as to gambling must necessarily contain a considerable element of practical compromise. Considered solely from a theoretical point of view, some of the distinctions embodied in gambling legislation may appear arbitrary. But the test of gambling legislation can never be the complete avoidance of anomalies.

Since legislation as to gambling aims at avoiding certain social consequences, it also follows that it must be framed in the light of existing social conditions, and will require to be modified as those social conditions change.

240. Another consideration which must be borne in mind in framing legislation as to gambling is the total volume of the facilities for gambling which can be permitted without causing serious social consequences. The undesirable social consequences of gambling result in large part from over-indulgence in the habit. Since experience shows that excessive gambling can to some extent be checked by a limitation of the organised facilities, provision to achieve such limitation is a common feature of gambling legislation.

The preceding paragraphs contain our answer to the criticism which may be directed at some of our proposals, on the ground that it is inconsistent to prohibit *this* and at the same time to allow *that*. At the same time we have endeavoured to frame our recommendations so as to remove the more glaring of the existing anomalies, and to make the law more easily intelligible and more likely to be accepted generally than it is to-day. We think it is a

reasonable criticism of the existing law that in form it is often archaic; that its interpretation often turns upon a number of highly technical and abstruse distinctions; and that it operates unevenly between different classes of the community. If our recommendations are accepted, we believe that the resulting law will be more reasonable and more workable than it is to-day.

The State and the management or regulation of gambling enterprises.

242. As stated in paragraph 233, in our view the general aim of the State should be to prohibit or place restrictions upon such facilities for gambling as, if unchecked, lead to serious social consequences.

The State can employ the criminal law for this purpose and it is clear that many of the restrictions on gambling must take this form.

We are on more contentious ground when we come to consider whether and to what extent the State should limit facilities for gambling (i) by reserving to itself the conduct of certain facilities, or (ii) by taxation, or (iii) by regulating gambling enterprises conducted by private persons.

243. As regard State gambling enterprises, although the effects of certain facilities may not be sufficiently serious to justify their prohibition under the criminal law, it does not follow that they are free from harmful consequences and would be suitable enterprises to be conducted by the State. It may also be argued that, if the State is directly concerned in conducting gambling enterprises, its legislative authority in dealing with other forms of gambling is thereby weakened. There is much force in this contention.

244. As regards taxation, we should regard it as most undesirable that any gambling facility should be allowed to exist merely because it could be made a source of revenue to the State or to some public object. In our view, the attitude of the State towards gambling facilities should be determined by the general considerations set out in this section of our report.

We do not regard ourselves as called upon to consider from the fiscal point of view whether it would be desirable to impose taxation upon such gambling facilities as are permitted. We recognise, however, that in some instances and in some circumstances, a measure of taxation might prove useful as an instrument of limitation or control, always provided that there was no risk that the fiscal element would predominate over other considerations.

245. It is more difficult to determine in what circumstances, and for what specific objects, the State should exercise a measure of regulation over gambling enterprises conducted by private persons.

By regulation we mean that the State allows gambling enterprises to be carried on provided that certain specified conditions are complied with, e.g., permission to bookmakers to ply their trade, provided that they satisfy some public authority that they fulfil certain conditions. One disadvantage of State control or regulation of gambling is that a certain presumption may be created that those facilities for gambling which comply with State regulations are in some sense approved by the State and regarded as innocuous. The more detailed the measure of regulation exercised, the stronger this presumption tends to become.

The question whether the advantages to be gained by State regulation of gambling enterprises outweigh the disadvantages is one which can only be determined in the light of experience of the particular form of gambling. In our view the proper way to approach this issue is to consider first, whether State regulation is the most effective means of limiting facilities which are resulting in harmful social consequences; secondly, whether State regulation is desirable for reasons of public order.

216. In dealing with State regulation, it is necessary to determine what functions should be assigned to central government and what to local authorities. Our view is that the general policy to be adopted by the State in regard to gambling enterprises is one which must be determined by Parliament. The issues involved are essentially national, not local, in character. It is true that they are also difficult and highly controversial, but that is no reason why the determination of them should be delegated by Parliament to local bodies.

Subject, however, to the determination by Parliament of the general policy to be pursued, some suitable local body may properly be entrusted, as part of any scheme of regulation or control, with powers to deal with issues where local considerations are involved, or with the application of the general policy to particular local circumstances.

Having outlined the existing law, the position as we find it to-day and the general policy which we think should be adopted by the State in regard to gambling, we now proceed to set out our recommendations on the matters referred to us.

CHAPTER V.

ON THE COURSE BETTING.

247. In this and the ensuing chapters we deal with the criminal law as to betting. The existing position at civil law, whereby wagering transactions are unenforceable in the Courts, is generally regarded as satisfactory and we recommend no change in this respect.

In the preceding chapter we explain that in our view the criminal law as to gambling should be concerned only with facilities for organised gambling, and with restricting the exploitation for commercial gain of the gambling propensity. The criminal law to-day imposes no restrictions on betting between private individuals (i.e., when neither party is carrying on betting as a business), and we propose no alteration in this respect.

In a later chapter we recommend that all persons following the occupation of bookmaker should be registered. This will help to ensure compliance on the part of bookmakers with the measures proposed for regulating organised betting facilities.

Distinction between on-the-course and off-the-course betting.

248. Almost all organised betting in this country relates to sporting events, and may be conducted either at the place where the event is happening (on-the-course betting) or elsewhere (off-the-course betting).

From the point of view of the inducements to betting which they afford, there are some important differences between on-the-course and off-the-course betting.

The on-the-course bettor has the added attraction of seeing the race or event on which he has staked his money; while the succession of races also affords an inducement to repeated betting. On the other hand, on-the-course betting is localised at places where sporting events take place and is limited to the occasions of those sporting events, whereas off-the-course betting may take place anywhere and at any time.

Another difference is that the close connection between the sport and on-the-course betting raises certain questions as to the relationship between those organising the sport and those providing betting facilities. These questions do not arise in regard to off-the-course betting.

249. The older provisions of the existing criminal law of this country apply to both forms of betting. Thus the provisions of the Act of 1853 as to keeping a house, office, room or place for betting, are regarded as applicable to betting wherever carried on. A distinction between on-the-course and off-the-course betting has, however, been recognised in the later Acts affecting betting.

We are satisfied that different provisions are necessary to deal with on-the-course and off-the-course betting and our recommendations are framed accordingly. We are confirmed in this view by the developments which have taken place during the last few years, which show that special measures are necessary to control on-the-course betting.

DEVELOPMENT AND NEED FOR CONTROL OF BETTING ON THE COURSE.

250. Until comparatively recent years, on-the-course betting was virtually confined to horse racing. There were a few events in different parts of the country, lasting for a few days only each year, such as coursing or athletic meetings at which betting with bookmakers took place, but the total volume of such betting was inconsiderable.

Organised betting has taken place at horse races for very many years, but several circumstances have prevented it from developing into a problem calling for active interference by the legislature.

First, horse racing takes place on comparatively few days yearly on each racecourse. Secondly, since the courses are scattered over the country, often at some distance from the large centres of population, race meetings mainly attract only those who are primarily interested in the sport.

Thirdly, the controlling authorities of horse racing have for many years been able to exercise a predominating influence over those responsible for the management of racecourses. They have ensured that racing has never been conducted predominantly from the point of view of commercial profit. The betting facilities, although a factor in attracting attendances, were provided by bookmakers attending as members of the public, and not by the management.

251. About 60 years ago, there was some unregulated development of horse racecourses in densely populated areas in or near London and with frequent meetings. This movement was checked by the passing of the Racecourses Licensing Act, 1879. Under this Act horse races can only be held within ten miles of Charing Cross if a licence, which lasts for a year, has been obtained from Quarter Sessions.

It may be noted that of recent years there has been very little increase in the number of horse racecourses. Only two new horse racecourses where racing is conducted under the rules of the Jockey Club, have been started in the last thirty years.

At the beginning of the present century organised betting at athletic meetings and other sports became prevalent, in many cases against the wishes of the responsible authorities for the sport. The Lords Select Committee of 1902 recommended that bookmaking should be an offence at grounds at which the management put up a notice that betting is prohibited. Effect was given to this recommendation by the Street Betting Act, 1906.

252. The position in regard to on-the-course betting has been radically changed by the development of greyhound racing since 1926. We explain in paragraph 142 that there are at present 220 greyhound racing tracks, most of which are situated in or on the verge of densely populated urban districts.

The extent of the betting facilities provided by the spread of greyhound racing cannot be judged merely from the number of the tracks, owing to the frequency of the occasions on which racing takes place on each track. We stated in our interim report that on the 7 horse racecourses within a radius of 15 miles of Charing Cross there were 187 days' racing a year, whereas in the same area there were 23 greyhound tracks with over 4,000 days' racing. In the City of Glasgow there are no horse racecourses, but there are 5 greyhound tracks with about 1,400 days' racing. These figures are indicative of the increase in on-the-course betting facilities over the country generally.

Greyhound racing has brought on-the-course betting facilities, often as an almost nightly event, into most of the large urban districts in this country. This is an entirely new feature.

253. One factor which has led to the multiplication of tracks and to the increase in the number of meetings is that the proprietors of greyhound tracks are usually financially interested in the provision of betting facilities. We explained in our interim report that the totalisator, since it offered a lucrative source of profit, had acted as a strong incentive to the erection of new greyhound tracks. In very many cases bookmakers are required to pay special fees before they can ply their business on greyhound tracks. These fees are often payable in whole or in part for a betting card or other betting accessory which has to be purchased at an enhanced price. We do not think it will be denied that a substantial income from this source accrues to the proprietors of tracks.

254. We heard a considerable volume of evidence tending to show that betting at greyhound tracks was having undesirable social effects. It is unnecessary to repeat the evidence summarised in Chapter IV as to the social effects of gambling generally. But it should be recorded that many witnesses held the view that the enormously increased betting facilities afforded by the spread of greyhound racing, was one of the most powerful causes of the increase in betting.

Among the particular effects brought to our notice, we were informed from several independent sources that betting associated with dog racing had a special attraction for young men and women in poor districts, and that the social results were serious. We were also impressed by the evidence given as to general deterioration of character among young persons in poorer neighbourhoods due to the excitement resulting from day to day betting on greyhound races which drove out every other interest.

255. We are satisfied that measures of control over on-the-course betting facilities are necessary in the public interest. We are of opinion that the measures adopted should be of a general character, and should not be related to any particular sport.

It is true that greyhound racing has been responsible for most of the recent developments in regard to on-the-course betting facilities. Greyhound racing is, however, only symptomatic of a development which might take several forms. We referred in our interim report to schemes which were proposed, and in at least one case had been put into operation, for horse racing in urban areas on several evenings a week. Some witnesses gave us details of other types of contest which would lend themselves to betting, if organised facilities were provided. The control must therefore be of a general character.

256. We wish to emphasise that we are not proposing legislation directed against any particular sport. In the past, the general circumstances of horse racing have involved certain limitations upon on-the-course betting which do not exist in the case of other sports. Since the circumstances of those other sports do not themselves supply such restrictions upon on-the-course betting as are necessary in the public interest, it becomes necessary for the law to impose them.

257. There was general agreement among witnesses that some measure of control over on-the-course betting is necessary. But most of the proposals submitted to us dealt, either with betting on a particular sport (greyhound racing), or with the conditions under which the sport might be carried on.

Thus the *National Greyhound Racing Society* submitted a scheme for the control by a statutory body of all betting operations on greyhound tracks.*

Some witnesses favoured a measure on the lines of the Dog Racing Bill, 1928, or of the Dog Racing (Local Option) Bill, 1932-3, under which a licence from a local authority would be required before any place was used for dog racing.

Another proposal, submitted by the *National Anti-Gambling League*, was that there should be a general measure to the effect that the use of any enclosed place for any sport or contest at which betting was allowed should not be lawful unless a licence had been obtained from the local authority.†

258. In our view the determination of the conditions under which on-the-course betting is carried on, whether the course is used for

* National Greyhound Racing Society: Statement, page 114, paragraph 55.
† Gulland: Statement, page 191, paragraphs 61–66. Qs. 2887–2893.

racing greyhounds or some other animals, is a matter for Parliament. The application of general principles to local circumstances, where this is necessary, should be determined by the appropriate local authority.

In these circumstances we can see no justification for the establishment of a statutory board to control betting on greyhound tracks.

The headings under which we deal with the measures of control over on-the-course betting facilities, are as follows:—

(i) The conditions under which betting facilities may be conducted upon courses.

(ii) The limitation of on-the-course betting facilities. This covers both the occasions on which, and the places where betting facilities may be provided.

As regards the places where betting facilities may be provided, this question may in practice often be linked up with the question whether a particular place is suitable for use as a course or track independently of any betting facilities. This, however, is a matter which is outside our terms of reference.

Conduct of Betting Facilities on the Course.

259. There is an important distinction between the position of a company which provides a racecourse or racing track where betting may take place among those who attend, and the position of a company which sets out to provide the track and to derive revenue from the betting there, either by providing betting facilities or by levying charges on those who do. Experience shows that if the managers of a track are allowed to have a financial interest in the betting, there is grave danger that tracks will be promoted for the sake of the betting revenue and that the sport will become simply an adjunct to the betting. Such tracks are little better than casinos.

So far as concerns totalisator betting this matter was dealt with in our interim report, but the same principle applies to betting with bookmakers.

Our conclusion is that as a general principle the management of courses should not be allowed to provide betting facilities, and should have no direct financial interest in the betting on the course. Such betting facilities as exist can, therefore, only be provided by such bookmakers as choose to attend the track.

The related question of what charges may be made by the management of a course to bookmakers attending the course is dealt with in paragraphs 261-264.

Legal position of a bookmaker on a racecourse.

260. We propose no substantial alteration in this respect, but we think that the basis of the existing law should be simplified. It should no longer depend on the artificial question whether or not the bookmaker is " using a place ", a problem which has given rise to some not very solid distinctions. The bookmaker's position should be directly provided for by the law.

We think that it is undesirable that bookmakers should be allowed to build up an elaborate organisation at racecourses, including the erection of structures of various kinds, to receive on or off-the-course bets. We think, however, that a bookmaker should be allowed to stand at a fixed place with such portable equipment as he may require. Probably the best form of giving effect to this recommendation would be to introduce an affirmative proviso indicating that this shall not be deemed to be an offence. The registration system which we propose later, will provide an inducement to bookmakers to keep within the law in this and other respects.

Charges which may be made to bookmakers.

261. We refer in paragraph 253 to the levies on bookmakers attending greyhound tracks. We do not propose to enter into the question whether the existing law has thereby been infringed. These levies contravene the principle set out in paragraph 259 that the management of a course should have no direct financial interest in the betting on the course.

262. At the same time, a bookmaker and his equipment occupy more space than a member of the public, and we think that it is reasonable that the management of a course should be allowed to make a charge which represents a fair payment for the space and facilities used by the bookmaker, his assistants and equipment. We suggest that the management should be allowed to charge a bookmaker twice, but not more than twice, the amount charged to a member of the public for admission to the enclosure in which he proposes to make his book. This increased charge can fairly be regarded simply as payment for facilities provided. A bookmaker's assistants should be admitted on the same terms as members of the public.

This recommendation does not apply to courses in respect of which a certificate of approval has been issued by the Racecourse Betting Control Board. The position of such courses is dealt with in Chapter VIII.

263. In order to prevent evasion of this limitation of charges on bookmakers, we recommend that the management should not require bookmakers to purchase or hire any article from them as a

condition of entry. This would bring to an end the practice which appears to prevail in some places, of making levies on bookmakers by special charges for betting cards or blackboards.

264. It may be argued that if the managements of tracks were free to make heavy charges on bookmakers, the effect would be to restrict the number of bookmakers who attend, and so to impose what might be a useful limitation on the betting facilities afforded to the public. This line of argument ignores the fact that the management fix their charges at the amount which is calculated to extract as large a total sum as possible from the bookmakers without depriving the public of ample betting facilities. Heavy charges on bookmakers which swell the profits of the tracks are likely to lead to a multiplication of tracks and of betting facilities.

Limitation of On the Course Betting Facilities.

Statutory limitation of days on which betting takes place.

265. The need for a limitation of days on which betting may take place is a new problem so far as this country is concerned, caused by the developments referred to in paragraphs 250-253. The need for such limitation has, however, been recognised in certain of Your Majesty's Dominions and in other countries. Many legislatures have limited the days upon which betting may take place at a course, or the days upon which a sport which is accompanied by betting may take place upon a course. In other cases a limitation has been placed upon the number of racecourses, or the total number of racing days in urban areas.

266. If consideration had been given to this matter before the spread of greyhound racing and in the light of the experience of sports, such as football, which exist without betting on the course, we think it would have been regarded as reasonable to provide that betting facilities should not be permitted on more than 50 days in the year on any one course. A state of affairs has, however, been allowed to develop in which meetings with betting facilities are held at tracks as often as seven days a week, sometimes twice a day. While we are satisfied that a drastic reduction of the existing on-the-course betting facilities is called for, we doubt whether it would be regarded as practicable to fix a limit of 50 days a year.

We recommend that it should be laid down by statute that betting facilities should not be provided at any course on more than 10 days in any calendar month or 100 days in any calendar year, and at not more than one meeting in a day. This provision should apply to all racecourses and racing tracks without exception.

267. We wish to emphasise the main reasons which lead us to the conclusion that some form of general statutory restriction is essential in this matter.

First, whatever the sport or contest, it is most undesirable that facilities for continuous betting should be provided day after day, in any arena.

Secondly, the limitation of on-the-course betting facilities cannot be satisfactorily dealt with by loading restrictions on whatever form of sporting contest happens to be prevalent at the moment. So long as the problem is dealt with piecemeal, the ingenuity of those who promote events which lend themselves to betting must ever outrun legislation.

Thirdly, it is useless to attempt to deal with this matter by measures aimed at making the promotion of the sport less profitable to the promoter, since those who survive may then be driven to increase the number of meetings and so the opportunities for betting.

Local control over the provision of betting facilities on tracks.

268. Local control is required (*a*) to prevent betting facilities being provided in places where those facilities are clearly undesirable, and (*b*) to prevent facilities for continuous betting being provided in any given area.

We recognise that there may be some disadvantage in requiring local authorities to exercise powers in regard to betting. If, however, on-the-course betting is to be satisfactorily controlled, the general principles laid down by Parliament must be applied to local circumstances. In our proposals we define as closely as possible the powers which the local authorities should exercise and the grounds which they should take into account.

269. *Betting Places.*—We think that the local authority should have power to ensure that on-the-course betting facilities are not provided in the middle of densely populated areas or in other places where such facilities are likely to cause serious social mischief.

We therefore recommend that the management of any course, if they wish to allow betting facilities to be provided there, should be required to obtain a licence from the local authority. The power to grant such licences should be vested in County Councils and the Councils of County Boroughs. Neighbouring Councils should be permitted, if they so desire, to form joint committees for the exercise of the power of granting licences. We do not think that the power to grant these licences should be delegated by County Councils to the Councils of County Districts.

270. The grounds on which a local authority might refuse a licence for betting to the promoters of a course should be prescribed, and a licence should not be refused on other grounds. The considerations which a local authority might properly take into account would include :—

(*a*) the proximity of the course to very densely populated areas,

(*b*) the proximity of the course to schools or other institutions,

(*c*) the amenities of the neighbourhood,

(*d*) law, order, and public safety.

The police, ratepayers residing in the locality, the governing bodies of institutions, the responsible authority under the Town and Country Planning Act, 1932, and neighbouring local authorities, should have a right to make representations to the licensing authority.

If a licensing authority consider that a particular course could properly be licensed for betting, a licence to that effect should be granted for a term of seven years, renewable for terms of seven years. The licence should be revocable at any time for breach of any of the conditions on which it was granted.

271. The only exceptions which we propose to the scheme outlined in paragraphs 269 and 270 are as follows:—

(i) Existing horse racecourses which have received a certificate of approval from the Racecourse Betting Control Board should not be required to secure a licence. This exemption would not apply to any horse racecourse promoted hereafter.

(ii) It should not be necessary to obtain a licence in respect of courses used for betting on not more than eight days a year. This exception would make it unnecessary to obtain a licence for certain athletic meetings and coursing matches which last for a few days only, or for point-to-point meetings, which take place on a single day.

272. *Betting Occasions.*—The object of the statutory limitation of betting days recommended in paragraph 266 is to prevent the provision of facilities for continuous betting. This object would be defeated if the managements of neighbouring courses could suit their own commercial advantage by affording betting facilities on different days. Betting facilities might then be available in the locality on every day of the year and the object of limitation would be defeated.

273. We accordingly recommend that the local authority should be required to fix two weekdays (for example Wednesday and Saturday) on which betting facilities might normally be provided at licensed courses in its area. The authority should be guided by local considerations in the choice of days. If a local authority covered a very wide district it might be desirable for local reasons to have different betting days in different localities, and in certain cases (for example, in the case of a county borough and the surrounding area under the jurisdiction of the county council) it would be desirable that two authorities should agree to fix the same betting days.

The local authority should be empowered to allow betting facilities on days other than the two selected weekdays on the occasion of national or local holidays.

This restriction of on-the-course betting to certain specified days chosen by the local authority, would not apply to the courses referred to in paragraph 271, which do not require to obtain a licence from the local authority.

274. Under our recommendations there would thus be a statutory maximum number of days on which betting facilities might be provided at any course, namely 10 days a month and 100 days a year. In respect of the courses which require to receive a licence from the local authority for betting facilities, the local authority would fix certain weekdays and holidays as the days on which licensed courses in the area might use their statutory betting days. The guiding consideration in the choice of those betting days would be to ensure that courses serving the same locality should not be able so to arrange their programme of days as to provide continuous betting facilities in the area.

Summary of Recommendations.

275.—(i) The management of a course at which sporting events take place should be dissociated from the provision of betting facilities and should not have a direct financial interest in the betting on the course (paragraph 259).

(ii) A bookmaker at a course should be allowed to stand at a fixed place with such portable equipment as he may require (paragraph 260).

(iii) The management of a course (other than a horse racecourse approved by the Racecourse Betting Control Board) should be allowed to charge a bookmaker not more than twice the ordinary charge for admission (paragraph 262).

(iv) The number of days on which betting facilities may be provided at any course should be limited by statute to not more than 10 days in any calendar month and 100 days in any calendar year (paragraph 266).

(v) The managements of courses (other than existing horse racecourses approved by the Racecourse Betting Control Board, or courses at which betting facilities are provided on not more than eight days a year) should be required to obtain a licence from the Council of the County or County Borough (as the case may be) to allow betting facilities at the course (paragraph 269). The grounds on which the local authority may refuse a licence should be prescribed (paragraph 270).

(vi) The local authority should be required to fix two weekdays on which betting facilities may normally be provided at licensed courses in the area (paragraph 273).

CHAPTER VI.

OFF THE COURSE BETTING.

Introductory.

276. The policy of the State has tended to discourage betting away from racecourses, especially ready money betting; but the State has never attempted any consistent policy of prohibiting all organised off-the-course betting.

The Act of 1853 prohibited the keeping of any house or place for the purpose of the owner or occupier

(*a*) betting with persons resorting thereto, or

(*b*) carrying on ready money betting.

At a later date offices were established for the conduct of betting on credit terms by letter, telegraph or telephone, a form of betting which was not illegal under the Act of 1853. No steps were taken against this form of betting.

The Act of 1853 was successful in putting down ready money betting offices and one result was to drive ready money betting on to streets and other public places. Thereafter local authorities, from about 1870 onwards, took powers to deal with street betting. These measures proved only partly successful.

277. The recommendations of the Lords Select Committee of 1902 were avowedly based upon the principle that betting should be localised at racecourses and other places where sport is carried on, and that off-the-course betting should be prohibited so far as possible. The Committee recommended that all betting offices should be suppressed and that measures should be taken to suppress street betting.

Effect was given to the recommendation against street betting in the Street Betting Act, 1906; but no steps were taken to prohibit credit betting offices or off-the-course betting generally.

278. The subject of off-the-course betting is dominated by the problem of street betting. It is important to remember that the Act of 1906 had two main objects. The first was the prevention of obstruction and nuisance in the streets through their use for betting. The police may be said to have done a good deal to achieve this object by preventing too flagrant breaches of the law.

The second object was the suppression of facilities for ready money betting. Here police action is largely ineffective. Several witnesses informed us that in their view police action had no appreciable effect upon the total volume of ready money betting transactions.

279. In our view there are three main reasons for this failure of the Act of 1906.

First there is an insistent demand in working class districts for ready money betting facilities.

Secondly, if the Act is intended to suppress ready money betting, its provisions are not calculated to effect that purpose. The so-called street bookmaker receives bets from agents not only in streets, but also in shops, factories and workshops. The only part of this organisation specifically struck at by the Act of 1906 is the collection of bets in public places. Several police witnesses informed us that they found that the only result of a vigorous enforcement of the Street Betting Act was to drive the betting into factories or clubs, or to make the bookmaker's agent resort to door-to-door canvassing.

Thirdly, there is a widespread feeling that the betting laws, by allowing credit betting but not ready money betting, are unfair to the working man and represent "class legislation".

In the enforcement of the Street Betting Act the police get little support from the public in the areas in which street betting is rife. They feel no enthusiasm, but rather considerable distaste, for their duties under the law, and do not administer it vigorously. Further, some magistrates habitually inflict penalties considerably less than can be imposed under the Act of 1906, and thus show their lack of sympathy with the law. This tends to increase the difficulties of the police.

280. Broadly speaking, there are four alternative courses which could be adopted in regard to street betting.

The first is to leave things as they are.

The second is that an endeavour should be made to enforce the Street Betting Act by giving the police more drastic powers, and by increasing the penalties under the Act.

The third is to repeal the Street Betting Act and to allow betting to take place in streets and public places, subject possibly to certain restrictions.

The fourth is the provision of some alternative betting facilities which would make it possible to enforce the Street Betting Act effectively.

281. In regard to the first of these alternatives we are satisfied that the existing position cannot be allowed to continue. In reaching this conclusion we are influenced by the danger of allowing any branch of the criminal law to fall into disrespect, and by the consideration that police morale and discipline are bound to be adversely affected in the long run if the police are called upon to administer a law which cannot be effectively enforced and which lends itself to corruption or to charges of corruption.

282. As regards the second alternative (namely, an attempt to enforce the law by more drastic measures) we are satisfied that an increase in penalties alone would not enable the Act to be enforced against the existing background of public opinion. The law requires to be rehabilitated in public opinion before it can be effectively enforced.

283. As regards the third alternative (namely, the repeal of the Street Betting Act, 1906) most of those who advocated this course proposed that street betting should be amenable simply to the ordinary law relating to obstruction and the like; though one witness added the suggestion that street betting should only be allowed in recognised or licensed stances.*

In our view, those who propose that the Street Betting Act should be repealed are blinded, by the serious partial failure of the Act, to what the Act has in fact effected. If the Act were to be repealed, canvassing and solicitation of an objectionable character could be carried on by bookmakers in every street and outside every factory gate, without the commission of any offence against the ordinary highway law. We are satisfied that an intolerable situation would arise if persons were allowed to conduct betting businesses in streets and public places.

284. There remains the fourth alternative, namely, that some legal betting facilities should be provided which would be an alternative to street betting and would enable the Street Betting Act to be effectively enforced.

We are aware of the danger of extending the area of legal facilities for off-the-course betting. Nevertheless we are satisfied that it is impossible to maintain the present position whereby a man to whom a bookmaker will not grant credit facilities, has virtually no legitimate means of betting.

Some witnesses sought to justify the present position on the ground that credit betting is necessarily confined to persons who can afford to bet, while cash betting is generally practised by the poorer classes in whose case betting is more likely to have undesirable social consequences. There is some force in this view. But the distinction in law between the legality of credit betting and ready money betting has not in fact succeeded in limiting betting to those who can bet on credit. Our conclusion is that it is only by the legalisation of some form of ready money betting that existing undesirable betting practices can be suppressed.

285. In determining what further legal facilities should be granted for off-the-course betting, there are two main issues to be considered.

(i) The law prohibits resorting to an office for purposes of betting whether for ready money or on credit. Should this

* Marlay Samson: Statement, page 388, paragraph 20.

prohibition be continued? Our main concern is with the suggestion that cash betting offices should be established.

(ii) The law prohibits the keeping of an office for carrying on ready money betting even where there is no resorting, i.e., by post. Should this be allowed?

Cash Betting Offices.

286. A description of the betting houses which were suppressed by the Act of 1853 is given in paragraphs 39 and 40. In the words of the Attorney-General in 1853 in introducing the Bill,

> "servants, apprentices and workmen, induced by the temptation of receiving a large sum for a small one, took their few shillings to these places, and the first effect of their losing was to tempt them to go on spending their money in the hope of retrieving their losses and for this purpose it not unfrequently happened that they were driven into robbing their masters and employers. There was not a prison or a house of correction in London which did not every day furnish abundant and conclusive testimony of the vast number of youths who were led into crime by the temptation of these establishments."

287. Lately the belief that totalisator operations were outside the provisions of the Betting Act, 1853, led to the establishment of a large number of places for cash totalisator betting, which became known as tote clubs. We had occasion in our interim report to describe those clubs as a grave social menace, and to point out that they offered most undesirable opportunities for continuous gambling.

In view of such experiences, it is not surprising that every witness who favoured the establishment of cash betting offices agreed that very strict regulation of cash betting offices would be necessary.

288. The representatives of the Associations of Chief Constables in England and Wales (Counties and Boroughs) and in Scotland favoured the establishment of betting offices.* These witnesses did not suggest that cash betting offices were in themselves desirable, but that their establishment under proper control would be better than the existing position. The bookmakers' representatives also favoured the setting up of such offices, and agreed that they would have to be subject to very strict regulation.†

Among the witnesses who opposed the establishment of cash betting offices were the representatives of the Churches, the representatives of the social organisations who gave evidence before

* County Police: Statement, page 435, paragraph 5. Borough Police: Statement, page 446, paragraph 48. Ross: Statement, pages 458 and 459, paragraphs 19 (ii) and 22. Robertson: Statement, page 460, paragraphs 3–13.

† Picken: Statement, page 498, paragraph 8, Q. 7947–48. Bishop: Q. 8085, 8088, 8102–04.

us, the Association of Municipal Corporations, and the Convention of Royal Burghs.

The real issue which we have to consider in this matter is how far, by the introduction of restrictions of various kinds, the evils to which betting offices are apt to give rise can be obviated. The experience of the betting offices established in the Irish Free State is of interest in this connection.

Betting Offices in Irish Free State.

289. Betting offices were established under the Irish Free State Betting Act, 1926, the objects of which were primarily fiscal; and the working of the Act was reviewed in 1928-29 by a Joint Select Committee of the Senate and the Dail.

The Act of 1926 allowed cash betting offices to be open between the hours of 9 and 6 o'clock on any day except Sundays, Christmas Day, and Good Friday. No restrictions were imposed upon persons loitering in or near premises.

290. The effect of the system is described as follows in the report of the Joint Committee on the working of the Betting Act, 1926.

> " No witness appeared before the Joint Committee to urge that serious blemishes in practice have not accumulated around the working of the Act. These are stated to be of a social character, for example, as adversely affecting public order and decorum, or the economic welfare of the community, particularly of the poorer classes, or the formation of the character of young people.
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> * * *
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> " Proceeding then from the position that the existing law relating to betting should not be repealed but, rather, be amended, so as to eliminate the abuses which have been found to accompany it, it becomes necessary to make a statement of the main faults which have been found in practice. Betting offices have increased to numbers greatly in excess of reasonable requirements; they are conducted in a noisy and disorderly manner; crowds congregate and loiter in them; lists of runners and odds are displayed as on a racecourse; backers wait on from one event to another, payments being made immediately after results, which are obtained immediately by special telephone service; children, and women accompanied by children, are present in the crowd, with a consequent increase in juvenile gambling; these evils are increased in poorer class areas in the cities; the gambling craze has affected all classes down to persons in receipt of unemployment benefit and home assistance, and the total results are demoralising, disorderly, uneconomic, thriftless. This statement of the case, with many points of view following from it, has been adopted by every

witness as the general experience, and the Joint Committee must accept it as established."

291. The Joint Committee made the following among other recommendations to deal with this situation :—

(i) That since the evils which had grown up in connection with registered betting premises were mainly due to the practice of paying on results immediately after the race, it should be an offence for a bookmaker to pay on results at any time during racing hours.

(ii) That it should be an offence for bookmakers to call odds to customers or to permit overcrowding or loitering on registered premises.

(iii) That no lists of runners, starting prices, etc., should be exhibited on registered premises so as to be seen from the street.

(iv) That premises should be open from 9 to 3 o'clock and 5 to 7 o'clock only.

Effect was given to these recommendations in the Irish Betting Act, 1931, except that the hours of opening were left as under the Act of 1926.

292. We understand that the Act of 1931 has had some effect in preventing crowds and loitering outside the premises. Loitering, however, still remains a difficulty inside the premises. It is not, of course, in the bookmaker's interest to drive out prospective customers.

Commission's conclusions as to cash betting offices.

293. We understand that the system adopted in the Irish Free State has been very successful in putting a stop to street betting. Nevertheless we think that a system on the lines of the Irish system, even as modified by the Act of 1931, if introduced into the dense urban areas of this country, would be open to grave objections. The fact that the offices are open throughout the day affords a strong inducement to the betting habit, and to repeated betting throughout the day.

294. We have considered whether we should recommend the establishment of cash betting offices in this country under more stringent regulations than those adopted in the Irish Free State. One suggestion made in this connection, and favoured by the representatives of the two chief bookmakers' organisations, was that the offices should be closed altogether during racing hours. This might be coupled with a severe restriction of the hours of opening outside racing hours. Thus, the office might be open from say 11 to 1.30 p.m. for the receipt of bets, and again from 5 to 6.30 for the payment of winnings.

Restrictions on these lines would do as much as can be done by regulation to prevent betting offices resulting in repeated betting

by one individual during the day. Our conclusion is that even with these restrictions the establishment of cash betting offices would be undesirable.

295. In the first place, we think that the establishment of such offices would make betting easier and would tend to increase its volume. Experience shows that easy betting leads to an increase in betting. The establishment of cash betting offices would seem likely to lead to more regular betting by persons who bet at present, and to induce persons who do not at present bet to acquire the habit.

296. In the second place, after full consideration we have reached the opinion that there are very substantial reasons against allowing the setting up of establishments to which persons can resort and make bets over the counter. Where bookmaker and backer meet together there are opportunities of various kinds for the bookmaker to push his business. In short, a betting office of this kind constitutes an inducement to betting which should not be permitted.

We should regard the establishment of such offices as a retrograde step. We also think that serious practical difficulties would be encountered in devising any satisfactory scheme for determining the number and location of cash betting offices to be licensed or registered.

Difficulties of a licensing or registration system.

297. The main issue which would arise as regards the number and location of betting offices is whether a system of licensing or of registration should be adopted. The essential difference is that, under the former system the licensing authority has discretion, either absolute or within limits, whether it will grant the privilege sought, whereas under a system of registration any person who satisfies the authority that he fulfils certain conditions is entitled to the privilege sought.

298. Many witnesses favoured a *licensing* system on the ground that it is important to limit the number of betting offices, and that the responsible authority should have unfettered discretion to determine how many offices were required in each district, and to grant licences accordingly.

On the other hand it is not easy to see on what grounds a licensing authority would proceed in deciding between rival applications for licences. Under any licensing system it would be hard to avoid the creation of a vested interest in betting offices. There might also be difficulty in determining what body should be entrusted with the duty of granting licences.

299. A *registration* system was favoured by several witnesses who suggested the adoption of a scheme on the lines of that proposed in the draft report prepared by the Chairman of the Select

Committee on Betting Duty, 1923. Under this scheme betting offices would be registered by a court of summary jurisdiction. Power would be given to the local authority, the police authority of the district and owners of neighbouring property, to object to the grant of registration on certain specified statutory grounds.

A system of registration is in force in the Irish Free State. It is significant that, while the Joint Select Committee of 1928-29 said that betting offices were too numerous and should not exceed 1 to 5,000 people in Dublin and three other cities and 1 to 2,000 people elsewhere, the number of betting offices in Dublin at the present time is 1 to every 1,500 of the population.

While a system of registration has the advantage of making for greater uniformity of practice throughout the country than under a licensing system, we think that it would be likely to lead to the establishment of more betting offices than were desirable, and would therefore encourage an increase in betting.

300. We believe that, even if it were decided that the establishment of cash betting offices was desirable, grave difficulty would be experienced in devising any satisfactory system for licensing or registering such offices. Independently of this consideration, however, we have reached the conclusion that we cannot recommend the establishment in this country of cash betting offices which persons might enter for the purpose of betting.

Postal Cash Betting.

301. The second issue referred to in paragraph 285 is whether the law should be altered so as to allow an office to be kept for cash or ready money betting where there is no resorting. The obvious method of carrying on such a business is by post.

If some facility for ready money betting is required, there is a strong case for legalising cash betting by post. In many ways betting by post seems to us to be preferable to other betting facilities. A bettor who bets by post has not the same opportunity to make a succession of bets on the same day, and postal cash betting does not afford the same inducements as where the backer resorts physically to the bookmaker.

302. As explained in paragraphs 119 and 120, a certain amount of postal cash betting is at present carried on in defiance of the law by office bookmakers, more especially by bookmakers resident in Scotland.

The Secretary to the Post Office told us that he was not aware of any special difficulties in regard to the transaction of postal cash betting so far as his department was concerned.

The legalisation of postal cash betting would also do away with one of the most striking anomalies of the existing law, an anomaly

which is largely responsible for the law being regarded as class legislation, namely that at present it is legal to bet by post on credit, but not for ready money.

303. The main objection raised to the legalisation of postal cash betting is that it would not prove a satisfactory betting medium to working men and women who at present bet with a street bookmaker, and would do little to alleviate the street betting problem. Thus, it is said :—

(i) that postal cash betting is not suited for small bets;

(ii) that the cost of postal cash betting would be too great;

(iii) that difficulties would arise in regard to the time at which bets are made;

(iv) that postal cash betting would be regarded by the street bettor as involving too much trouble.

Some of these objections can be tested in the light of the experience of the postal cash betting which is carried on to-day with bookmakers in Scotland.

304. As regards (i) we refer to particulars submitted on behalf of the Chief Constables (Scotland) Association. An analysis of the numbers and denominations of postal orders found in recent raids by the Edinburgh police on bookmakers' premises, showed that over 50 per cent. of the remittances represented bets of 2s. or under. In one raid where 1,913 bets with remittances were seized, 1,166 represented bets at 1s. each.*

305. As regards cost, postal betting would be less expensive to the present street bookmaker than his elaborate street organisation, his commission to bet-takers and the fines he has to pay. Many bookmakers to-day relieve their customers of the cost of postage, either by prepayment or by a Post Office licence to use envelopes on which the postage is paid after delivery to the licensee; and such practices might become general if postal betting were legalised. Remittances in respect of small bets need not be sent in postal orders, but in stamps, which the Post Office is prepared to repurchase, subject to a discount of 5 per cent.

306. The question of *the time of making bets* presents a more serious difficulty. The working man bettor generally makes his selection for the day during the dinner hour, say from 12 to 1 or from 1 to 2. Under the existing rules of the Jockey Club and the National Hunt Committee, runners have not normally to be declared until three quarters of an hour before the time fixed for the start of the race. There is often considerable uncertainty which horses will run until the declaration of the runners. A street bettor, when he makes his bet, probably has no certain knowledge which horses will start in the race; but by postponing his bet until midday

* Ross: Statement, page 459.

when the sporting editions of the evening papers have been published, he can make his bet in the light of fuller information as to probable runners and their form than if he made his bet the night before.

Further, bets sent by post would have to be despatched some time before the race to which they related. Bookmakers might refuse to accept bets unless they were received at their offices before the start of the race to which they related. At the best, a bet sent by post would have to bear the postmark of a time earlier than the start of the race.

In this connection a suggestion was made in evidence that the Jockey Club and National Hunt Committee should make it a rule that the runners in each race should be declared by 5.30 p.m. overnight. If such a rule were made, the list of runners would appear in the last editions of the evening papers and in the morning papers. This is a racing matter on which we cannot make any recommendation. We do not know whether the suggestion is practicable, but we think it worthy of mention in this connection.

307. As to (iv), it is argued that the man who at present bets with a street bookmaker would not take the trouble to buy stamps and post a letter to his bookmaker, and that he would continue to adopt the, to him, far more convenient plan of handing a slip with his money to the street bookmaker's agent in the workshop or to the bet-taker in the street. To this it may be replied that it can never be the policy of the State to frame the law so as to make organised gambling facilities too easy. Nevertheless there is weight in this argument.

308. As explained later, our estimates of the extent to which persons who now bet with a street bookmaker would adopt postal cash betting vary. We are agreed, however, that a considerable volume of ready money betting which is at present carried on in illegal ways would be diverted to postal cash betting if this form of betting were to be made legal.

309. Before, however, deciding to recommend the legalisation of cash postal betting we considered carefully an objection put to us, namely that it would be made use of by sections of the community who do not bet largely at the present time and that it would lead to an increase in betting.

If no restrictions were placed on the freedom of bookmakers to advertise, it seems likely that postal cash betting facilities would be extensively advertised by the large offices which at present carry on credit businesses and are well known. If this happened, we agree that there would be grave danger of a spread of the betting habit among persons who do not at present indulge in the habit.

Our proposals in regard to advertising are dealt with in Chapter VII. We wish, however, to emphasise here that we regard a rigid restriction of bookmakers' advertisements as an essential corollary of the legalisation of postal cash betting. Provided, however, that such restriction is effected, we do not think that there is any great danger of the spread of the betting habit as a result of the legalisation of postal cash betting.

310. We would also observe that it seems reasonable to suppose that, if postal cash betting were legalised, bookmakers at present engaged in credit businesses would transfer a proportion of their business from a credit to a cash basis, in order to avoid the heavy losses which they sustain through bad debts. Several witnesses maintained that credit betting afforded a greater temptation than cash betting to the bettor to bet beyond his means, and we see no objection, and possibly some advantage, in betting which is now transacted on a credit basis being transferred to a cash basis.

311. Our conclusion is that, whether or not postal cash betting, without the addition of some further facility for ready money betting, would enable the Street Betting Act to be effectively enforced, we think that postal cash betting should be made legal. We link up this recommendation, however, with our proposal for the rigid restriction of bookmakers' advertisements.

It should be an offence for a bookmaker to pay out winnings to persons who resort to his premises.

Facilities for the Deposit of Cash Bets.

312. The majority of the Commission consider that the legalisation of postal cash betting will not suffice to enable the Street Betting Act to be effectively enforced. They are, therefore, prepared to go further and to recommend the legalisation of some facility more suited to the needs of working class bettors than postal betting. After consideration of the various alternatives they recommend the adoption of a scheme on the following lines:—

(1) A bookmaker who has secured permission in the manner indicated below should be permitted to receive, through a special letter box attached or appurtenant to his office, bets from persons who come to his office, provided they do not enter the premises or come into personal contact with the bookmaker or his servants. The box or aperture should have on it a clear indication that it has been authorised for the receipt of bets.

(2) In order to prevent persons engaging in a series of bets while racing is in progress, and to prevent a fruitful source of disputes, the special letter box should be closed during racing hours. To prevent evasion it might be necessary to provide that the bookmaker should not be permitted to have any box

or aperture at his office open during racing hours for the receipt of any communication whatsoever. Regarding the measures necessary to ensure that only bookmakers who have been expressly authorised make use of this facility, we would refer to our general recommendations in connection with the registration of bookmakers.

(3) We propose in paragraph 352 that all bookmakers should obtain certificates of eligibility from a petty sessional court. A registered bookmaker who wishes to offer facilities for the deposit of cash bets in the manner here outlined should be required to notify this fact to the petty sessional court and registration of his premises for this purpose should depend on the fulfilment of the following conditions :—

(i) that the office at which bets are to be deposited

(*a*) is of a rateable value of not less than, say, £30 a year;

(*b*) is not near a school, employment exchange, or other like institution;

(*c*) is used by the bookmaker for the conduct of his business as a bookmaker and for no other business purpose;

(*d*) is on the ground floor facing a street, *or* that the place where the box is placed is on the ground floor facing the street and appurtenant to his office.

(ii) The local authority, the police, and persons residing within, say, 200 yards of the proposed office, should have the right to lodge objection to the registration of premises for the deposit of bets on specific grounds, such as amenities, likelihood of impairment of the value of property, maintenance of law and order, or creation of a nuisance.

The Court should also have power to refuse to grant a certificate in respect of an office where it is desired to offer facilities for the deposit of bets, on the ground that there are already sufficient of such offices in the district.

313. This special facility should carry an additional fee of, say, £25 a year in addition to the fees referred to in paragraphs 352 and 353.

Stringent conditions should also be imposed to ensure that a bookmaker does not attempt to attract customers by touting, advertisement, or display of any kind. In this connection we refer to our recommendations in Chapter VII.

It should be an offence for a bookmaker to pay out winnings to persons who resort to his premises.

314. In the view of the majority of the Commission, a system on these lines reduces the inducements to betting to the lowest practicable point and offers the minimum facility which is likely to enable the law as to off-the-course betting to be effectively enforced.

315. On the other hand, three members of the Commission (Sir James Leishman, Sir David Owen, and Mrs. Stocks) hold that it is unnecessary and undesirable to allow facilities for cash betting off the course other than cash betting by post. These members base themselves on the following grounds.

In the first place they believe that if postal cash betting were the only legal facility for off-the-course betting, bookmakers who at present engage in illegal forms of ready money betting would rapidly adapt their organisation to take advantage of the postal facility. Also a great deal of the machinery of betting, such as forecasts in the newspapers, which is at present adapted to suit mid-day betting, would be altered so as to cater for postal cash betting. Those factors would assist the change of habit on the part of backers, who would find in postal cash betting adequate and reasonable facilities for betting.

The incentive to work a generally recognised and uniform scheme of postal cash betting would be impaired if an alternative and competitive facility, such as the deposit facility, were allowed.

These members believe that the legalisation of cash postal betting would enable the law against street betting to be enforced.

316. In the second place, these members hold that, once persons are allowed to go to a bookmaker's office, even if only for the purpose of placing a bet in the letter box, difficult questions arise as to the number and location of bookmakers' offices (questions which do not arise so long as betting is only allowed by post or telephone or telegraph). In other words, facilities for the deposit of cash bets raise many of the difficulties and complications which are met with in any scheme for cash betting offices.

317. In their view there is a clear line, which affords a satisfactory basis for legislation, between allowing a person to send a cash bet by post and allowing a person to resort to the bookmaker's office for the purpose of making a cash bet.

These members, therefore, cannot accept the recommendation in paragraph 312 and they recommend that ready money betting off the course should be allowed only in the form of postal cash betting.

Office Totalisator Betting.

318. As pointed out in paragraph 116, a certain number of bookmakers transact betting with their customers on the totalisator or pari-mutuel or pool principle. For convenience we refer to this type of betting in this section as "pari-mutuel betting." The organisation of such businesses is in most respects similar to that of the usual starting price credit bookmaker, except that the customer who backs a winning horse receives, not starting price

odds, but the dividend declared in a pool formed from all the bets on that race placed with the bookmaker.

A very considerable proportion of football combination betting is organised in this way.

319. This form of betting differs from that conducted by agencies which transmit their bets to the totalisators of the Racecourse Betting Control Board in that the bookmaker himself forms the pool, makes a deduction therefrom of a stated amount, and calculates the dividend payable to those who have backed the winning horse. It differs from ante-post or starting price betting because the odds which the backer receives depend upon the calculation made by the bookmaker after the event.

320. The businesses engaged in this form of betting differ greatly in size and in trustworthiness. While we have no reason to doubt that many of them are honestly conducted, our attention was drawn to others in which the presumption was to the contrary. There are football combination betting businesses run on the pari-mutuel principle, in which the bookmaker apparently makes no pretence of informing the backer of the amount of the deduction for expenses made from the pools.

321. A few of the businesses for credit pari-mutuel betting have existed for several years, but the introduction of the totalisator on horse racecourses seems to have given an impetus to the extension of pari-mutuel betting.

If, as we recommend, cash betting by post is legalised, there is a danger that an endeavour will be made to make use of this facility to extend the scope of betting businesses conducted upon the pari-mutuel system.

322. We dealt in our interim report with pari-mutuel betting where persons resorted to some place for the purpose of engaging in this form of betting, and we indicated certain considerations which should be borne in mind in regard to this form of betting. In the present connection we would refer to the considerations mentioned in paragraphs 63 and 64 of our interim report, namely, the possibility of fraud in pari-mutuel operations. Where, as in office pari-mutuel betting, there is no occasion to reveal to backers the details of the pools before the race is run and calculations can be made at leisure after the result is known, the opportunities for fraud are considerable.

323. We do not regard it as the duty of the State to take steps to ensure that the backer is afforded a safe and trustworthy betting facility; but it appears to us to be undesirable and contrary to public policy to allow bookmakers to employ a facility which admits of fraud on a large scale, especially where this fraud may easily go undetected, no matter how long it is practised. We consider

that pari-mutuel betting can only be allowed under strict detailed supervision, and we see no reason why the State should be called upon to supervise bookmakers who may choose to conduct this form of betting.

We would also observe that pari-mutuel betting would appear in some measure to appeal to a different public from that which engages in starting price betting, and that the existence of facilities for pari-mutuel betting may result in a spread of the betting habit.

324. For the reasons indicated, we recommend that office totalisator or pari-mutuel betting should not be allowed.

Football Combination Betting.

325. The type of football betting with which we are here concerned is combination betting, where the bet depends upon the results of several football matches. While the result of a single football match may often be the subject of a private bet among friends, it offers less scope for organised betting with bookmakers.

The *modus operandi* of football combination betting is explained in paragraphs 136-138. The bookmaker normally furnishes a coupon, giving the combinations of matches on which he is prepared to bet; and this kind of betting is consequently often known as football coupon betting. Betting is sometimes at fixed odds and is sometimes conducted on the pool system.

326. Parliament has already passed special legislation to deal with football combination betting. The Ready Money Football Betting Act, 1920, prohibits the printing, publication or circulation of any advertisement, circular, or coupon relating to a ready money football betting business. Prior to 1920, the conduct of many football combination betting businesses no doubt usually involved the commission of offences against the Betting Act, 1853, or the Street Betting Act, 1906; but offences were difficult to detect; and the printing of the coupons and their circulation, and the operations of the agents in factories and workshops, did not necessarily involve the commission of any offence. The provisions in the Act of 1920 were supported, in the passage of the Bill through Parliament, on the general ground that football combination betting was undesirable. The Bill struck at this type of betting in the form in which it was organised, namely, ready money coupon betting.

327. As pointed out in paragraphs 140 and 141 the provisions of the Act of 1920 have been evaded by subterfuges of various kinds, chiefly by the organisation of facilities in a manner intended to suggest that betting is being conducted on a credit basis.

While the Act may have effected some reduction in the amount of football combination betting, the volume is still very large. It appears to be more prevalent in Scotland and the North of England than in the South. Some witnesses from the North of England thought that it was increasing in volume, and in Scotland it appears to be either stationary or increasing.

Evidence.

328. We were informed that football betting appealed especially to the young, who had not mastered the intricacies of horse racing but thought they knew all about football.* It may thus be the means of bringing young persons into touch with those who minister to the gambling habit.

329. Evidence was given to us by the representatives of the Football Associations of England, Scotland and Wales on the influence of football coupon betting on the sport of football. It should be noted that all three Associations have taken steps to prohibit organised betting at football matches under their jurisdiction.

330. The *Scottish Football Association* gave details of several cases in which professional footballers had been bribed, or attempts had been made to bribe them, by bookmakers with the object of securing that a match should be decided in a certain way. Although combination betting depends on the results of several matches, the bookmaker may stand to gain very considerably if the result of a particular match is contrary to universal expectation.

They also informed us that suspicions and allegations of bribery were common and served to bring the game into disrepute. If a player was not playing up to his usual form, certain sections of the crowd were apt to shout out that the player had been "got at" by the bookmakers.

In many cases, again, rowdiness and hostility on the part of some of the onlookers to players and the referee could be traced to a game going contrary to the result commonly predicted by those who had filled in coupons.†

331. The representatives of the *Football Association* and the *Football Association of Wales*, regarded football coupon betting as undesirable on general grounds and as a potential danger to the sport, but they did not consider that it was at present affecting the game adversely in England or Wales.

All three associations urged strongly that steps should be taken to suppress football coupon betting altogether.*

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* Gulland: Statement, page 192, paragraph 77. Chamberlain: Q. 4263.

† Scottish Football Association: Statement, pages 424–25, paragraphs 11–15. Q. 6562–66, Q. 6604–05.

* Football Associations of England, Scotland and Wales: Q. 6687, 6691–93; 6669; 6735–40.

Issues to be determined.

332. Before considering whether football combination betting should be subject to special restrictions, it is necessary to bear in mind that football combination betting would be subject to all the restrictions and conditions we propose in the case of off-the-course betting generally.

In paragraph 324 we recommend that office betting on the pool system should be prohibited. The effect of this recommendation is to make all football pool betting illegal.

We are also recommending that only registered bookmakers should be allowed to conduct betting businesses, and that bookmakers should not be allowed to send out circulars (or coupons) except to those who ask for them.

Our general conclusions also indicate the lines on which we must proceed in framing any special restriction on football combination betting. The effect of our recommendation that postal cash betting should be legalised is that the distinction in legality between cash and credit betting is thereby abolished. This distinction has proved particularly unsatisfactory in regard to football betting.

333. On the basis that the position can no longer be maintained whereby football combination betting on credit is legal, and for cash is illegal, two courses are open to us:—

(i) To leave football combination betting to the operation of the laws relating to betting generally. In effect this is tantamount to the repeal of the Ready Money Football Betting Act, 1920.

(ii) To retain the Act of 1920, and to extend its provisions to cover football coupon betting organised on a credit as well as a cash basis. This would render impracticable the conduct of football combination betting as this cannot be carried on without the use of coupons.

General Conclusions.

334. The representations made to us by the Football Associations of England, Scotland and Wales raise the issue whether the State can properly intervene to prohibit betting on a sport because it may have a detrimental effect on the sport. The Football Associations in this connection put forward the contention that football was a national asset. Parliament clearly regarded the sport as meriting some special measure of protection when it passed the Ready Money Football Betting Act in 1920. Football plays a useful and valuable part in the national life, and we recognise that the authorities responsible for the sport have some claim to support from Parliament in their efforts to keep the game clear of unwholesome influences.

335. Another consideration is that, if the Ready Money Football Betting Act, 1920, were to be repealed, a very great increase in the volume of football coupon betting might result. It differs from most other forms of off-the-course betting in that each bookmaker fixes his own odds. The business can be made very lucrative, and bookmakers may be expected to do their best to develop it.

We refer in paragraph 328 to evidence that football coupon betting makes a special appeal to the young; and while the evil effects of this will to some extent be countered by a general provision, such as we propose elsewhere, that bookmakers should not knowingly have betting transactions with persons under 17 years of age, this provision will be difficult to enforce in regard to betting conducted by post, as football combination betting will largely be.

336. Football betting flourishes at a season when betting on horse racing is flagging, and it is probably to be regarded as an addition to, rather than a substitute for, the other organised facilities for betting.

Further, it may be urged that the linking together of the results of a number of matches in one forecast is an artificial arrangement, designed solely for purposes of gambling. It admits of a very large element of chance, and the more elaborate combinations are more akin to lotteries than to betting.

337. On the other hand, since we are recommending that some forms of ready money betting off the course should be made legal, it is necessary to examine closely any proposals for the complete suppression of football combination betting. When the Ready Money Football Betting Act was passed in 1920, ready money betting off the course was for the most part illegal, and the Act may perhaps be regarded, not as discriminating against football combination betting, but simply as rendering more effective, in respect of football combination betting, the existing policy of the law. We are proposing that that general policy should be relaxed and it may be urged that the prohibition of ready money football combination betting should be relaxed in consequence.

338. It may also be contended that football combination betting is a harmless form of betting for most of those who engage in it. Since it takes place once a week only, it affords far less opportunities for continuous betting than, say, betting on horse races.

Again, whereas a very large number of those who bet on horses have no knowledge of horses, except what they read in the articles written by racing correspondents, most of those who bet on football may have some direct knowledge of the form of a certain number of the teams on which they are betting. They probably derive more amusement from filling in football coupons than from deciding which horse to back.

It can also be urged that any harmful social results of this type of betting are due to the widespread distribution of coupons in public houses, small shops, factories and workshops. Under our proposals as to betting generally, the wholesale distribution of coupons remains illegal, and enforcement of the law in this respect should be easier than it is to-day.

Recommendations.

339. We regret that we are unable to reach a unanimous conclusion on this matter. The majority of the Commission consider that the circumstances do not justify singling out football combination betting for complete suppression. They accordingly recommend that a registered bookmaker should be allowed to conduct football combination betting at fixed odds in the same manner as other forms of betting.

340. Mr. Cramp, Sir James Leishman, and Sir David Owen, consider that the majority of the Commission have not given sufficient weight to the representations made by the Football Associations in favour of the complete suppression of football coupon betting. These three members desire to emphasise that the Associations are engaged in beneficent work of national value and they find that their game is being exploited by betting interests for financial gain, with results detrimental to the sport; they have taken every step in their power to prevent the contamination of the sport by betting, and they have a right, in the best interests of the greatest national game, to look to the State for assistance in limiting evils which it is beyond the powers of the Association to restrict.

These members consider further that the majority of the Commission have not given sufficient weight to the fact that Parliament as lately as 1920, recognised that football had a special claim to protection against this type of evil. In their judgment it will prove impossible to restrict football coupon betting to registered bookmakers. Experience of the Act of 1920 has shown that partial prohibition is unworkable. Nothing short of complete suppression will remove this menace to the game of football.

These three members accordingly recommend that the provisions of the Ready Money Football Betting Act, 1920, should be extended to cover football combination betting on credit as well as for ready money.

341. Sir James Leishman further recommends that, if Parliament is disinclined to accept the recommendation in the preceding paragraph in respect of England and Wales, the Ready Money Football Betting Act, 1920, should remain in force in Scotland, and provisions should be extended to cover football betting on credit as well as for ready money.

Betting in Clubs.

342. We refer in paragraph 128 to the existence of clubs in industrial areas in which bookmakers are directly interested and which are used primarily for betting; and to the fact that the police experience some difficulty in detecting offences since they have no right of entry save under a search warrant.

Our attention has been drawn to the fact that the Royal Commission on Police Powers and Procedure (1928-9), and the Royal Commission on Licensing (1929-31), both recommended that a superior officer of police on the written instructions of the Chief Constable should have a right of entry into clubs registered for the sale of intoxicants.

We are proposing that the trade of bookmaking should be subject to a measure of control and the whole object of control would be defeated if organised betting contrary to the law were to be carried on in badly conducted clubs.

343. Our terms of reference cover the law relating to lotteries, betting, and gambling, and while the field of our enquiry intersects the subject of club law, we do not regard it as our function to deal with the wide issues involved in the law relating to clubs. We would observe, however, that if serious abuses in connection with gambling are found to be prevalent in the less reputable clubs, it would be necessary that the law relating to clubs should be amended.

Registration of Bookmakers.

344. Our proposals under this head are an integral part of our scheme for dealing with organised betting facilities, and in particular with off-the-course betting. We deal with this subject at the end of this chapter for the reason that the details of the scheme of registration which we propose are from the nature of the case determined by our recommendations as to what organised facilities for betting the law should allow.

345. A considerable body of evidence was presented to us in favour of the registration or licensing of bookmakers. The objects which it was suggested would be achieved by such a system were as follows :—

(i) that it would assist materially in putting down illegal forms of betting, and, in particular, in putting down street betting;

(ii) that it would help to put a stop to undesirable practices in connection with betting, such as the employment of juvenile messengers, or such forms of advertising as it might be decided to render illegal;

(iii) that it would help to eliminate welching and fraud.

346. The police witnesses and the representatives of bookmakers all favoured the adoption of some system of licensing or registration. Witnesses who opposed the suggestion were the representatives of the Christian Social Council, and of the Scottish National League against Betting and Gambling. These witnesses took the view that the licensing or registration of bookmakers would involve the definite recognition of bookmakers, would make betting more respectable and widespread, and would result in the creation of a vested interest.

347. The Lords Select Committee on Betting (1902) rejected the plan of licensing bookmakers (which may imply more than registration) on the ground that if the work were undertaken by the State it would mean the legal recognition of the bookmaker and necessitate making betting debts recoverable at law.

As regards the legal recognition of bookmakers implied in their registration, we think the arguments for registration outweigh this consideration; and we consider that it is practicable to devise an effective system of registration without making betting debts recoverable at law.

348. We recommend that all bookmakers should be registered. We include among bookmakers commission agents who negotiate bets (including totalisator transactions) on behalf of backers.

We favour the registration of bookmakers on the ground that it would assist materially in the suppression of illegal forms of betting, and of illegal practices in connection with legal forms of betting.

One of the most undesirable features in connection with the administration of the Street Betting Act has been that the law has not reached the street bookmaker himself, except in so far as he has been called upon to pay the fines imposed on his assistants. He has been able to avoid the rising scale of penalties under the Street Betting Act, by ceasing to employ his assistants as agents in the street after their first or second conviction. It is of the utmost importance to take steps to bring the bookmaker himself into the open, and to make him personally responsible for the conduct of his business in strict compliance with the law.

Once a bookmaker who is registered realises that, provided he complies strictly with the law, he can carry on his business without interference, but that if he fails to comply with the law he will lose his registration, there will be a strong incentive to compliance with the law. Further, public opinion should be on the side of the police in their efforts to deal with bookmakers who resort to illegal practices.

349. We do not hold that bookmakers should be registered in order that backers may be assured of the reliability or

financial stability of the bookmakers with whom they deal. Gaming and wagering contracts are unenforceable in courts of law, and we recommend no change in this position. Clearly, therefore, the State cannot adopt any policy in regard to bookmakers which could be regarded as in any sense guaranteeing their solvency or honesty. For this reason we are opposed to the suggestion made by several witnesses that a bookmaker, on registration, should be called upon to make a deposit which would be available for the payment to his clients of any debts which he is otherwise unable to discharge.

At the same time, we think it proper that the registration authority, in deciding whether a bookmaker should be granted a renewal of his registration, should take into consideration any evidence that he has refused or been unable to pay his betting debts.

350. The registration of bookmakers is of special importance in connection with bookmakers who carry on cash betting businesses, in order to ensure compliance with the law. We think, however, that all persons who carry on business as bookmakers should be registered. A comprehensive registration of each man as a condition of his practising as a bookmaker, whether on or off the course, will broaden the hold upon the bookmaker since, if he offends in any one branch of the business, he may find himself debarred from every branch of it.

Authority to register bookmakers.

351. Various bodies were suggested in evidence as suitable bodies to undertake the licensing or registration of bookmakers. The representative of Tattersalls Committee suggested that this duty might be entrusted to that body. We do not favour this suggestion.

Of the bookmakers' representatives one suggested that registration should be undertaken by some Government department, or other central body; the other, registration by the Home Office or the Justices. The police witnesses favoured registration or licensing by the local authorities or petty sessional courts.

We think that eligibility should be determined by a petty sessional court, but that the register should be kept by the police.

Scheme of Registration.

352. We propose to indicate some of the principal points to which we think that regard should be had in framing a scheme for the registration of bookmakers.

We suggest that anyone who proposes to act as a bookmaker should be required to obtain a certificate of eligibility from the petty sessional court for the division in which the office is situated

at which he proposes to carry on business, or (in the case of a bookmaker who proposes to do business only on racecourses) at which he resides.

A certificate of eligibility should not be refused except on certain grounds specified by statute, such as that satisfactory evidence has not been produced of the applicant's good character, or that during the last five years the applicant's registration as a bookmaker was cancelled by order of a Court.

A bookmaker who has obtained a certificate and paid a fee of (say) £50, payable annually to the Exchequer, should be entitled to be registered as a bookmaker by the Chief Officer of Police for the district.

353. A registered bookmaker who has complied with these conditions should be allowed to conduct on-the-course betting in any part of the country.

He should also be allowed to conduct, by post, telegram or telephone, an off-the-course betting business in the petty sessional division in which he is registered, at one office which must be registered with the police. On payment of an annual fee of (say) £25 in respect of each office, he may also conduct an off-the-course business at any other registered address in the same petty sessional division.

If a bookmaker wishes to carry on business in another petty sessional divison, he would have to secure a certificate of eligibility at the petty sessional court for that division, and register with the police there.

In regard to the scheme for facilities for the deposit of cash bets recommended by the majority of the Commission, a bookmaker who wishes to receive bets by deposit at his office would have to satisfy the petty sessional court that his office fulfils the conditions set out in paragraph 312, and would have to pay the additional fee of £25 referred to in paragraph 313.

A registered bookmaker should not be allowed to receive bets except as indicated above.

354. The police should have a right of entry to bookmakers' premises and the right to inspect all books and papers at any time.

There should be power to revoke the registration of a bookmaker where cause is shown.

A registered bookmaker who commits any offence against the betting laws should forfeit his registration unless the court sees special reason why this should not be done, and he should be disqualified for five years from applying for a new certificate.

It would probably be necessary that there should also be power to disqualify the use of premises for the business of bookmaking.

We consider that a bookmaker should not be allowed to carry on any other business.

In the case of partnerships, firms and companies, or businesses occupying more than one office, we consider it essential that all those responsible for the management of the business should obtain certificates of eligibility and be registered. The scheme of registration should be framed accordingly.

Heavy penalties should be provided against the carrying on of the business of bookmaking by unregistered persons.

355. As already stated, the so-called street bookmaker receives bets from agents not only in streets but also in factories, shops, and offices. The employment of agents to collect bets on commission in factories and workshops is objectionable and results in touting and in undesirable inducements being offered to persons to bet. This is particularly the case when foremen act as agents. The experience of the Irish sweepstakes shows the extent to which gambling enterprises can be extended by the employment of agents on commission. We consider that steps should be taken to prohibit the employment by bookmakers of agents to collect bets.

We realise that in some cases the collection of bets outside the bookmaker's office may take place and be difficult to detect. We attach, however, so great importance to putting a stop to the system of bookmakers' agents collecting bets on commission in factories and workshops, that we do not think that the possibility that there may be some evasion should stand in the way of a complete prohibition by law of the practice.

356. As a method of preventing the collection of bets in illegal ways, we recommend that all staff employed by a bookmaker in his business should be registered with the police. We suggest that a fee of, say, £1 should be paid on registration and that registration should be renewed annually.

A bookmaker should not be allowed knowingly to employ a person who has been refused a certificate of eligibility as a bookmaker or whose registration has been cancelled.

It should be an offence for a bookmaker to employ any unregistered person in his betting business or to employ any person, registered or unregistered, in the collection of bets outside his office. It should also be an offence for the person concerned to be so employed.

Summary.

357. We give below a conspectus of the position regarding off-the-course betting as it will be if effect is given to our recommendations. Our proposals in this chapter have been set out in terms of the problem of ready money off-the-course betting, and we include in this brief summary certain recommendations (e.g. regarding credit betting) which are consequential to our main proposals.

(i) Betting facilities should only be provided by bookmakers registered in the manner set out in paragraph 352. A bookmaker should further be required to register his employees with the police.

(ii) A registered bookmaker should be allowed to conduct betting at a registered office or offices, and there only. He may conduct business on credit or for ready money, by letter, telegram or telephone.

(iii) The majority of the Commission recommend further that, where express authority has been obtained in the manner set out in paragraphs 312 and 313, a bookmaker should be allowed to receive bets deposited at his office provided that the backers do not enter the office or come into contact with the bookmaker or his employees.

(iv) A bookmaker should not be allowed to conduct betting on the totalisator or pool principle.

(v) The majority of the Commission recommend that a bookmaker should be allowed to conduct football combination betting at fixed odds subject to the restrictions applicable to betting facilities generally.

(vi) It should be an offence for a bookmaker to pay out winnings to persons who resort to his premises.

(vii) In our view, the scheme outlined above allows sufficient legal facilities for off-the-course betting. The provision of organised betting facilities, other than those expressly authorised, should be prohibited. Special penalties will no doubt be necessary to enforce the prohibition of carrying on betting businesses in streets, public places, or places licensed for the sale of intoxicating liquors. These measures, taken with the system of registration proposed, should make it possible to ensure general compliance with the law.

CHAPTER VII.

BETTING INDUCEMENTS AND JUVENILES AND BETTING.

Betting Inducements.

358. We refer in Chapter IV to the attitude which we believe should be adopted by the legislature towards inducements to gambling. While restrictions on organised betting facilities are only justified when those facilities are likely to have serious social consequences, we consider that the State should adopt a more restrictive attitude in dealing with inducements to betting; since the object of such inducements is not to meet an existing demand for betting facilities, but to increase the demand.

We deal separately with the factors in the present organisation of betting facilities which have been represented to us as inducements calculated to increase the volume of betting.

Publication of Betting Odds.

359. Several witnesses who wished to restrict the existing facilities for betting proposed that newspapers should not be allowed to publish betting odds. They argued that the publication in the newspapers of starting price odds was an essential factor in the organisation of illicit street betting, and that the publication of starting price odds in the newspapers was largely used in connection with street betting. They also contended that the prominence given to betting news in many newspapers was calculated to foster the betting habit. It was pointed out to us that one prominent newspaper did not publish betting odds; and that in certain of Your Majesty's Dominions the publication of betting news of any kind was forbidden.

360. The representatives of the Press who gave evidence before us stated that information about betting odds was a legitimate piece of news, and that the suppression of this information could not be justified. They disputed the view that an appreciable increase in betting could be attributed to the publication of odds. It was also pointed out that the publication of starting prices was in the nature of a protection to the backer against the bookmaker, since he then knew the odds to which he was entitled; and that the suppression of such information in reputable newspapers would place the bettor at the mercy of the fraudulent bookmaker and of illegal and unreliable publications which would no doubt arise to meet the demand for betting news.

The publication of betting odds is only one of several services rendered to off-the-course betting by newspapers. Information

about probable runners and starters in races is also essential to bettors, but as this information relates directly to horse racing itself, no witness suggested that it should be withheld.

361. A considerable volume of off-the-course betting at starting price is conducted legally, and under our proposals the field of legal off-the-course betting will be widened. Our conclusion is that it would be impracticable and undesirable to suppress the publication of starting prices or the dividends of the Racecourse Betting Control Board's totalisators. Nor do we see any sufficient reason for prohibiting the publication of information as to the general trend of pre-race fixed odds. The publication of the odds offered by a particular bookmaker is a form of advertisement and falls to be dealt with as such.

Advertisements and circulars.

362. The existing position is that betting advertisements are legal, unless they relate to a betting house prohibited under the Betting Act, 1853, are knowingly sent to a person under the age of 21, or relate to a ready money football betting business.

363. Many witnesses proposed that bookmakers should not be allowed to advertise or to issue circulars. They stated that advertisements and circulars induced many (particularly young persons) to take part in betting, and also served in various other ways to increase the volume of betting. Special objection was raised by the Christian Social Council to the issue of advertisements by the Racecourse Betting Control Board, and of circulars by Tote Investors Limited.

364. The Lords Select Committee of 1902 recommended that bookmakers should not be allowed to advertise or to issue circulars.

Many newspapers decline to accept such advertisements for publication.

365. The representatives of certain newspapers which accept bookmakers' advertisements argued that, since bookmaking is a lawful business, its advertisement should not be restricted. These witnesses suggested that advertising brought about a healthy rivalry between bookmakers and assisted in the elimination of less desirable bookmakers, thus securing a better "betting service" for the public. It was contended that, while advertisements might lead to some redistribution of business among bookmakers, it did not materially increase the total volume of betting; and that if advertisements were prohibited a great deal of touting, probably of an undesirable character, would spring up.

We do not accept the view that, because the business of a bookmaker is allowed, it follows that there should be no restriction on bookmakers' advertisements. Nor are we impressed by the argument that advertisement does not lead to an increase in betting

The weight of the evidence at our disposal suggests the contrary. Experience in other fields shows that advertisement leads to an increased general demand for the commodity or service advertised.

366. The question of bookmakers' advertisements must be considered in the light of our other proposals, and in particular of our proposal that cash betting by post should be legalised.

Under the existing law, whereby betting advertisements are illegal if they relate to illegal businesses, the field for advertisement by bookmakers is relatively restricted. A credit bookmaker has to exercise discrimination in the choice of his customers; and bookmakers who in fact carry on cash betting businesses, although they advertise, cannot refer explicitly to the nature of their business without contravening the law.

If cash postal betting were legalised and advertisements relating to postal betting businesses were allowed as relating to a legal business, it seems likely that there would be an enormous increase in betting advertisements. It was represented to us that some of the larger firms would attempt to build up large postal businesses by means of extensive advertisement, and it was suggested that if cash betting were to be legalised, no bookmaker engaged in ready money betting should be allowed to advertise.

367. Again, while no doubt many properly conducted businesses would advertise, it seems likely that advertisement would make a special appeal to businesses whose local reputation was none too good and which sought clients from a distance. We were informed that Tattersalls Committee experienced some difficulty in enforcing betting debts due to clients by certain bookmakers who circularise extensively.* As we propose that betting debts should remain unenforceable, and as the check on the honesty of a betting business is in consequence less than with other businesses, any facility, such as advertisement, which is likely to give a weapon to a dishonest bookmaker must be examined most closely.

368. Our conclusion is that a rigid restriction should be imposed on bookmakers' advertisements.

As regards the form which this restriction should take, our attention was drawn to the fact that under the Moneylenders Act, 1927, a moneylender's advertisement is limited to his name, occupation, address and certain specified particulars relating to his business. Moneylenders may not send circulars to any person except in response to a written request.

A bookmaker's advertisement at present usually gives no more information than is allowed to moneylenders under the Act of 1927. If cash betting is made legal, bookmakers' advertisements might become more elaborate than at present; and a restriction

* Ruston: Statement, page 237, paragraph 15.

on the lines of that imposed on moneylenders would no doubt serve to prevent a development of this kind.

369. In our view, however, the main consideration is that we are proposing a considerable increase in legal betting facilities; and that the combination of those added facilities, together with the right of advertisement, would, so far as we can judge, be likely to result in a dangerous increase in the total volume of betting. We consider that the amount of advertisement allowed to bookmakers should be reduced to the lowest practicable limit.

370. We therefore recommend that advertisements relating to bookmakers should not be allowed save as follows:—

(i) A registered bookmaker may give his name and occupation in the ordinary manner outside his premises, in the Post Office directory or other directories of the inhabitants in a particular locality, and in the telephone book.

(ii) When a registered bookmaker attends a racecourse or track, he may exhibit there his name, occupation, address, and the odds he is offering.

(iii) On the occasion of his personal registration and on each annual renewal of his registration, a bookmaker may place on one day in not more than three newspapers, an advertisement of his name, occupation, and address, with a statement (if he so desires) that his terms may be had on application.

(iv) A bookmaker may send circulars giving his rules, the odds he offers and so forth, to persons who apply for them in writing.

Advertisements relating to the Racecourse Betting Control Board should not be allowed, save on approved horse racecourses on racing days.

Tipsters' businesses.

371. Predictions as to the probable results of races are published in the racing columns of practically all daily newspapers. Some newspapers have two or more special correspondents who give their forecasts of the winners of each race.

Apart from the tips given in newspapers, there is an army of professional tipsters, many of whom advertise in such newspapers as will accept their advertisements. The more reputable professional tipsters profess to have studied the form of horses and to be able to forecast which horses are most likely to win. Others claim to have devised a " system " under which the backer is likely to win money in the long run. Others again claim to be in possession of exclusive information, which in fact they can hardly ever possess.

372. The tips may take the form of a printed paper or a sealed packet, and the prices range from 1d. upwards. Special tipster

publications are issued daily or weekly, sometimes for as much as 2s. 6d. a copy. More expensive tips may be sent by telegram. Tips are sold on racecourses, and an extensive sale of them takes place in streets and small shops in the poorer quarters of large towns.

We were informed that certain tipsters predicted in different tips all the possible winners in a given race, but were careful to ensure that they only predicted one horse in any one district. They then intensified their activities in the district in which they had tipped the winning horse. We were also informed of instances in which a tipster also acted (independently) as a bookmaker, and presumably regulated his tips to suit his book.*

373. A few witnesses proposed that the publication of all tips should be prohibited. Most witnesses, however, held that tips published in the racing columns of newspapers should not be prohibited. We concur in the latter view. The information given in newspapers is sold to the public generally without any special charge, and is often a matter of genuine news.

374. We received a strong body of evidence in favour of the suppression of the professional tipster, who engages solely or mainly in the occupation of selling racing tips.

One witness on the other hand suggested that the tipsters' activities were so palpably ridiculous that it seemed unlikely that they were taken seriously by any section of the community. Unfortunately the evidence at our disposal makes it impossible to adopt this view. Tips are sold extensively in working class districts and the price paid for them in many cases is sufficiently high to leave no doubt that they are taken seriously.

Our attention was drawn to the fact that tipsters' advertisements and circulars, with the promises of large gains they usually contain, were a strong inducement to the development of the gambling habit among young persons and those in straitened circumstances, and did in fact lead to gambling among those who could least afford to take part in it.

375. We think that there is a strong case for the suppression of the professional tipster, and we accordingly recommend that the publication of tips by those engaged solely or mainly in this type of business should be made illegal.

We also recommend that it should be illegal for the proprietors of any newspaper which includes forecasts of sporting events to advertise this side of their business.

Betting by Juveniles and Use of Juvenile Messengers.

376. A number of statutes relating to betting make special provision in regard to juveniles. Thus, it is illegal to send betting

* Rafter : Statement, page 68, paragraph 13. Perkins : Statement, page 276, paragraph 19.

circulars to persons under 21 years of age; special penalties are provided under the Street Betting Act, 1906, in the case of a bookmaker having a betting transaction of the kind prohibited in the Act with a person under 16 years of age; the Racecourse Betting Act, 1928, prohibits any betting transaction on an approved horse racecourse with persons under 17 years of age; and the Betting (Juvenile Messengers) (Scotland) Act, 1928, which applies only to Scotland, prohibits the use of persons under 16 years of age in the conveyance of messages relating to betting.

Betting by Juveniles.

377. The evidence summarised in paragraph 214 showed a general consensus of opinion among witnesses, as to the undesirability of allowing young persons to be drawn into gambling. We concur in this view. Witnesses also agreed that, in place of the existing partial enactments, there should be a single general enactment, prohibiting the receipt of bets by bookmakers from young persons. We note that in several recent statutes the age of 17 has been selected as the most appropriate one for the differentiation between adults and young persons. It has the advantage that it places the young person under protection for some years after he has, in the normal course, entered industrial life; and he is thus given time to form his own opinion whether or not he should engage in betting.

378. We recommend that it should be an offence for a bookmaker or anyone acting on his behalf knowingly to have a betting transaction with a person under 17 years of age.

Use of Juvenile Messengers.

379. Police witnesses and other witnesses suggested the application to England of the Betting (Juvenile Messengers) (Scotland) Act, 1928, which prohibits the use of persons under 16 years of age in the conveyance of bets. We have reason to believe that many bookmakers in England would welcome a prohibition of the employment of child messengers by backers.

We consider that the Scottish Act of 1928 is a useful measure. We recommend, for the sake of uniformity with our proposal in paragraph 378, that the provisions of the Act should apply to persons under 17, instead of 16, years of age. The provisions of the Act, thus amended, should apply to England and Wales as well as to Scotland.

We further recommend that it should be an offence for a bookmaker to employ a person under 17 in any branch of his business.

CHAPTER VIII.

RACECOURSE BETTING CONTROL BOARD.

HISTORICAL.

Establishment of the Board.

380. In our interim report we described briefly the movement for the introduction of the totalisator on horse racecourses in this country. We propose, however, to give a short account in this chapter of the establishment of the Racecourse Betting Control Board and of its activities.

381. The promoters of the Racecourse Betting Bill, 1928, sought to secure the introduction of the totalisator on certain horse racecourses and permission to charge bookmakers on such racecourses special admission fees, in order that betting at horse races might contribute to the improvement of breeds of horses and the sport of horse racing. The Bill as introduced into Parliament contemplated that totalisators should be set up and bookmakers charged special admission fees, on courses under the rules of the Jockey Club and of the National Hunt Committee.

The Government of the day decided that the Bill should be modified in two important particulars:—

(i) that, as the Bill would have the effect of rendering legal, in certain places, actions (namely the erection and operation of totalisators and the charging of special fees on bookmakers) which remained illegal elsewhere, the body responsible for defining the places where such exemptions from the law would operate, should be a statutory body.

(ii) that the Bill should apply to any course, approved by the statutory body, where racing with horses took place, and should not be confined to courses under the rules of the Jockey Club and the National Hunt Committee.

These alterations were embodied in the Bill, which passed into law in August, 1928.

It should be noted that at this date the Betting Duty was in force under certain provisions, since repealed, of the Finance Act, 1926, and it was urged in favour of the introduction of the totalisator that the collection of the duty would be assisted thereby.

382. The statutory board established by the Racecourse Betting Act, 1928, consists of twelve members, of whom five (including the Chairman) are appointed by certain of Your Majesty's Ministers. The Board is empowered to approve horse racecourses at which totalisators may be operated, subject to the condition that a place is provided for bookmakers and that bookmakers are not charged more than five times the ordinary charge for admission. The

Act makes it lawful for the Board either to operate totalisators themselves or to authorise other persons to operate them. Totalisators can, however, only be operated on horse racecourses approved by the Board on days when horse races, but no other races, take place, and only bets on horse races can be effected.

The rate of deduction which should be made from sums staked with the totalisator is left to the discretion of the Board. The deductions are to be paid into the "totalisator fund." The Board are to pay out of the totalisator fund all taxes, rates, charges, working expenses and any payment to charitable purposes, and the moneys remaining thereafter are to be applied in accordance with a scheme prepared by the Board and approved by the Secretary of State, for purposes conducive to the improvement of breeds of horses or the sport of horse racing.

383. The provisions of the Act, and in particular the power to charge bookmakers special admission fees, contemplate that racecourse proprietors may benefit financially from the betting conducted at racecourses. As pointed out in paragraph 259, we see objection to this as a general rule. Since, however, there is in practice no prospect that horse racecourses where races are run under the rules of the Jockey Club or the National Hunt Committee will be provided for the sake of securing revenue from betting, the essential mischiefs which give rise to the objection are not present in the case of such horse racecourses.

Extent of Board's operations.

384. One of the Board's earliest decisions was that it would itself set up and operate totalisators, and that the Board, and not the racecourse managements, should find the necessary capital. The managements of certain pony racing tracks have, however, been allowed to operate their own totalisators under licence, subject to supervision by the Board.

In effect, notwithstanding its title, the Board is less a controlling than an operating body.

385. The Board started to conduct totalisator betting on racecourses in July, 1929; but the process of setting up buildings and equipment at the various courses was necessarily a gradual one. Certificates of approval issued by the Board are in force in respect of 107 racecourses. At all but two of these courses the racing is under the rules of the Jockey Club or National Hunt Committee, and at the other two courses racing takes place under the rules of the Pony Turf Club. The only important racecourse where no arrangements have been made for totalisator operation, is Doncaster.

386. The extent to which the Board's totalisators were operated during 1932 may be seen from the following figures. Totalisator

operations were conducted by the Board's staff on a total of 580 racing days and the total sums staked on the Board's totalisators amounted to approximately £3,815,000. Of this sum about £2,665,000 represents bets made directly on the totalisator by the person originating the bet, and about £1,150,000 represents bets which some other organisation has been employed to transmit to the totalisator. The arrangements whereby these bets are transmitted to the totalisator are set out in paragraphs 391-394.

387. The Board decided at the outset of their operations only to accept ready money in respect of bets. There would be grave practical difficulties in the Board accepting bets at the totalisator on a credit basis.

The Board, however, initiated a system of " chits." These are non-negotiable vouchers which can be obtained at certain banks by bank customers and are accepted by the Board in lieu of cash at the racecourse.

The detailed arrangements by which these chits are issued are set out in Appendix V. We were informed that this system was started by the Board in order that racegoers might not have to carry large amounts of cash to the course. We understand, however, that the chit system is little used by ordinary racegoers.

388. In October, 1929, the Board as a result of a suggestion made in certain newspapers arranged to receive cash bets by post at the course, but after about a fortnight they discontinued this arrangement.

389. In 1929 the Board fixed the percentage deduction from pools at 6 per cent. for Jockey Club and National Hunt meetings, and 10 per cent. for point-to-point and Pony Turf Club meetings. The deduction has since been raised to a uniform 10 per cent. at all meetings.

When allowance is made for the fractions which are not distributed (known as " breakages "), lost tickets, etc., the deduction works out in practice at between 11 and 12 per cent.

390. The Board has exercised its powers, under section 3(5) of the Act, of borrowing money upon the security of the totalisator fund. Its capital indebtedness amounts to over £2,000,000 and at present virtually the whole of its net revenue is required to meet the interest on this sum. As racing in this country is conducted on a large number of courses for a few days at each course, the operating costs are heavier than in other countries where racing takes place at fewer racecourses, and more frequently at each course.

The Board has not yet been able to make any contribution to the objects for which it was set up, apart from various small payments to point-to-point meetings and the like.

Agreements for payment of commission.

391. At the very commencement of its totalisator operations the Board entered into an agreement with the London and Provincial Sporting News Agency, Limited. As already stated in paragraph 116, this company furnishes a channel of communication between bookmakers on and off the course. In return for a commission on the amount of business done, the Agency undertook to transmit by telephone bets from persons off the course to the course, and to place the bets on the totalisator at the racecourse in cash or in chits. This arrangement continues, and at present accounts for about 2 per cent. of the Board's turnover.

392. In 1930 an arrangement was entered into with a company, known as Guardian Pari-Mutuel Limited, under which bets placed with the company were communicated to the racecourse by the medium of the Blower telephone service, and there placed on the totalisator, the requisite amount of money being paid to the totalisator in the form of chits.

Towards the end of 1930 Guardian Pari-Mutuel Limited was acquired by a group of persons interested in horse racing and was reincorporated as Tote Investors Limited. The Racecourse Betting Control Board has an agreement with this company under which the company undertakes to place with the Board's totalisators on the racecourse, bets comprising substantially the whole of the company's business with its customers, and the Board undertakes to pay a commission on the amounts staked with the totalisator. The company conducts business with its clients on credit terms. Winnings are paid over by the Board to the company through their bank for distribution to its clients.

The company has a headquarter office in London, and when the Chairman of the company gave evidence in December last it had five provincial offices. It is understood that the company has now seventeen provincial offices.

393. Tote Investors Limited for the most part deals directly with individual backers, but reference was made in evidence to one instance in which Tote Investors pays a commission to a company which runs a club in respect of bets received from the club.

The off-the-course money brought through the channel of Tote Investors Limited accounted for 9 per cent. of the Board's turnover in 1931, and 16 per cent. in 1932.

394. Tote Investors Limited is provided at each racecourse with accommodation for the acceptance of bets from its customers attending the meeting, and pays to the racecourse management, in respect of this accommodation, a commission on all moneys staked with the company at that racecourse. The company takes the bets from its clients on the racecourse on credit terms; and the bets

are then transferred to the totalisator in bulk, supported by the necessary chits. The on-the-course business conducted on credit by Tote Investors Limited in 1932 represented 11 per cent. of the Board's turnover.

Proposals made in Evidence.

395. The representatives of the *Racecourse Betting Control Board* gave evidence before us on two occasions. In July, 1932, they gave evidence as to the development of totalisator clubs which they regarded as a matter requiring urgent action. At a later date they gave evidence in regard to the Board's activities.

396. The *Chairman of Tote Investors Limited*, at our invitation, gave evidence before us. He explained that the object of his company was to assist the Board's totalisators. He stated that if offices should hereafter be allowed to which persons could resort to make cash bets, his company would certainly open offices to receive such bets and transmit them to the totalisator. He also thought that it would increase the business of his company considerably if cash postal betting were to be allowed.*

397. The representative of the *National Bookmakers' Protection Association* said that his Association objected to the Racecourse Betting Control Board exceeding the intention, if not the words, of the Racecourse Betting Act, 1928. The same witness also objected that a racecourse could obtain a certificate of approval, although it was not proposed to erect a totalisator, in order to enable the management to levy special charges on bookmakers.†

398. The *Chairman of a pony racing track* proposed that racecourses should operate their own totalisators and determine themselves the charges which should be made on bookmakers. Licences to operate totalisators should be issued by a Government Department or the Jockey Club. He believed that the racecourse companies would be more successful than the Board had been in so operating the totalisator as to obtain a profit for the purposes for which the totalisator was set up on horse racecourses.‡

399. The *Church of Scotland* drew our attention to a Bill to amend the Racecourse Betting Act, 1928, introduced into Parliament in 1931, which proposed, *inter alia*, that the Board should not be allowed to accept credit bets or chits, to employ agents for the collection of bets on or off the course, to pay commission

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* Philipps: Q. 8337, Q. 8364.

† Picken: Statement, page 498, paragraph 5; Q. 7917, Q. 7923.

‡ Waddell: Statement, pages 511 and 512, paragraphs 1, 2 and 7.

to agencies whether or not employed by the Board, or to advertise the totalisator. This Church of Scotland desired that effect should be given to the provisions of this Bill.*

400. The *Christian Social Council* and various other witnesses desired that the agreements with the Blower and with Tote Investors Limited should be brought to an end, and proposed that the Board should be restricted to the receipt of cash bets from persons on the racecourse. The Council also proposed that the Government representatives should be withdrawn from the Board, as giving the Board undesirable prestige.†

Issues to be Determined.

401. Parliament in passing the Racecourse Betting Act, 1928, accepted the view that horse breeding and the sport of horse racing were of sufficient national importance to justify measures being taken to make the betting which took place at horse racecourses contribute to those objects. For this purpose the Racecourse Betting Control Board was established with powers to approve horse racecourses, to set up totalisators on approved horse racecourses, and to operate them upon approved courses in accordance with the provisions of the Act.

402. In our view there can be no question of reversing the decision of Parliament, made as lately as 1928, to establish the Board and to allow it to conduct cash totalisator betting at horse racecourses with persons attending those courses. Nor do we see any sufficient reason for proposing any alteration in the existing constitution of the Board.

403. The problem with which we are faced is whether the Board should be restricted to the conduct of totalisator betting on horse racecourses with persons attending those courses, or whether it should be allowed to extend its activities in various directions on and off the course. In some respects we have to consider developments which have already taken place. The Board's powers under the Act are not satisfactorily defined and the Board is engaged in activities beyond those referred to in paragraph 402.

404. The most vital point which we have to consider is whether the Board should have power to attract off-the-course betting to its totalisators at the racecourses. At present it does this by the payment of commission to other organisations in respect of bets which they bring to the totalisator. We deal with this problem in paragraphs 422-435. Here we only wish to point out its vital importance. If the power to attract off-the-course betting is granted

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* Church of Scotland: Statement, page 151, paragraphs 4 and 5, Q. 2252–54, Q. 2260.

† Christian Social Council: Statement, page 261, paragraph 53 (c). Rose: Statement, page 295, paragraph 114.

to the Board, a statutory body, which in our view was originally set up to conduct totalisator betting transactions at horse racecourses with the persons attending those racecourses, will be engaged in a betting business with ramifications over the whole country. If the Board is allowed, directly or indirectly, to operate off the course, no matter what restrictions or safeguards may be imposed, the whole conception of the Board's function is changed.

Other points which must be cleared up concern the Board's powers in regard to betting on the course; e.g. what is the exact scope of the power given to the Board to authorise other persons to keep and operate a totalisator? Should the Board accept bets on credit at its totalisators on racecourses? Should the Board accept cash bets by post?

Power of the Board to Approve Racecourses.

405. The foundation of the Board's powers lies in the power to grant certificates of approval to any horse racecourse, which then becomes exempt from the provisions of the Betting Act, 1853, and at which the Board can operate a totalisator and the management charge bookmakers five times the ordinary charge for admission. We therefore deal first with the Board's power to approve racecourses.

Courses which may be approved by the Board.

406. In paragraph 76 of our interim report we pointed out that under the provisions of the Act there is nothing to prevent the Board from authorising the operation of totalisators on horse or pony tracks in urban areas by night on several evenings a week, though the Board has not in fact done so. We stated that in our view the operation of totalisators in such circumstances should not be allowed.

We propose in Chapter V that there should be a statutory limit to the number of days on which betting may take place at any racecourse or racing track, and that there should be a measure of local control over the betting at courses, other than (i) existing approved horse racecourses, and (ii) courses at which betting takes place on not more than eight days a year.

407. If these recommendations are adopted, all horse racecourses will therefore be subject to a statutory limit of betting days, and future horse racecourses at which betting takes place on more than eight days in the year will also be subject to a measure of local control. In our view no further restriction is called for, and it should be open to the Board to approve any horse racecourse provided that it fulfils these conditions.

It would, of course, remain within the Board's discretion to determine whether it was desirable that a certificate of approval should be granted to a particular course, having regard to the type of racing to be conducted there and the general circumstances.

Exemption of approved racecourses from the Betting Act, 1853.

408. In paragraphs 259-264 we set out the conditions which we recommend should govern the conduct of organised betting facilities on the course; namely that the managements of courses should have no direct financial interest in the betting on the course; that bookmakers should be allowed to stand at a fixed place with such portable equipment as they may require; and that the management should not be allowed to charge bookmakers more than twice the ordinary charge for admission.

We recommend that betting on approved racecourses should be subject to the same conditions, except that

(i) it should be lawful for the Racecourse Betting Control Board to operate totalisators thereon or to license the management to conduct totalisator betting on the terms set out in paragraph 414;

(ii) that the management, who are required to provide a place for bookmakers, should be allowed to charge bookmakers not more than five times the ordinary admission fee.

Approved Racecourses without a Totalisator.

409. We refer in paragraph 397 to the point raised by the representative of a bookmakers' organisation, whether the Board could approve a horse racecourse although it did not intend to conduct totalisator betting there. If this happened betting facilities would continue to be furnished as before by bookmakers only, but the racecourse proprietors would be allowed to charge bookmakers five times the ordinary charge for admission.

We are informed that although the Board has granted certificates of approval to certain courses before any permanent arrangements have been made for totalisator operation, no use has been made of the powers conferred by the Act to charge bookmakers special fees, except on occasions when totalisator betting has been carried on.

410. Now that arrangements for totalisator betting have been made at almost all important racecourses the matter is no longer one of importance. We think, however, that it was intended that the Act should be applied as a whole, or not at all, to any racecourse; and we consider that the power to approve a racecourse should not be employed simply to enable special charges to be made to bookmakers.

Operation of Totalisators on the Course.

Operation of totalisators under licence.

411. The Racecourse Betting Act, 1928, authorises the Racecourse Betting Control Board *and any person authorised by them* to set up and keep a totalisator.

As pointed out in paragraph 384, the Board have in certain cases issued a licence to the managements of pony racing tracks to operate a totalisator. In one case, which was referred to in evidence,* the licensee retained four-fifths of the total deduction (10 per cent. and breakages) made from the pools and transmitted to the Board the remaining one-fifth of the deduction.

In 1931 and 1932, the Board gave a licence to Tote Investors Limited to operate a totalisator at two racecourses on which the Board had not yet provided totalisator facilities. We understand that the intention was to provide for continuity of business between Tote Investors Limited and its customers; and that the business was done entirely on credit terms. Tote Investors Limited received a percentage of the amounts deducted from the pools.

412. We think it is open to doubt whether the terms of the Act contemplate this kind of licensing arrangement. Section 3 of the Act provides that the whole of the deduction should be applied (subject to the payment of all taxes, rates, charges and working expenses) to the objects of the Act in accordance with a scheme approved by the Secretary of State.

413. In our view it is undesirable that the Board should have complete discretion to allow any person to operate a totalisator on a horse racecourse, for personal profit. At the same time we recognise that in certain circumstances it may not always be practicable for the Board to operate a totalisator at an approved racecourse with its own staff.

414. We accordingly recommend that the operation of totalisators on approved racecourses should be conducted either (i) by the Board, or (ii) by the management of an approved horse racecourse licensed by the Board to conduct totalisator betting at that racecourse. In the latter case the operation of the totalisator should be subject to the Board's supervision, as is the case under the existing licensing arrangements. The deductions from the pools should be paid into the totalisator fund, and the only payments made to the racecourse management should be in any respect of operating expenses and other charges actually incurred.

In the ultimate division of any surplus in the totalisator fund, an allocation may of course be made, under a scheme approved by the Secretary of State, to any particular racecourse in respect of services to horse breeding or the sport of horse racing.

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* Waddell: Q. 8223.

Daily Doubles, Pre-race Pools, and Double Event Pools.

415. In September, 1930, the Board started what are known as *daily double event pools*. Under this arrangement a backer places a bet on the results of two races run at the course on the same day (at present usually the third and fifth races). Tickets for daily double pools were sold in units of 10s. This figure was reduced in 1931 to 5s., but has since been increased again to 10s.

416. The Board also arranges *pre-race pools* on certain important races, such as the Cesarewitch and the Cambridgeshire, and special *double event pools* are arranged on such pairs of races as for example, the Lincolnshire Handicap and the Grand National, or the Derby and the Oaks. In regard to these pools, the position is that a person who purchases a ticket is betting on races which are to take place on a future date and not necessarily or usually at the racecourse which he is attending.

417. We find it difficult to see how the organisation of daily doubles can be reconciled with the language of the Act, which seems to envisage the distribution of the money staked with the totalisator after each race; but we see no reason why daily doubles should not be allowed.

We consider, however, that betting should be confined to horse races taking place at the racecourse and on the day on which the totalisator is in operation. We accordingly consider that pre-race pools and double event pools which infringe this principle should be discontinued. The matter is not, however, at the moment of great importance; and we should not press for this restriction, but for the fact that the function of a statutory body must be strictly defined.

Credit Betting and Chit Betting.

418. When the Act was passed in 1928 it was generally understood that the Board would confine itself to cash betting; and as indicated in paragraph 387 the Board has done so, save for the introduction of the chits.

There would be serious practical difficulties in the way of the Board accepting credit bets. A public body should not be committed to distribute in cash moneys which it has not in fact received, in respect of transactions unenforceable at law.

At the same time we recognise that the chit system may be of considerable advantage to racegoers, and as at present operated has no substantial disadvantages.

419. We recommend, therefore, that the Board should be under a general requirement to accept legal tender only, except in so far as specific approval is granted by the Secretary of State to a system of chits.

420. Our attention has been drawn to the fact that the co-operation of banks is required in the working of the chit system, and some of us consider that it is undesirable that the banks should co-operate in the provision of a betting facility. This, however, appears to be a matter for the banks concerned, and we make no recommendation in regard to it.

Payment of commission for on-the-course bets.

421. We deal later, in paragraphs 422-435, with the general question of the payment by the Board of commission to agencies. In order to complete the subject of on-the-course betting, we mention here that we see no justification for the Board remunerating or offering special terms to any organisation or person in respect of on-the-course bets brought to the totalisator.

POWERS OF THE BOARD IN REGARD TO OFF-THE-COURSE BETTING.

422. As already explained, while the Board's own operations have been confined to the course, the Board has received off-the-course bets through other organisations to which it pays commission.

The Act of 1928 is stated in the preamble to be "an Act to amend the Betting Act, 1853, to legalise the use of totalisators on certain racecourses, and to make further provision with regard to betting thereon." So far as we are aware the promoters of the Bill never stated publicly that it was proposed that the Board's activities should extend to betting off the course, nor was it ever suggested in Parliament that the terms of the Bill would enable the Board to attract off-the-course betting to the Board's totalisators. It cannot, therefore, be said that there is any express Parliamentary sanction for this aspect of the Board's activities.

We therefore regard the question whether the Board should be allowed to take steps designed to attract off-the-course betting as an open issue which we are called upon to consider.

423. It is obvious that a bet placed on the course may originate with some person off the course who instructs an agent on the course to stake money with the totalisator on his behalf. To this extent there is no hard and fast line between on-the-course and off-the-course betting. No one would regard it as the business of the Board to enquire into the origin of a bet placed with the totalisator on the course. The issue with which we are concerned is whether the Board should have power to make arrangements for the express purpose of attracting off-the-course bets to the totalisator, either directly by setting up offices, or indirectly by the payment of commission to other organisations.

424. Two grounds may be put forward to justify the grant to the Board of powers to attract off-the-course betting:—

(i) that the totalisator offers a more satisfactory betting service to the backer than the bookmaker.

(ii) that it is desirable to secure a contribution from off-the-course betting to horse breeding or horse racing; or, more particularly, that the Board's existing financial position would be improved if a proportion of off-the-course betting were to be attracted to the Board's totalisators.

425. As regards the first argument, we do not propose to enter into a discussion of the relative merits from the backer's point of view of totalisator betting compared with betting with bookmakers at fixed odds or starting price. The evidence shows that betting on the totalisator answers some purposes more satisfactorily than betting with the bookmakers, and *vice versa;* and that some types of backers are more attracted by one method of betting than by the other. In any event the primary object of Parliament in authorising the establishment of the Board was not to provide a more satisfactory betting service from the backer's point of view.

426. As regards the second argument, we are not directly concerned with the Board's financial position. So far as we are aware, however, there was no public statement by the promoters of the Act of 1928 that the Board intended to attract off-the-course bets, still less that the Board's finances would be dependent upon the receipt of off-the-course money.

Clearly, if its powers were extended to cover the collection of off-the-course bets, the Board would be in a better position to assist the objects which were intended by the Act of 1928 to receive financial benefit from the totalisator fund. This argument, so far as it goes, seems to us to be the one valid argument, from the point of view of the public interest, in favour of the extension of the Board's powers to cover off-the-course betting.

427. The matter cannot, however, be considered simply in terms of the contributions which might be made towards horse breeding or horse racing. While Parliament clearly regarded these objects as justifying the grant of certain limited powers to the Board, it does not follow that provision of funds for these objects would have been regarded as justifying the grant of more extended powers. It is necessary to consider from a wider standpoint the effect of extending the Board's activities to cover off-the-course betting.

428. Looked at from this wider standpoint we think that there is a marked difference between a Board empowered to conduct totalisator betting on racecourses with persons attending race meetings, and a Board with power to collect off-the-course bets.

In the former case the Board is subject to restrictions imposed by the circumstances of horse racing. There is a presumption that the operation of totalisators at racecourses diverts a proportion of betting from the bookmaker rather than increases the total volume

of betting at racecourses. This consideration was referred to in Parliament at the time of the passing of the Act of 1928.

In the latter case the Board is providing facilities for totalisator betting, not merely for the limited public which attends racecourses, but for the people of this country generally. It is difficult to avoid the conclusion that the Board's activities would be directed towards promoting an increase in the flow of betting from off the course to the totalisator.

429. Further, the establishment of facilities for transmitting off-the-course bets to the totalisator constitutes a new betting facility different in type from any previously provided. As stated in paragraph 425 there is evidence to show that the totalisator tends to attract a class of person who does not bet with a bookmaker, but who is attracted to this form of betting. The Chairman of Tote Investors Limited, while contending that the great majority of the company's clients had previously betted with a bookmaker, said that if Tote Investors Limited were allowed to receive cash bets they would be able to do business with a great many people, not of the class who engaged in street betting, who wished to bet with them, but to whom neither they nor any other credit bookmaker could grant credit.

430. We believe that the extension of the Board's operations to off-the-course betting is likely to result in attracting fresh bettors and to lead to a spread of the betting habit. We also think that the objections to the provision of gambling facilities by the State would apply with special force to a statutory body with branches throughout the country for the collection of bets.

431. We are aware that in certain foreign countries, notably France, arrangements are made for the transmission of bets from off the course to the racecourse totalisators, through urban offices. In those countries, however, it is usually the case that bookmakers are not allowed to engage in off-the-course betting; and betting legislation is largely governed by the fact that betting is taxed. As we regard it as impracticable to propose that off-the-course bookmaking should be prohibited, and as we do not propose that betting should be taxed, the reasons which have led to the establishment of urban offices for totalisator betting in other countries are not applicable here.

432. Our conclusion is that it is undesirable that the Board's powers should be extended to include the collection of bets off the course. In our view, if it is inexpedient that the Board should have power to set up its own organisation for this purpose, it is undesirable that it should be empowered to authorise other organisations to perform this function for it in return for commission or other remuneration.

433. We therefore recommend that the Board's powers should not include either:—

(i) power to set up offices off the course for the purpose of receiving bets off the course and transmitting them to the course; or

(ii) power to remunerate or offer special terms to other organisations or persons in consideration of the latter receiving bets and transmitting them to the totalisator.

Arrangements made by the Board with Tote Investors Limited.

434. The result of the arrangements, summarised in paragraphs 391-394, is that a proportion of the sum deducted from the pool on each race (the destination of which is prescribed by the Act of 1928) finds its way to companies engaged in collecting business for the totalisator, and the Board pays for the convenience enjoyed by the backer off the course in having his stakes placed upon the totalisator. We do not believe that Parliament intended that persons engaged in commercial betting operations should receive a share of the percentage deducted from the moneys staked with the totalisator.

435. We presume that the arrangements referred to are justified on the ground that the commission paid by the Board to Tote Investors Limited and other organisations is regarded as a working expense within the terms of section 3(6) of the Act of 1928. We express no opinion on the legal question whether this is a proper interpretation of the Act. We see objection, however, on grounds of principle, to the Board paying commission out of the sum deducted from the stakes to companies organised for commercial profit. We do not consider that the Board should be allowed in any circumstances to expend money for the purpose of attracting off-the-course bets to its totalisators, or of enabling the clients of some other organisation to bet on credit with the tote at the course.

Bets transmitted by the backer at his expense.

436. There remains the question whether the Board should receive at the totalisators on the course bets from backers off the course, where the backer pays the full cost of transmitting his bet and remittance to the course.

It may well be that it would not be a commercial proposition to set up an organisation for the specific purpose of transmitting off-the-course bets to the racecourse totalisator at the backer's expense. If, however, this is practicable, we do not consider that the Board can be required to refuse to receive such bets at the racecourse.

437. *Postal cash betting.*—In this connection it is necessary to consider the question of postal cash betting. There may be nothing in law to prevent the Board accepting cash bets sent to the racecourse by post; but with the exception of a brief period in 1929 the Board have not accepted such bets.

It is only because the Act of 1928 exempts approved racecourses from the provisions of the Act of 1853, that cash betting by post may be legal on approved racecourses. Such a result may not have been foreseen when the Act of 1928 was passed, and we imagine that this may be one reason why the Board have felt reluctant to make use of this power.

438. Since, however, we are proposing that cash betting by post should be made legal, we recommend that the Racecourse Betting Control Board should be expressly authorised to receive cash bets (including for this purpose postal or money orders, but not cheques) by post at an approved racecourse where a totalisator is in operation, in respect of races there run.

439. It may be argued that it would be much more convenient for the Board and for backers if the Board's powers were to be extended so as to permit them to receive cash bets by post at a central office in London where the bets could be totalled and communicated by telephone to the course. Such a proposal, however, violates the general principle that the Board's function is confined to operating totalisators on racecourses. There would be no meaning in the stipulation that the Board's totalisator operations should be conducted on the course, if bets could be placed with the totalisator at some other place. If once the Board is permitted to establish an office for the express purpose of collecting bets off the course, we do not see what sufficient ground there would be for refusing the setting up of further offices and the growth of a large organisation to collect off-the-course bets. Such an extension of the Board's activities would in our view result in a radical alteration in the original conception of its functions. In our view the only sound line of demarcation is that the Board's operations should be confined to racecourses, and we recommend accordingly.

Summary of Recommendations.

440.—(i) No alteration is proposed in the constitution of the Racecourse Betting Control Board or in the Board's power to conduct cash totalisator betting at horse racecourses with persons attending those courses (paragraph 402).

(ii) The Board's power to " approve " horse racecourses should remain as at present, subject to the Commission's recommendation that future horse racecourses may in certain circumstances require to secure a licence for betting from a local authority (paragraph 407).

(iii) Betting facilities on approved horse racecourses should be subject to certain conditions proposed in Chapter V (paragraph 408).

(iv) A licence to operate a totalisator should only be granted by the Board to the management of an approved horse racecourse.

Where a licence is granted the Board should supervise the operation of the totalisator, and the deductions from the pools (less operating expenses and other charges actually incurred) should be paid into the totalisator fund (paragraph 414).

(v) The conduct by the Board of daily double event pools on races being run on the same day at the racecourse where the totalisator is in operation, should be allowed; but the Board should not be allowed to organise pre-race pools or double event pools on races to be run at a later date or at a different course (paragraph 417).

(vi) The Board in its betting transactions on racecourses should be confined to the receipt of legal tender and of " chits " issued under a scheme approved by the Secretary of State (paragraph 419).

(vii) The Board should not be permitted to remunerate or offer special terms to any other organisation or person who collects bets on its behalf at the racecourse (paragraph 421).

(viii) The Board should not be allowed to set up offices off the course for the purpose of receiving bets off the course, or to remunerate or offer special terms to other organisations or persons in consideration of the latter receiving bets and transmitting them to the totalisator (paragraph 433). The existing arrangements whereby a commission is paid to companies in respect of bets transmitted to the totalisator by those companies should be brought to an end (paragraph 435).

(ix) The Board should be allowed to receive cash postal bets at an approved racecourse where a totalisator is in operation, in respect of races being run on that course (paragraph 438).

CHAPTER IX.

LOTTERIES.

Issues to be Determined.

441. We set out in Chapter III the position to-day in regard to lotteries, which include sweepstakes. Two main issues have now to be considered.

442. The first results from the fact that for many years the criminal law has not been set in motion against private lotteries and such small public lotteries as raffles at bazaars and the like. The police are thus called upon to exercise discrimination as to when the law should be set in motion, and when it can be ignored. We deal with this issue in paragraphs 498-500.

443. The second issue is the situation resulting from the sale in this country of tickets in lotteries promoted abroad, notably the Irish Hospitals Trust sweepstakes. It is admitted that the measures which proved adequate in the past to cope with lotteries promoted outside this country have failed to stop the sale in this country of tickets in the Irish Hospitals Trust sweepstakes.

444. The controversy which has arisen in regard to the Irish sweepstakes has given rise to a number of separate but related questions. Thus, in some quarters it has been contended that the need for stopping the large net outflow of money calls for a relaxation of the existing law so as to permit of the promotion in this country of large lotteries. Others again have argued that the most important consideration is that the law prohibiting the promotion of large public lotteries has been shown to be out of harmony with public opinion and therefore to require amendment.

445. We regard it as essential to distinguish between the question whether the promotion of large public lotteries in this country is desirable in itself, and the question whether the promotion of such lotteries, although open to some objection, is preferable to the existing disregard of the law. We therefore deal with this matter under the following heads:

(i) Is the promotion of large lotteries in this country desirable in itself?

(ii) Should the prohibition of the sale in this country of tickets in foreign lotteries be maintained?

(iii) What is the best method of meeting the situation caused by the sale of tickets in lotteries promoted abroad?

446. It may be well at the outset to refer briefly to one or two features common to all lotteries except the very smallest.

Whereas in many small private lotteries all the money subscribed is divided among the prize winners, large lotteries involve considerable overhead charges and are usually promoted on the basis that some institution will benefit by receiving a stated share of the total sum subscribed or of the profits.

447. The sums subscribed are therefore distributed under the following three heads:—

(*a*) prize money;

(*b*) expenses of promotion, including such items as commission on sale of tickets, salaries of organisers and staff, and often (either openly or in a concealed form) profit to the promoters;

(*c*) sums handed over to the institutions by which or for whose benefit the lottery is promoted.

448. The first of these heads, the prize money, represents the gambling element in the lottery, and we refer to it in considering the effects of large lotteries (paragraphs 454-457).

The third head which represents what may be called the revenue-producing aspect of lotteries, falls to be considered in connection with the proposals for sweepstakes in aid of charitable objects (paragraphs 458-467).

449. As regards the second of these heads (expenses of promotion), we refer to some of the issues raised, in connection with schemes for allowing lotteries under permit (paragraphs 468-477). The experience of this and other countries shows that lotteries lend themselves very easily to exploitation and fraud. There is great scope for running up unnecessarily large or fictitious bills for expenses, or for the payment to the promoters of salaries or commission on a lavish scale. There are also many opportunities for direct fraud. When a lottery ticket is sold the purchaser receives no commodity. All that is sold is the assurance that a numbered counterfoil, corresponding with the ticket sold, will be placed in a drum from which the winning number will be drawn by chance. It is clearly impossible that more than a few of the ticket holders in large lotteries can ever have any personal knowledge that the bargain has been fulfilled. It is inconceivable that large lotteries should be promoted except under strict supervision or in conformity with detailed regulations.

Proposals for Promoting Large Lotteries in this Country.

450. A number of schemes for the promotion of lotteries were brought to our notice, with many variations in detail. These schemes group themselves under three heads:—

(i) State lotteries for the direct benefit of the Exchequer (whether conducted by a Government Department or by a statutory board set up for the purpose);

(ii) a board set up by Parliament to promote lotteries for charitable objects;

(iii) a system of permits to promote lotteries, the profits being devoted to public or charitable objects.

Both the first and second schemes involve national lotteries enjoying a monopoly conferred by statutory authority, and on a large scale. The third scheme, on the other hand, might result in a series of lotteries in competition with one another, and of relatively small dimensions.

A State lottery.

451. Although one or two witnesses proposed that there should be State lotteries for the benefit of the Exchequer, this proposal was less commonly advocated than the proposal that a board should be set up by Parliament to promote lotteries for charitable objects. It is, however, material to observe that a State lottery has certain marked advantages over other forms of lottery.

452. In the first place, if the existing State machinery were to be employed for the purpose (and we are aware of no special difficulty in the matter) the lottery could be conducted with low administrative costs. The tickets could be purchased at any post office at a small overhead charge. If at any time it were desired to put an end to the lottery, no large private vested interests would have been created.

Secondly, the proceeds of the lottery would be paid over to the Exchequer, and there would be no dispute as to the rival claims of charitable organisations to a share in the proceeds.

The importance of these advantages will be appreciated when we consider the difficulties which arise in regard to other types of large public lotteries.

453. We are aware that strong objection would be raised in many quarters to the proposal that the State should itself directly promote a gambling enterprise. Apart from this contention, the force of which we fully recognise, the main objections to State lotteries are those common to all large lotteries, namely, the social effects.

Objections to large lotteries.

454. A large lottery represents gambling in its easiest form. It calls for no skill or knowledge and thus appeals to many who would not, for instance, risk their money in backing a horse. The purchase of a ticket is all that is required to obtain an equal chance of winning one of the large prizes offered.

455. These large prizes are a dazzling lure to the ordinary man or woman. To all but a few thousand people in this country, a sum of, say, £30,000 seems to offer a transformation of their

lives. So attractive is the lure that most of those who take chances in a large lottery do not take the trouble to ascertain how small is the value of the chance purchased by them, or how infinitesimal is the possibility of their winning a prize.

Lotteries appeal with especial force to those in straitened circumstances, and to those in economic insecurity, since they hope to gain financial stability by winning a prize. The number of people in such circumstances is unfortunately high, and lottery tickets are purchased with money that for the sake of well-being should have been spent otherwise.

456. The effects of large lotteries upon character are more subtle and harder to determine but may well be more important in the long run than the material results.

Lotteries depend for their success upon the blatant advertisement of large money prizes. They tend to exalt the results of chance and to encourage a belief in luck, while the draw and the announcement of the results give rise to an unwholesome excitement.

457. All serious writers who have recorded their views upon the subject have roundly condemned large public lotteries.

A scheme whereby a great many relatively small sums of money are collected by contributions from members of the public and distributed in large prizes to individuals chosen by lot cannot indeed be satisfactorily defended.

In the history of public finance lotteries take their place among the expedients which are resorted to when other and more reputable methods of finance have failed. It is significant that in this country lotteries were abandoned when more assured sources of income became available to the State.

A statutory board to promote lotteries for charitable objects.

458. The analogy of the Irish sweepstakes suggests that lotteries might be conducted by a single body exercising statutory powers, and the proceeds devoted to hospitals. It is appropriate to summarise here the evidence on the proposal that a body of this character should be set up in Great Britain.

459. Sir Arthur Stanley, president of the British Hospitals Association, gave evidence before us, not as a representative of the Association but in his private capacity. He informed us that the British Hospitals Association at the Annual Conference held at Eastbourne on the 2nd June, 1931, passed the following resolution :—

> " That the British Hospitals Association is not in favour of amendment of the law affecting public sweepstakes which purports to be for the benefit of voluntary hospitals."

He stated that in his personal view, if it was decided that lotteries should be legalised subject to proper control (a matter which would have to be settled by Parliament), this should be done by setting up a statutory board somewhat on the lines of the British Broadcasting Corporation to control lotteries and sweepstakes, and that, from the proceeds of lotteries promoted by this board, grants should be made to national bodies or those engaged in national welfare work.

Sir Arthur Stanley informed us that he had circulated to members of the British Hospitals Association a copy of his statement of evidence, and that about 80 per cent. of the members from whom replies had been received at the date when he gave evidence before us approved his statement.*

460. We have since received a statement from the Management Committee of King Edward's Hospital Fund for London. This statement, which is printed in our minutes of evidence, gives no decided view on the question whether lotteries should be permitted in aid of charitable institutions, the Management Committee saying that they had no authority to express any opinion. The statement, however, sets out particulars showing that the existing financial position of the voluntary hospitals of London has steadily improved. The view is expressed that if lotteries were promoted in favour of hospitals, there would be some loss of individual support. The impression left on our minds is that the Management Committee of the Fund prefer that hospitals should cultivate other sources of income, particularly regular income, including small regular contributions through patients' contributory schemes, such as are provided by the Hospital Savings Association, and subscriptions, donations and other voluntary gifts from the general public.

We also received a number of protests against the legalisation of lotteries for hospitals or charitable purposes, and it is clear that opinion on this subject is strongly divided.

461. It may be questioned whether in the long run voluntary hospitals in this country would benefit by participating in the proceeds of lotteries. The total receipts of 1,014 British hospitals for the year 1930 was over £15,500,000. On the basis that one-fifth of the total subscription to a lottery were handed over to the hospitals, it is clear that unless the total subscription amounted to a very large sum, the net proceeds would not be a very material factor in hospital finance.

462. The published accounts show that, since the institution of the Irish sweepstakes, hospitals in the Irish Free State have received very large sums of money from the proceeds of the sweepstakes. These sums have been largely devoted to capital expenditure and to clearing off accumulated deficits. The falling off

* Stanley: statement, page 127; Q. 1792.

of voluntary subscriptions (which, it may be observed, never formed so large a proportion of hospital receipts in Ireland, as they do in this country) has been very marked, amounting in several cases to 50 per cent. So far as concerns current receipts and expenditure, several Irish hospitals appear to be financially embarrassed to-day.

463. A lottery promoted in Great Britain would not produce so much relatively for the hospitals in this country as the Irish sweepstakes have produced for the Irish hospitals. In the first place, the Irish Hospitals Trust have depended largely on contributions from this country and this field of contributions would have to support the very much larger number of hospitals in Great Britain. Secondly, the Irish Hospitals Trust is engaged in promoting the sale of tickets in a great many countries outside the Irish Free State. In most cases the sale of tickets is contrary to the laws of the country concerned. It is clear that Parliament would not allow a statutory board set up in this country to solicit contributions for a lottery in aid of British hospitals from other countries (for example, France or the United States of America) where the sale of foreign lottery tickets was illegal.

464. So far as concerns the proposal that a statutory board should be set up to promote lotteries for the benefit of hospitals, the position may be summarised by saying that the hospitals have not asked for any such scheme; that opinion on the desirability of such a scheme is strongly divided; and that it appears extremely doubtful whether, in the long run, such a scheme would prove advantageous to the hospitals.

465. This branch of the subject cannot be discussed on the basis that all the proceeds of sweepstakes conducted by the board would necessarily be devoted to hospitals. Sir Arthur Stanley suggested that the board should make grants to other national bodies, instancing the Royal National Lifeboat Institution and the National Institute for the Blind. Sooner or later other charitable institutions would claim a share. It is difficult to see upon what basis the board could equitably distribute the proceeds, and we think that serious administrative inconveniences would arise. The result would be a struggle for a share of the spoils.

466. Further, any proposal to institute lotteries in aid of good objects gives rise to a dangerous confusion of motives, which is apt to conceal the real nature of the undertaking. The arguments against lotteries, from the social or economic point of view, apply with equal force, whatever the destination of the profits. If lotteries are undesirable as a means of raising revenue for the State, they do not become desirable when the proceeds are devoted to charity. The real motive behind the purchase of a lottery ticket is the desire to participate in a gamble, in the hope of personal

gain. Yet many people who take tickets in a lottery promoted for the sake of a charity find little difficulty in persuading themselves that their motive is unselfish. The confusion of motive which is inseparable from such a lottery is a most insidious method of encouraging and extending the gambling habit.

467. Finally, all the objections to large lotteries, set out in paragraphs 454-457, apply equally to large lotteries promoted in aid of charities.

We conclude that the establishment of a statutory board to promote lotteries in aid of charitable objects is even less desirable than the institution of a State lottery.

Permits to promote lotteries.

468. The third alternative is that some authority should be given power to authorise charitable bodies and the like, to promote lotteries for their own benefit. It seems clear that, if it were decided that lotteries on the scale of the Irish sweepstakes were to be promoted in this country, they should be promoted either directly by the State, or by some body set up for that special purpose. This third alternative may therefore be regarded as applicable only to public lotteries of limited size with a first prize not exceeding, say, £1,000.

469. We heard evidence from Sir William Davison, M.P., and Mr. T. Levy, M.P., Chairman and Honorary Secretary of a group in the House of Commons interested in the lotteries issue. Sir William Davison put forward a scheme following the lines of the Lotteries Bill, 1932, which he had introduced as a private Member's Bill on the 22nd March, 1932. In essence this scheme is one for lotteries promoted by permit.

The Bill provided that it should be lawful for the governing body or trustees of any charity within the meaning of the Charitable Trusts Acts, 1853-1925, and any trustees or other body of persons appointed solely or mainly for the purpose of raising money for any philanthropic, scientific or artistic purpose, or for carrying out any public improvement or other public object, to hold a lottery with the approval of the Secretary of State to raise money for such charity, purpose, or object. The Bill empowered the Secretary of State in sanctioning any scheme, to make regulations governing the conduct of the lottery.*

470. As indicated in paragraphs 461-464, we do not think that, taking a long view, charitable or philanthropic enterprises, which play such a valuable part in the national life, would be assisted by association with the promotion of lotteries. In our opinion, therefore, a scheme for allowing lotteries to be promoted for

* Davison: statement, pages 361–4. Levy: statement, pages 372–3.

charitable or philanthropic purposes could only be justified on the following grounds: that it is necessary to allow some relaxation of the existing law as to public lotteries; and that the restriction of lotteries to those promoted for charitable or philanthropic purposes would eliminate the element of private profit and would in practice impose an effective limitation upon the number of lotteries promoted.

We do not believe that these objects would be attained. Charity is a wide term, and one which has given rise to a great deal of dispute. The number of charities is legion and under the inducement of lottery promotion their number would doubtless be added to. Further, it would be a matter of the greatest difficulty (especially in the class of charity which might be attracted to the promotion of lotteries) to ensure that the promoters of a lottery did not stand to benefit by it indirectly.

471. As regards the administrative machinery, permission to promote lotteries might be within the discretion of a public authority, or might be granted to all who satisfied some public authority that they were fulfilling certain standard conditions.

If the first of these alternatives were to be adopted (i.e. if the authority had power to select the bodies which might promote lotteries) there would be strong objection to entrusting the control of lotteries to local bodies. It would be impossible to prevent the circulation of lottery tickets beyond the area of the authority which granted the permit and difficulties would arise from the differing policies adopted by neighbouring authorities. The power of selection would therefore have to be in the hands of a single central authority. Such a central authority could not be in possession of local knowledge as to the bodies by whom applications were submitted, and it would be necessary to obtain reports from local authorities. The procedure involved would, therefore, necessarily be rather cumbersome.

472. If a central authority were to be given full discretion to decide which applications should be granted and which should be refused, it is difficult to see on what basis it could adjudicate between the applications made to it. How, for example, is a comparison to be made between the claims of a hospital which is urgently in need of money, an appeal for funds to purchase a playing field, a scheme for the restoration of an ancient monument (to mention only a few of the instances cited in evidence before us), or the erection of a church hall by some religious body which saw no harm in raising money by this means?

Or again, is the urgency of financial need to be accepted as a test? If so, is the authority to enquire whether the previous financial administration has been wise, and to decide to what extent financial difficulties warrant acceptance or rejection of the application to promote a lottery.

An important consideration would be competence to run a lottery scheme efficiently. If this is to be taken into account, a further factor, difficult to value in relation to other factors, would be introduced.

473. Our view is that the central authority would be placed in an impossible position. If a lottery is to succeed as a method of raising money it must be conducted under conditions that ensure for it an element of monopoly. Serious competition among lotteries means that most, if not all, will fail. If the central authority were to attempt to limit the number of authorised schemes, it would be criticised for its restriction on lotteries and for its arbitrary choice of the particular schemes selected. If, on the other hand, it were to allow a large number to be promoted, it would be criticised for the subsequent failure of the schemes.

474. The second of the alternatives referred to at the beginning of paragraph 471, is that all bodies desiring to promote lotteries should be required to submit to some authority details of their schemes; and that, provided the schemes fulfilled certain requirements laid down by statute or regulation, it would be the duty of the authority to sanction the scheme and subsequently to satisfy itself that the scheme had been properly carried out, that no private profit accrued to the promoters, and that the expenses were on a reasonable scale. This power might be given either to a central or to a local authority.

475. If this suggestion were to be adopted, we think that far more lotteries would be promoted than would have any prospect of success, especially as a fairly low limit would be placed upon the size of the first prize. The amount of money which would be attracted by medium-sized lotteries cannot be judged by the amounts attracted by lotteries with very large first prizes.

476. So far we have not considered the effect on the public of the promotion of medium and small-sized lotteries under permit. We are satisfied that such demand for public lotteries as exists at present on the part of prospective purchasers of tickets is for large scale lotteries with large prizes. While the medium-sized lottery may be sought as a source of revenue by bodies in need of funds, there is no large public demand for it.

Medium-sized public lotteries might whet the appetites of those who desired to participate in lotteries, but would not satisfy them. The probable effect would be a continual agitation for schemes on a larger scale.

477. All these considerations point to the conclusion that any system for allowing lotteries under permit would be unsatisfactory and unstable. We believe that the inherent defects of the system would ultimately lead to its discontinuance. Circumstances

would arise which would result either in the prohibition of all such lotteries, or in the various applicants agreeing to a limited number of lotteries being promoted on behalf of all the applicants, the proceeds of such lotteries being divided among them. In effect the latter alternative would be tantamount to a reversion to the scheme for a statutory board discussed in paragraphs 458-467.

Conclusion.

478. We therefore reach the conclusion that none of the three alternative methods of promoting public lotteries discussed above is desirable in itself. We do not think that any of these three schemes would have been put forward for serious consideration but for the situation created by the Irish sweepstakes.

LOTTERIES PROMOTED OUTSIDE GREAT BRITAIN.

479. In our view it is essential that the sale in this country of tickets in lotteries promoted outside Great Britain should remain prohibited, and that the prohibition should be made as effective as possible. If lotteries remain prohibited in this country, then the prohibition of the sale of foreign lottery tickets is a necessary corollary. If lotteries were allowed in this country, it could only be under regulation and supervision, and it is impracticable to regulate or supervise foreign lotteries.

There is the further point that if sums are subscribed from this country to foreign lotteries, there is an outflow of money from this country which is only partially offset by any sums returned to this country by way of prizes.

SITUATION CREATED BY THE SALE OF TICKETS IN LOTTERIES PROMOTED OUTSIDE GREAT BRITAIN.

480. One of the main reasons for our enquiry was the position resulting from the sale in this country of tickets in lotteries promoted outside Great Britain, notably in the Irish sweepstakes. We therefore regard it as one of our most important duties to report what measures it would be practicable and expedient to adopt in order to meet this situation. It is clearly necessary in this connection to balance the disadvantages resulting from the present situation against whatever disadvantages would result from the various measures proposed.

481. The existing situation is certainly unsatisfactory, and in our opinion it cannot be allowed to continue indefinitely. The main results of the present position are as follows:—

First, that a large sum of money is being drained from this country for which no compensating advantage is derived.

Secondly, that the widespread disregard of the law as to lotteries has tended to bring this branch of the law into contempt. There is grave danger in allowing this situation to continue indefinitely, since many competent observers consider that contempt for one branch of the law is apt to breed a general contempt for the criminal law.

Thirdly, the present position results in many of the evils of a large unregulated lottery. There is evidence that fraud has occurred in connection with the sale in this country of tickets in the Irish sweepstakes.

Alternative Courses.

482. The suggestions which have been proposed for dealing with the situation may be grouped as follows:

(i) to set up large public lotteries as a means of combating the sale in this country of tickets in the Irish sweepstakes;

(ii) to take stronger measures against the sale in this country of tickets in lotteries promoted outside Great Britain.

483. The main arguments used in support of the former course are

(*a*) that the lottery law has fallen into contempt, and that it will not be possible to enforce the law against the sale in this country of tickets in foreign lotteries until the lottery law is brought into harmony with public opinion;

(*b*) that those who at present take tickets in the Irish sweepstakes would cease to do so if tickets in an authorised British lottery were available.

The existing law and public opinion.

484. The implication in the first of these arguments is that the law will not be supported by public opinion until it is relaxed to the extent of permitting the promotion of large lotteries. We agree that a law which has broken down and lacks public support cannot be made effective merely by imposing heavier penalties.

At the outset of this enquiry we approached the subject of lotteries from the point of view that present circumstances seemed to call for a considerable relaxation of the existing prohibition of large-scale lotteries in this country. After close consideration of the subject we have, however, reached the conclusion that a relaxation of the existing prohibition of large lotteries is undesirable and is not called for.

485. In the first place, so far as we are aware there is no evidence of any sustained demand in this country for tickets in large public lotteries. State lotteries in this country were brought to an end in 1826. For more than 100 years thereafter (i.e. until the coming

of the Irish sweepstakes in 1930) no large public lotteries were promoted in this country and the law was reasonably effective in preventing the sale here of tickets in large lotteries promoted elsewhere. During this period no public demand was voiced for the legalisation of large public lotteries in this country.

We think it is wrong to assume that because large sums have been subscribed to the Irish sweepstakes during the last few years, there will be a permanent and insistent demand in this country for this type of gambling facility. Experience shows that interest in lotteries is essentially ephemeral in character, although this may not always be apparent, owing to the steps taken by promoters to maintain public interest in their schemes. The vogue of the Irish sweepstakes has been fostered by specially favourable circumstances, and recent figures seem to indicate that its popularity so far as concerns this country may already have begun to decline.

486. In the second place, those who demand the promotion of large public lotteries in this country have not taken into account the difficulties and disadvantages involved.

After a long period of freedom from large lotteries, it was perhaps inevitable that the obvious and superficial attractions of lotteries should first be emphasised, and that their inherent defects and the evils which they bring in their train should be minimised or overlooked. We believe that on further consideration of this matter, less support will be forthcoming among the public generally for the promotion of large public lotteries in this country, even as a means of combating the Irish sweepstakes.

Probable effect upon the Irish sweepstakes of the establishment of an authorised lottery in this country.

487. Many people favour the establishment of an authorised lottery in this country on the ground that this step, taken by itself, would result in reducing to negligible proportions the sale in this country of tickets in the Irish sweepstakes.

To the extent that tickets in an authorised lottery in this country could be more easily purchased than tickets in the Irish sweepstakes, the former would certainly tend to drive out the latter. But this is not the only factor to be taken into consideration.

It is not clear that the relaxation of the prohibition of public lotteries in this country would in fact assist in the enforcement of the law against foreign lotteries generally, since the principle underlying the present law (namely, that lotteries are undesirable and should not be allowed) would be abandoned.

488. A more important consideration is that the sellers' commission constitutes a powerful incentive to the sale of Irish sweepstake tickets. By this time a network of sellers' agencies has been

established over this country. We should not be prepared to recommend the setting up in this country of a system by which people can make large incomes by persuading others to buy sweepstake tickets from them. It follows, therefore, that the Irish lottery would retain the advantage of an added incentive on the sellers' side.

It should be noted that no figures are published by the Irish Hospitals Trust of the sums paid in sellers' commission. The published accounts show the distribution of the total sum received in Dublin after sellers' commission has been deducted, and the authorities are not called upon to publish the figures of the total number of tickets sold. It has been stated in the Press (we cannot vouch for the statement) that books of tickets are already sometimes sold to agents at below the advertised price of £5, thus in effect increasing the commission to a sum in excess of £1 on every £6 of tickets sold.

489. The Irish Hospitals Trust would doubtless make special endeavours to retain a market which at present provides two-thirds of the money for their enterprise. This might take the form of increasing the sellers' commission or the value of the prizes, or the number of the sweepstakes held each year, or of so altering the dates as to avoid clashing with the authorised British lottery.

It seems clear, therefore, that strenuous efforts would be made to continue the sale in this country of tickets in the Irish sweepstakes. Even if a large public lottery were to be authorised in this country it would still be necessary to take measures against the sale in this country of tickets in lotteries promoted abroad.

Measures for the enforcement of the prohibition of foreign lotteries.

490. The law, which has hitherto proved adequate to deal with other lotteries promoted abroad, has broken down owing to special causes. The law against lotteries is over 100 years old. In form it is largely archaic and, as we show later, it did nothing to stop one essential factor in the success of the Irish sweepstakes, namely Press publicity. As regards proceedings against sellers of lottery tickets, whatever prospect there may have been that the authorities would succeed in putting a stop to the sale in this country of tickets in the Irish sweepstakes with the powers at their disposal under the Lotteries Acts, was destroyed by the numerous cases in which magistrates treated prosecutions in derisory fashion. We feel it our duty to submit that the action taken by these magistrates is much to be regretted.

The measures which might be taken to render more effective the prohibition of the sale in this country of lottery tickets may best be considered under the headings of provisions directed against (*a*) sellers of tickets; (*b*) newspaper publicity; (*c*) purchasers of tickets.

491. *Sellers of tickets.*—At present anyone selling tickets in a lottery is liable to conviction as a "rogue and vagabond." This term is taken from the Vagrancy Acts; and apart from the fact that on a second conviction the offender may be liable to more severe penalties as an "incorrigible rogue," those terms are a hindrance rather than a help, since Courts are sometimes loath to convict sellers of tickets as rogues and vagabonds. The law would be more effective if a person convicted summarily of selling tickets were simply liable to a term of imprisonment or a fine with heavier penalties in the event of a subsequent conviction.

It could be made specifically an offence to bring tickets or other matter relating to a foreign lottery into this country for the purpose of advertisement or sale, or to send or convey counterfoils and remittances abroad to the promoters.

Further, it could be laid down as a general principle that where it was shown in a Court of Law that money or valuable thing was a contribution to a foreign or illegal lottery, or was intended as prize money or was the proceeds of a foreign or illegal lottery, it should be forfeited to the State. In practice this would most commonly apply to money and literature seized in the post which was made the subject of proceedings against the sender. At present money found in letters which lead to a conviction has to be returned to the senders, which is clearly open to objection.

492. *Newspaper Publicity.*—Notices relating to foreign or illegal lotteries which are of the nature of advertisements are prohibited under the Lotteries Act, 1823. There is a wider prohibition in the Lotteries Act, 1836, which forbids the publication of any advertisement *or other notice* relating to foreign or illegal lotteries. Proceedings under the Act of 1836 can only be taken in the High Court and in the name of the Attorney General; and no proceedings in regard to the Irish sweepstakes have in fact been taken under this Act. The authorities consider that the existing law does not prohibit the publication of the results of drawings.

Here again the law is cumbrous and does not adequately effect its intention. Experience has shown that where, as in the Irish sweepstakes, a series of lotteries is promoted, the publication of the results of one sweepstake acts as a powerful incentive to participation in the next. The policy of the existing law is that advertisements and other inducements to participate in foreign lotteries should not be flaunted before the public.

493. The law could be amended so as to provide that it was illegal to publish any information about foreign or illegal lotteries, including information about drawings and results. It would, however, be undesirable that the prohibition should operate to prevent newspapers publishing information of an innocuous character (such as the news that some foreign State had decided to promote a lottery to balance its budget) and there should accordingly be a proviso that the Court should not convict where

it was satisfied that the information was simply a piece of news and was free from any probable tendency to encourage participation in lotteries.

It might also be provided that summary proceedings could be taken in respect of any infringement of the law against publication.

494. *Purchasers of tickets.*—It may be an offence at present to purchase a ticket in a foreign or illegal lottery; but we consider that as a general rule the criminal law should be directed against the provision of gambling facilities, rather than against participation in those facilities.

At the same time, it may be urged that a measure directed against the purchasers of tickets, such as the forfeiture to the State of all prize money in a foreign or illegal lottery, would have a salutary effect in dissuading people from participating in such schemes. We have, however, reached the conclusion that save where the prize money was already in the hands of the authorities (a contingency already covered by the proposal in paragraph 491) a provision for the forfeiture of prize money would give rise to serious practical difficulties.

Conclusions.

495. Our conclusions on this matter are as follows.

(i) There is no justification for assuming that there is a sustained or insistent demand in this country for this type of gambling facility.

(ii) The demand for the legalisation of large public lotteries in this country is based upon insufficient appreciation of the difficulties and disadvantages involved.

(iii) It is doubtful to what extent an authorised public lottery in this country would put a stop to the sale in this country of Irish sweepstake tickets. It is clear that even if such a lottery were to be authorised, special measures would still have to be enacted to deal with the sale of tickets in lotteries promoted outside Great Britain.

(iv) The existing law in regard to the sale of tickets in lotteries promoted abroad proved unworkable owing to special causes. There are several measures which can be adopted to bring up to date the law against the sale of foreign lottery tickets, and to make it effective.

(v) It is much easier to authorise large public lotteries in this country than to put a stop to such lotteries once they are started.

496. After considering the situation as a whole we recommend that the law against foreign and illegal lotteries should be re-enacted and strengthened on the lines indicated in paragraphs 491-494. The

law as amended would be better adapted than the existing law to deal with the methods of modern lottery promotion, and would command more general attention as a recent expression of policy by Parliament.

We do not recommend the institution of large lotteries in this country. We regard such a step as undesirable in itself, and unlikely to assist very materially in suppressing the sale of tickets in the Irish sweepstakes.

We record the view that, if it should be decided to permit the institution of any large lottery in this country (a step which we do not recommend) the least objectionable form of lottery is a State lottery, the proceeds to be given to the Exchequer.

Art Union Drawings.

497. We refer in paragraph 159 to Art Union drawings sanctioned under the provisions of the Art Unions Act, 1846. The majority of the Art Unions are quite small organisations formed in connection with some local art club.

Apart from official evidence from the Board of Trade, we received no representations concerning Art Unions. We have no reason to doubt that the Unions serve a useful purpose, and no substantial alteration in the law appears to be necessary. The Board of Trade, however, drew our attention to the fact that, unless a Union is no longer being run for the encouragement of the fine arts, the Board have no power under the Act of 1846 to revoke their sanction once given. We recommend that the Board of Trade should be given a general power to revoke at any time their sanction to an Art Union.

Exemption of certain Small Lotteries.

498. As already indicated, the law prohibits all lotteries. Private lotteries confined to the members of an organisation or works are not, however, interfered with, and many small schemes of a more public character, such as raffles at bazaars and small prize drawings for charitable purposes, either do not come to the notice of the authorities or are not interfered with.

Very small lotteries for small prizes do no social harm, and provided the danger of fraud and nuisance can be prevented, there is a good case for removing them from the ambit of the criminal law.

As regards private lotteries and raffles at bazaars, we think the circumstances in which they are conducted can be so defined as to minimise the danger of fraud, of the multiplication of schemes, or of the expansion of schemes to undesirable proportions. We accordingly recommend that they should be exempted from the general prohibition of lotteries. The task of defining satisfactorily

the precise scope of these exemptions is one of great complexity and we cannot do more than indicate the lines on which we think that satisfactory exemptions might be framed.

Our proposals under these heads are given in paragraphs 504 and 505.

499. We considered the further question whether very small lotteries or prize drawings, in which members of the public generally are invited to purchase tickets, could be exempted from the prohibition of lotteries. It would in any event be necessary to confine the exemption to schemes which complied with the following conditions:—

(i) that the scheme is promoted by some institution of a permanent character conducted for purposes not connected with gaming, wagering or lotteries;

(ii) that the proceeds of the scheme are devoted to some charitable or philanthropic object;

(iii) that no profit accrues to any person from the promotion or administration of the scheme, and that no commission is paid in respect of the sale of tickets;

(iv) that no administrative expenses are allowed in connection with the scheme except printing, stationery, and postage;

(v) that prizes are in kind and limited in value;

(vi) that the price of the tickets is limited in value to a few pence.

We all recognise that many small schemes of the kind here indicated are carried on to-day and are not socially harmful.

500. The majority of the Commission do not see their way to recommend that small lotteries, open to the public generally, should be exempted from the general prohibition of lotteries. Some of the majority see objection to legalising schemes of this character, however safeguarded, which involve an appeal to members of the public generally. Other members feel strongly that these schemes should be legalised if it is at all possible, and that it is undesirable that the law in this matter should be more restrictive than is absolutely necessary. These members, however, have been unable to frame a satisfactory exemption in favour of such public lotteries which would not open the door to the promotion of numerous schemes of a fraudulent or undesirable character.

Three members of the Commission (Mr. Cramp, Mr. Maitland, and Mr. Shaw) hold, on the other hand, that it would be practicable to frame a satisfactory scheme for the legalisation of very small public lotteries for charitable purposes, on the basis of compliance with the conditions set out in paragraph 499.

RECOMMENDATIONS.

501. Our unanimous recommendations are as follows. The existing laws relating to lotteries should be repealed, and a new law passed, which should take the form of a general prohibition in this country of all lotteries, whether promoted here or abroad, subject to exemptions in respect of :—

(i) Art Unions,
(ii) private lotteries, and
(iii) small public lotteries incidental to a bazaar or the like.

Measures to give effect to the prohibition of lotteries.

502. The measures for giving effect to this prohibition should be based upon the existing statutory provisions, amended as proposed in paragraphs 490-494. Indicated in outline, the substance of these provisions should be as follows.

It should be an offence :—

(*a*) to promote an illegal lottery ;

(*b*) to advertise, to sell tickets, or to print matter relating to any foreign or illegal lottery ;

(*c*) to publish any information concerning foreign or illegal lotteries, including information about the results of drawings and the award of prizes, save where the information is simply a piece of news and is free from any probable tendency to encourage participation in lotteries ;

(*d*) to bring into this country, for the purpose of advertisement or sale, tickets or other matter relating to a foreign or illegal lottery, or to send or convey counterfoils and remittances abroad to the promoters.

Where it is shown in any proceedings under the Lottery Act that money or valuable thing is a contribution to a foreign or illegal lottery, or was intended as prize money, or is the proceeds of a foreign or illegal lottery, the Court should forfeit to the State the money or valuable thing.

In order to have the power, where necessary, to proceed against purchasers of tickets, it should be an offence in Scotland as well as in England to aid and abet the commission of any of the above mentioned offences.

Full executive powers, such as the right to search premises under a magistrate's warrant, should be secured to enable the statutory provisions to be effectively enforced.

Exemption of Art Union drawings.

503. Art Union drawings should be allowed, as at present, under the provisions of the Art Unions Act, 1846. The Board of Trade should, however, be given a general power to revoke at any time their sanction to an Art Union.

Exemption of private lotteries.

504. Private lotteries should be allowed provided that they comply with conditions such as :—

(*a*) that participation in the lottery is confined

(i) to members of an institution of a permanent character conducted for purposes not connected with gaming, wagering or lotteries; or

(ii) to persons residing or working in the same premises;

(*b*) that the total amount subscribed does not exceed £1,000 and that no expenses are deducted from the amount subscribed in respect of the promotion of the scheme except for printing and stationery.

Membership of an institution should not be facilitated for the purpose of a lottery; and where an institution is divided into local branches, each branch should be regarded as a separate institution.

Exemption of small public lotteries incidental to a bazaar or sale of work.

505. A lottery incidental to a bazaar or sale of work should be allowed if it complies with conditions such as :—

(*a*) that it is held in connection with a bazaar, sale of work, fête, or other similar entertainment whereof the net proceeds (including the proceeds of the lottery) are devoted to purposes other than the private profit of the promoters;

(*b*) that the right to take part in the lottery is not obtainable except on the day or days and on the premises on which the bazaar takes place;

(*c*) that the result of the lottery is declared on the same day and on the same premises;

(*d*) that no money prizes are offered and that the value of all the prizes offered in lotteries held in connection with the bazaar does not in the aggregate exceed £100;

(*e*) that the facilities afforded to take part in lotteries do not provide the only, or the only substantial, incentive to attend the bazaar or sale.

CHAPTER X.

COMPETITIONS.

Introductory.

506. If a competition depends entirely on chance and competitors pay directly or indirectly for admission, the competition is a lottery. Such schemes are illegal and under our recommendations will remain illegal.

At the other end of the scale are competitions of mere skill. There is no element of gambling in these competitions and we are not concerned with them.

Between lotteries and competitions of skill there is a wide field for schemes in which the award of prizes depends partly on skill and partly on chance. Schemes of this kind contain an element of gambling, more especially where the degree of skill called for is only just sufficient to take the competition outside the scope of the Lotteries Acts, and they accordingly fall within our terms of reference. Schemes of this character are conducted extensively in connection with newspapers; and of recent years they have also been promoted by various trading firms as a method of advertisement.

507. While there are no statutory provisions directed specifically against competitions of mixed chance and skill, such competitions may come within the scope of some of the statutory provisions as to betting. Thus certain types of forecasting competitions have been held to contravene the provision in the second part of section 1 of the Betting Act, 1853, which forbids the receipt of money as a consideration for an assurance to pay money on any contingency relating to a race or other sport. To secure a conviction it must, however, be shown clearly that the competitors stake something of value; for example, in a competition requiring the sending of a coupon, that people paid for the paper solely or mainly to secure the coupon.

Again, in certain circumstances competitions promoted by newspapers have been held to come within the provisions of the Ready Money Football Betting Act.

508. The first newspaper competition on a large scale was a missing word competition, conducted in a weekly paper in 1892. A sentence was published in the paper with the omission of one word, which the public were invited to supply. The word which had been fixed upon as the correct solution was kept in a sealed envelope at the newspaper office and those who guessed it were rewarded with a prize. The circulation of the periodical is said

to have risen from 350,000 to 1,000,000 as a result of the competition. In the following year the Courts held that the competition was a lottery.

Other competitions followed :—placing the first four horses in the Derby; predicting the number of births and deaths in London in a named week; predicting the results of football matches; adding a line to complete a verse ("limericks"); composing sentences from given words, and so on.

Some of these competitions were held to be illegal and were abandoned on that account. Others were discontinued when the novelty of a particular type of competition ceased to attract. But as soon as one form of competition was abandoned, another was devised to evade the law or to rekindle public interest.

509. One of the main reasons for the appointment in 1908 of the Joint Select Committee to investigate the lottery laws was the growth of newspaper competitions which on a broad view of the facts differed very little from lotteries, though so framed as not to come within the legal prohibition of lotteries.

As stated in paragraph 56, this Committee recommended that it should be made illegal to charge any form of entrance fee (including the purchase and return of coupons) for prize competitions in newspapers or periodicals. Bills were introduced in successive sessions of Parliament to give effect to this recommendation, but the outbreak of war in 1914 put an end to the consideration of this matter by Parliament.

Existing Position.

Types of competitions.

510. At the present time there are two main types of newspaper competitions which may be described as

(i) word competitions of various kinds, and

(ii) forecasting competitions relating to sporting events.

In one type of word competition the entrant is invited to produce some kind of apt or witty saying; and the promoters of the competition undertake to judge which is the cleverest or most original entry sent in. In another type of word competition, such as crosswords, picture puzzles, and so forth, the "correct" solution is determined at the outset by those who set the competition, and the prize is given to the competitors whose entries correspond or most nearly correspond with this solution.

The forecasting competitions usually relate to sporting events. For instance, a prize may be offered for predicting the first four horses in a race; the number of runs scored in each innings of a cricket match; or the results of several football matches. There has been a considerable increase in the use of forecasting competitions in recent years.

Usually competitions are promoted, organised and judged by the proprietors of a newspaper as part of the business of conducting the newspaper. In a few cases the competition is organised by some other body for a charitable purpose, the publicity being supplied by a newspaper. In the competitions organised by a trading firm, the literature relating to the competition may be distributed directly by the firm or through retail shops.

Entrance fees and prizes.

511. For some competitions entrance fees are required; for instance a sixpenny or shilling postal order, or a penny or twopence in stamps. In others a coupon cut from a current issue of the newspaper in question must be sent or, in the case of a trade competition, a coupon or other distinguishing mark taken from some article in which the firm deal. In a few cases entry to the competition is gratuitous.

Competitions vary greatly in size. They range from a competition in a small local paper, in which a very small prize is offered, to a competition in which huge prizes are offered, run concurrently in several newspapers with large circulations under a single financial control.

512. There has been a marked increase in recent years in the scale of competitions and in the prizes awarded. Many of the larger popular newspapers and periodicals now contain competitions as weekly features, in which the first prize may range from £1,000 to £5,000. In some competitions organised by a large press group as a special attraction, or by a large trading firm, the prizes may amount to £10,000 or £25,000. In one case a prize of £100,000 has been offered.

Extent of skill involved.

513. A difficult competition requiring considerable skill for a successful solution makes only a limited appeal. If numerous competitors are to be attracted the skill required must be of a very simple character, and in order to avoid a very large number of people arriving at the correct solution a considerable element of chance must be imported into the award. Broadly speaking, it is true to say that in proportion as the popular appeal of a competition is widened, so the element of skill is lessened and the element of chance is increased.

Those responsible for conducting competitions in newspapers with a large circulation have shown great ingenuity in devising schemes which, while retaining just sufficient element of skill to be outside the Lotteries Acts, at the same time appeal to readers as competitions in which all the competitors have in fact equally good chances of success, irrespective of their intellectual attainments.

Professional Solutionists.

514. Of recent years, a number of periodicals have come into existence which profess to give solutions for the competitions promoted in other newspapers and periodicals. There are also professional solutionists who advertise that they supply at a price solutions to the various competitions running at the time.

EVIDENCE.

515. We received a considerable body of evidence to the effect that newspaper competitions in which the element of chance predominated and a large prize was offered, did not differ substantially from large lotteries and had undesirable results.

Our attention was drawn by the National Anti-Gambling League to cases in which individuals had spent considerable sums beyond what they could properly afford on newspaper competitions. We have no reason to believe that such cases are common, but their existence is disquieting. As pointed out in Chapter IV, the amount subscribed to competitions with entrance fees amounted to about three million pounds over a recent period of twelve months.

516. It was also argued that, whether the cost to competitors be large or small (and in a majority of cases it is no doubt very small) newspaper competitions for large prizes did not represent a wholesome influence. We refer in paragraph 455 to the fact that most of those who enter for large lotteries do not realise how great are the odds against their winning. It was argued that this element of deception is even greater in the case of newspaper competitions, as the semblance or pretence of skill leads people to believe that by giving some time and labour to the matter they will stand a good chance of winning a prize.

517. The growth of the solutionist press and of the professional solutionist was referred to in support of the view that competitions for the most part had ceased to be merely pastimes, and had become for many people a means of trying to win fabulous sums. In this connection the British Charities Association, which organises competitions for charitable purposes in conjunction with newspapers, informed us that they were satisfied that persons entered those competitions in the hope of winning the large prize offered, rather than from any other motive, and that the attractiveness of the competitions lay in the element of chance.*

518. The representatives of the Christian Social Council and other witnesses stated that competitions afforded a channel through which people, who would not otherwise be interested in gambling, were led into the gambling habit. Reference was made to the

* Luke: Statement, page 134, paragraphs 4 and 6.

numerous betting competitions and to the fact that it seemed much more respectable to send a remittance to a newspaper office than to a bookmaker.*

519. We invited the three principal newspaper associations to give us their views on competitions; and, as two of these organisations did not desire to do so, we asked certain of the newspaper companies to give evidence on the subject.

The representative of one of the newspaper undertakings which makes extensive use of competitions, informed us that his company regarded such schemes as part of the equipment of a modern newspaper. He claimed that competitions afforded an interesting form of entertainment for readers, and that many had useful educational features. The present legal position regarding competitions was considered to be satisfactory and afforded sufficiently clear indications to promoters of competitions as to what was permissible under the existing law.†

The representative of another undertaking said that all the national newspapers were in favour generally of some limitation of prize money, but that they preferred that this limitation should be reached as a result of agreement in the trade rather than by action in Parliament.‡

520. The representative of the Newspaper Society, representing the provincial Press, considered that competitions provided the public with a harmless and inexpensive amusement, and said that all competitions could not be regarded as forms of gambling or as tending to create or strengthen the gambling spirit. Nevertheless the view of his Society was that certain competitions were open to objection on the score of the excessive amount of the prize or the large element of chance involved, and that legislation imposing limitations in these respects should be introduced.§

Conclusions.

521. The objections to competitions of mixed chance and skill may be grouped under three heads.

First, as indicated earlier in this chapter, newspaper competitions as they grow in size tend to become almost indistinguishable from lotteries. We recommend in Chapter IX that large public lotteries should be prohibited. In our view competitions for large prizes present many of the undesirable features of large public lotteries.

522. Secondly, competitions, whether promoted by newspapers or by trading firms, form an integral part of a scheme of

* Job; Statement, pages 317 and 318, paragraphs 46, 47 and 61. Gulland: Statement, page 187, paragraph 27.

† Cook: Statement, page 479, paragraphs 2–5.

‡ Henderson: Q. 7757–59, Q. 7802–04 and Q. 7807.

§ Harrison: Statement, page 475, paragraph 6 *et seq.*

advertising. Newspapers find their way into every home. Where competitions with large prizes are included, the fact is usually widely advertised on posters and elsewhere, and prospects are held out of large gains for little or no trouble.

Our proposals in regard to betting place rigid restrictions upon the bookmaker, largely with the aim of securing that inducements to betting are not held out to the public. This object will be defeated if newspaper competitions (especially those where the results of some sporting event have to be forecast) are allowed to continue in their present form. Although newspaper competitions may be regarded as only a mild form of gambling, they afford a channel through which people who would not otherwise be interested in gambling are led into the gambling habit. We believe that newspaper competitions play an important part among the forces which have led to the wide spread of the gambling habit.

523. Thirdly, the present legal position in regard to competitions is unsatisfactory. On merits there is little real distinction between schemes which are prohibited as lotteries, and very similar schemes which contain a slight element of skill and are therefore allowed. The criterion which in the case of most competitions determines whether or not a scheme is legal, is not its general character or the size of the prizes, but the relatively minor consideration whether or not it contains an element, however small, of skill. This criterion is not the result of any deliberate policy, but is due to the historical accident that until about forty years ago the only known schemes for distributing large sums fortuitously took the form of lotteries, in which the sums were distributed entirely by chance.

Again, the border-line between what is allowed and what is prohibited is vague, and it is frequently a matter of some difficulty for the authorities to decide whether a given scheme contravenes some provision of the laws as to gambling.

524. We refer in paragraph 519 to the suggestion which was made to us that any restriction in regard to competitions should be agreed upon among the newspapers themselves. We observe, however, that competitions involving an element of chance have been a feature of certain newspapers and periodicals for about 40 years, and have increased in numbers and in the value of the prizes offered. We do not know what efforts have been made within the trade to restrict the growth of competitions, but there is no sign of any self-imposed restrictions, nor could any such arrangement be permanent.

Our conclusion is that some form of restriction upon competitions should be imposed by Parliament. We think there is a case for dealing separately with (i) forecasting competitions, and (ii) other competitions.

Forecasting Competitions.

525. Several of the large national newspapers are running daily competitions for a prize of £100 on the results of horse races. A typical instance is one in which competitors are invited to forecast the first two horses in two races taking place on the following day.

This type of competition seems to us to be open to the strongest objection. In the first place it is obvious that a very large element of chance enters into the successful forecasting of the results, and that the competition is little better than a lottery. In the second place, since the newspapers devote space to racing information for use in connection with these competitions, it is clear that these racing competitions introduce competitors to much of the paraphernalia of the organised betting trade, and are likely to lead to a considerable spread of the betting habit.

526. Our conclusion is that forecasting competitions for prizes in connection with sporting events should be prohibited altogether. Our recommendation for giving effect to this proposal is set out in paragraph 533.

Other Competitions.

527. In evidence three methods were suggested for restricting competitions of mixed chance and skill.

Restriction of Element of Chance.—We refer above to the proposal made by the Newspaper Society that competitions containing a large element of chance should be prohibited. This would presumably be effected by widening the definition of a lottery to cover not merely (as at present) schemes of pure chance but also schemes in which chance largely predominated.

There are several objections to this proposal. If the definition of a lottery were to cover all schemes in which chance predominated, it seems likely that practically all the existing newspaper competitions would become illegal. It is difficult to see at what other point a line could be drawn. It is clear also that, whatever definition of a lottery were adopted, there would still be difficult borderline cases. Indeed, the position would be more obscure than at present, until it had been decided in a new set of test cases which types of competitions did, and which did not, fall within the terms of the new definition.

We note that the Joint Select Committee of 1908 decided against widening the definition of a lottery as a method of dealing with this matter, and we have reached the same conclusion.

528. *Prohibition of Entry Money.*—We refer in paragraph 509 to the Bills promoted before the War to prohibit newspaper competitions in which money or coupons had to be returned with entries. Several witnesses favoured the adoption of this proposal,

which accords with the principle underlying the laws against lotteries, namely, that the public should not be encouraged to spend their substance in this way. Indirectly it is also aimed at large prizes, since there is presumably a limit to the amount of the prize which would be offered in a competition where the promoter received no direct return. The proposal would leave untouched the prizes which are offered in contests of skill, since normally neither entrance fees nor the return of coupons are required in such cases.

529. We consider that it is undesirable that money or valuable thing should be required from competitors in these competitions, and we recommend that this should be prohibited. Coupons cut from the newspaper or supplied gratis by the trading firm promoting the competitions are, however, frequently used as entry forms and are a convenience to competitors and to promoters. We consider that abuses from the use of coupons can be checked by a provision that the promoters of a competition should not knowingly accept more than one entry from each competitor. There would accordingly have to be a rule in the competition to this effect.

530. *Limitation of Prize Money.*—The Newspaper Society informed us that they considered a limitation in the amount of prize money to be the only practicable way of limiting the growth of competitions.. As indicated above, the representative of one of the large newspaper undertakings informed us that his group was in favour of a limitation of prize money, though he wished the limitation to be reached as a result of agreement in the trade rather than by legislation.

531. In regard to the question whether a limitation of prize money is required, when the receipt of money or valuable thing is prohibited, it may be noted that certain newspapers have been running competitions without requiring entry money or the return of a coupon, and offering a weekly prize of £500. It may well be that even larger sums would be offered by newspapers as prizes in competitions from which they receive advertisement, but no other direct return.

532. One objection raised to a limitation of prize money is that it would place the newspaper with a large circulation at a disadvantage as compared with the local newspaper. It was said that a prize of £50 in the case of a local newspaper was as expensive in relation to its other costs as a prize of £5,000 in the case of a newspaper with a nation-wide circulation. It was also said that in the latter case the number of successful entries might be expected to be in proportion to its circulation, and that accordingly where one person won a prize of £50 in a local newspaper, a hundred persons might reasonably be expected to share a prize of £5,000 in a national newspaper.

We consider that many of the evils associated with newspaper competitions arise from the fact that a newspaper with a wide circulation offers, not a hundred prizes of £50, but one prize of £5,000 and that many persons enter the competition in the belief that they stand a good chance of winning the whole amount offered.

We reach the conclusion that a limitation should be imposed on the highest amount which may be offered as a single prize, but not on the total amount of the prize money.

533. Our recommendation accordingly is:—

(*a*) that it should be illegal to arrange, in connection with the sale of a newspaper or other article to the public, a competition in which prizes are offered for the forecasting of results of sporting events;

(*b*) in regard to other competitions for prizes arranged in connection with the sale of a newspaper or other article to the public, that the promoters should not be allowed

(i) to receive from competitors money or valuable thing (other than the return of a single coupon), *or*

(ii) knowingly to accept more than one entry from each competitor, *or*

(iii) to give more than £100 in a single prize.

The restrictions under (*b*) should not apply to competitions of skill.

CHAPTER XI.

GAMING.

Gaming Houses.

534. The prohibition of gaming houses is of long standing and is accepted as necessary in the public interest. It has been widely recognised that such places afford facilities for continuous gambling, constitute a strong inducement for the frequenter to gamble far beyond his means, and are apt to lead to disorder.

535. The exploitation of the gambling spirit by the provision of facilities for gaming usually takes the following form. A person for his own profit provides a place for the playing of games for stakes and he makes his profit either by making a charge for the use of the facilities or by occupying a privileged position in the gaming which ensures that he stands to gain at the expense of the other players.

536. The existing laws deal adequately with gaming houses; but they include provisions which may be said to have fallen into disuse, and the effective provisions are cumbrous in form.

We recommend the repeal of the earlier Acts, which are no longer enforced, such as the Unlawful Games Act, 1541, and the Gaming Acts of the first half of the eighteenth century.

We recommend further that the effective provisions of the existing law should be replaced by an amending and consolidating Act.

537. In framing this consolidating Act the most important point would be the definition of a common gaming house, the essential features of which are indicated in paragraph 535.

Our attention was drawn to the proposals for the consolidation of the law relating to gaming houses made by the Criminal Code Commission of 1879, and to the provisions on the subject of gaming houses contained in the Canadian Criminal Code.

In order to prove a place to be a common gaming house it should be sufficient to shew that the house is a place kept by any person for gain to which persons resort for the purpose of playing for money or money's worth at any game of chance, or at any game of mixed chance and skill in which chance plays a material part, whether the keeper makes his profit by admission charges, charges on stakes, or in some other way. It should also be sufficient to show that the place is kept or used for playing at any game of chance or at any game of mixed chance and skill, and that a bank is kept by one or more of the players exclusively of the others or that a game is played in which the chances are not alike favourable to all the players (including among the players the banker or other person by whom the game is managed or against whom the other players stake, play or bet).

The penalty for the offence of keeping a common gaming house should be substantial, and the provisions in the Acts of 1845 and 1854 intended to assist the police in detecting the commission of offences should be re-enacted.

538. Some witnesses urged that persons frequenting gaming houses, who are arrested in the execution of a search warrant, should be liable to a fine*; and our attention was drawn to the fact that under the Metropolitan Police Act, 1839, those found without lawful excuse in gaming houses in the Metropolitan Police District are liable to a fine of £5. There are similar provisions in other local Acts, for example the Manchester Police Act, 1844.

We do not consider it desirable to make any alteration in the substance of the present law which is already reasonably effective. Those who frequent gaming houses are at present liable, under the provisions of the Unlawful Games Act, 1541, to be bound over not to frequent gaming houses. As we propose that the Unlawful Games Act, 1541, should be repealed, we recommend that the amending and consolidating Act should contain a provision to the effect that frequenters should be liable to be bound over not to frequent gaming houses and that the recognizances should be enforceable in a court of summary jurisdiction.

539. *Scotland.*—As in the case of England, we recommend that the statutes on the subject which are no longer effective should be repealed—e.g. the Act of the Scottish Parliament of 1621, and the Gaming Act, 1710.

As stated in paragraph 102, the Common Law offence of keeping a common gaming house refers to houses kept for the gain of the keeper; but the offence under section 407 of the Burgh Police (Scotland) Act, 1892, is wider. There is, however, no substantial difference in this matter between the laws of Scotland and England, and we recommend that, in any consolidation of the law, the provisions proposed in paragraph 537 should be applied to Scotland. Those provisions should be of general application and would supersede the Common Law on the subject, and (in respect of burghs) would replace section 407 of the Burgh Police (Scotland) Act, 1892, and similar provisions in local Acts. The executive provisions for search contained in section 407 of the Act of 1892 should be retained; but should no longer be confined to burghs.

Whist Drives.

540. We received no evidence to show that whist drives, as at present conducted, cause any harm. Although under the law as it stands at present, the promoters of a whist drive may in

* Knight: Statement, page 221, paragraph 21. Maxwell: Statement page 53, paragraph 32.

certain circumstances be convicted of keeping a gaming house, the essential mischiefs at which the law against gaming houses is aimed are not present. Those taking part in a whist drive do not gamble continuously among themselves or with the promoter, since the only money transactions are the payment to the promoter of entry money, and the payment of prizes to the winners at the end of the whist drive.

We consider, however, that an unconditional legalisation of whist drives might lead to these functions becoming a cloak for gambling of a more serious kind. We accordingly recommend that the provisions against betting houses and gaming houses should be so drafted as not to cover whist drives and other card games conducted in a similar manner, provided that the prizes on each occasion are of limited value (say, not exceeding £20) and that the place is not used habitually for this purpose.

Gaming in Public Places.

541. Gaming in streets and like places is a public nuisance. It frequently involves obstruction; and it often leads to breaches of the peace. If permitted it would afford ample opportunities for those who live by their wits to obtain money by fraud from those who can least afford to lose it.

In England the provisions of the Vagrant Act Amendment Act, 1873, deal adequately with the matter. It would, however, be an improvement if the requirement that an offender must be found to be a rogue and vagabond were abolished, and we recommend accordingly.

542. *Scotland.*—We recommend that, in place of the limited provisions of the Burgh Police Acts and similar Acts, legislation for Scotland should be introduced on the lines of the Vagrant Act Amendment Act, 1873. The result would be to extend the area within which gaming is prohibited and to provide more severe penalties for repeated offences.

We regard the Prevention of Gaming (Scotland) Act, 1869, which is directed against card-sharpers and other tricksters, as a useful enactment. Our attention was specially drawn to the fact that under the Act the maximum sentence is sixty days' imprisonment and that there is no provision for heavier sentences on repeated convictions.* We recommend that the penalty for a second or subsequent offence should be a term of imprisonment not exceeding six months.

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* Macpherson: Statement, page 339, paragraph 18.

Gaming in Licensed Premises.

543. It is clearly undesirable that games should be played in licensed premises for money or money's worth. The existing prohibition of gaming of any kind on licensed premises should accordingly be maintained.

In Scotland the law in this branch of the subject is not free from ambiguity, and there should be a definite provision prohibiting gaming in licensed premises.

Gaming Machines.

544. Under the existing law in England, the operation of an automatic gaming machine may involve the commission of an offence against the Gaming Acts, the Betting Act, 1853, or even, in some cases, the Lotteries Acts. To come under the Gaming Acts a machine must depend on chance rather than on skill for its operation; while to come under the Betting Act there must be a reasonable inference that the person who uses the machine paid money in the hope of winning a larger sum, and not simply for the sake of the amusement which the machine afforded. Under both the Gaming and Betting Acts proof of the habitual use of the premises must be forthcoming.

In Scotland the use of gaming machines in shops and other places is prohibited under the Gaming Machines (Scotland) Act, 1917, an Act which is framed in wide terms.

545. *Scotland.*—Police witnesses and social workers expressed themselves as satisfied with the operation of the Act.* The representative of the Scottish showmen, however, said that the Act was too widely framed and covered harmless games of skill for prizes if they involved the use of any mechanical contrivance. He asked that mechanical contrivances as distinct from machines should not come within the provisions of the Act.†

546. We are satisfied that the Act has served a useful purpose. The machines when installed in shops and other accessible places cause a considerable amount of harm among children. They serve as an introduction to the gambling habit and in some cases lead to petty theft. We consider that the Act has been administered in a reasonable manner, and we see no sufficient reason to suggest any modification of its provisions.

547. *England.*—Several witnesses proposed that the Scottish Act should be extended to England.

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* Christie: Q. 1314. Macpherson: Qs. 4796–7, Q. 4823. Robertson: Statement, page 461, paragraph 17.

† Browne: Statement, page 399, paragraphs 40–47. Q. 6080 *et seq.*

Those concerned in the manufacture and operation of automatic gaming machines urged, on the contrary, that the existing law should be relaxed rather than stiffened.*

Thus it was stated on behalf of the manufacturers of gaming machines that considerable loss was incurred when a machine which was believed to be legal was declared illegal, and as a result all machines of the type found in operation became liable to be seized and destroyed. The proposal was made to us that a Board should be set up, which would examine machines and stamp those which should be regarded as legal. We see considerable difficulty in this proposal, especially in the suggestion that the operators of certain machines should be given in advance immunity from legal proceedings. It is difficult to see how it could be ensured that a machine, or its method of operation, was not altered after being stamped. Further, we can see no reason why persons engaged in the manufacture of those machines should receive special treatment. It must be left to Courts to decide whether the machine as used is or is not illegal.

548. Another proposal was that certain places such as amusement arcades, should be licensed for the use of machines, the operation of which involves a certain element of gambling.† We refer below to a somewhat wider suggestion on the same lines, put before us by the showmen. We see considerable objection to any proposal of this character. We can see no ground on which gaming machines could or should be allowed in certain places of public resort and not in other places.

Limitation of the money staked or of the worth or nature of the prize was also suggested in evidence before us.‡

549. We consider that automatic gaming machines are undesirable, for reasons set out in paragraph 546. The existing law is fairly effective, but we think that it should be strengthened. Our recommendation is that the use of automatic machines and like contrivances for the playing of games for a prize in shops, fair grounds and other places of resort should be specifically prohibited. Whether this is done by an adaptation and application of the Scottish Act to England or in some other manner is a technical matter of drafting on which we express no opinion.

Gaming at Shows.

550. So far as concerns automatic machines at shows and fairs, we have dealt with this matter in the preceding section. The showmen, however, make use of a variety of other games, for prizes

* Showmen's Guild: Statement, pages 398 and 400, paragraphs 14, 17 and 46. Rymer: Statement, page 405, paragraphs 12–14. Gordon Smith: Statement, page 408.

† Gordon Smith: Statement, page 408, paragraphs 6 and 7. Qs. 6178–81.

‡ Showmen's Guild: Statement, page 398, paragraph 14. Q. 6094. Rymer: Statement, page 405, paragraphs 12 and 13.

in money or in kind. Representatives of the Showmen's Guild and of the Amusement Caterers' Association informed us that there was a greater public demand than formerly for games of chance at travelling shows and in amusement parks in large towns.*

The Showmen's Guild suggested that games of chance should be permitted at shows, provided that the prizes did not exceed one shilling in value, and provided that where games were played by mechanical means there was an element of skill.† The Amusement Caterers' Association proposed that games should be permitted at any fair or other amusement centre without regard to the degree of chance or skill, provided that the entry money for playing the game did not exceed 6d. and that the prize was in kind (not money) and of small value.‡

551. We can see no ground on which we could recommend that a special exemption from the law should be made in favour of show grounds and amusement centres. We consider that the law as to gaming, as we propose that it should be, leaves ample scope for the ingenuity of the enterprising showman to provide entertainment.

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* Showmen's Guild: Statement, page 398, paragraphs 12, 13, 21 and 22. Rymer: Statement, page 405, paragraph 16. Q. 6151–3.

† Showmen's Guild: Statement, page 398.

‡ Rymer: Statement, pages 404–6.

SUMMARY OF RECOMMENDATIONS.

552. We now collect and summarise our recommendations. The main principle we have endeavoured to follow is that, while gambling among private individuals should not be interfered with, organised gambling facilities should be prohibited or restricted where those facilities lead to serious social consequences.

(1) We recommend that the existing legislation as to lotteries, betting and gaming should be amended in the sense of our recommendations, and should be consolidated.

(2) No change is recommended in the existing position at civil law, whereby wagering transactions are unenforceable in the Courts (paragraph 247).

On the Course Betting.

(3) Different provisions are necessary to deal with on-the-course and off-the-course betting (paragraph 249).

Betting facilities on courses.

(4) The management of a course at which sporting events take place should be dissociated from the provision of betting facilities and should not have a direct financial interest in the betting on the course (paragraph 259).

(5) A bookmaker at a course should be allowed to stand at a fixed place with such portable equipment as he may require (paragraph 260).

(6) The management of a course (other than a horse racecourse approved by the Racecourse Betting Control Board) should be allowed to charge a bookmaker not more than twice the ordinary charge for admission (paragraph 262).

Betting days.

(7) The number of days on which betting facilities may be provided at any course should be limited by statute to not more than 10 days in any calendar month and 100 days in any calendar year (paragraph 266).

Local control.

(8) The managements of courses (other than existing horse racecourses approved by the Racecourse Betting Control Board, or courses at which betting facilities are provided on not more than eight days a year) should be required to obtain a licence from the Council of the County or County Borough (as the case may be) to allow betting facilities at the course (paragraph 269).

(9) The grounds on which the local authority may refuse a licence should be prescribed (paragraph 270).

(10) The local authority should be required to fix two weekdays on which betting facilities may normally be provided at licensed courses in the area (paragraph 273).

OFF THE COURSE BETTING.

(11) Some legal facilities for ready money betting should be provided which would be an alternative to street betting, and would enable the Street Betting Act to be effectively enforced (paragraph 284).

Cash Betting Offices.

(12) The establishment in this country of cash betting offices which persons might enter for the purpose of betting is not recommended (paragraphs 296 and 300).

Postal Cash Betting.

(13) Postal cash betting should be made legal. This recommendation is linked up with the proposal for the rigid restriction of bookmakers' advertisements (paragraph 311).

Facilities for the deposit of Cash Bets.

(14) Nine members of the Commission recommend that, in addition to cash postal betting, facilities should be allowed for the deposit of bets in a letter box attached to or appurtenant to a bookmaker's office. Registration of premises for this purpose would depend on the fulfilment of certain conditions (paragraphs 312 and 313).

(15) Three members of the Commission (Sir James Leishman, Sir David Owen, and Mrs. Stocks) hold that it is unnecessary and undesirable to allow facilities for cash betting off the course, other than cash betting by post (paragraphs 315-317).

Office totalisator betting.

(16) This form of betting should be prohibited (paragraph 324).

Football Combination Betting.

(17) Nine members of the Commission recommend that a registered bookmaker should be allowed to conduct football combination betting at fixed odds in the same manner as other forms of betting (paragraph 339).

(18) Three members of the Commission (Mr. Cramp, Sir James Leishman, and Sir David Owen) recommend that the Ready Money Football Betting Act, 1920, should remain in force and should be extended to cover credit as well as ready money betting (paragraph 340).

(19) Sir James Leishman recommends that, if the preceding recommendation is not accepted in regard to England and Wales,

the Act of 1920 should remain in force in Scotland and its provisions should be extended to cover football betting on credit (paragraph 341).

Betting in Clubs.

(20) If serious abuses in connection with gambling are found to be prevalent in the less reputable clubs, it would be necessary that the law relating to clubs should be amended (paragraph 343).

Registration of Bookmakers.

(21) All persons who carry on business as bookmakers, whether on or off the course, should be registered (paragraph 348).

(22) The scheme of registration suggested includes:—a certificate of eligibility from the petty sessional court, registration with the police, police right of entry to bookmakers' premises, and the registration of all staff employed by a bookmaker. The provision of organised betting facilities, other than those expressly authorised, should be prohibited (paragraphs 352-356).

BETTING INDUCEMENTS AND JUVENILES AND BETTING.

Bookmakers' Advertisements.

(23) Advertisements relating to bookmakers should not be allowed save as follows:—

(i) A registered bookmaker may give his name and occupation in the ordinary manner outside his premises, in the Post Office directory or other directories of the inhabitants in a particular locality, and in the telephone book.

(ii) When a registered bookmaker attends a racecourse or track, he may exhibit there his name, occupation, address, and the odds he is offering.

(iii) On the occasion of his personal registration and on each annual renewal of his registration, a bookmaker may place on one day in not more than three newspapers, an advertisement of his name, occupation, and address, with a statement (if he so desires) that his terms may be had on application.

(iv) A bookmaker may send circulars giving his rules, the odds he offers and so forth, to persons who apply for them in writing (paragraph 370).

(24) Advertisements relating to the Racecourse Betting Control Board should not be allowed save on approved racecourses on racing days (paragraph 370).

Tipsters' Businesses.

(25) The publication of tips by those engaged solely or mainly in this type of business should be made illegal. It should also be illegal for the proprietors of any newspaper which includes forecasts of sporting events to advertise this side of their business (paragraph 375).

Betting by Juveniles.

(26) It should be an offence for a bookmaker, or anyone acting on his behalf, knowingly to have a betting transaction with a person under 17 years of age (paragraph 378).

Use of Juvenile Messengers.

(27) The Betting (Juvenile Messengers) (Scotland) Act, 1928, should apply to persons under 17, instead of 16 years of age as at present. The Act so amended should apply to England and Wales as well as to Scotland. It should also be an offence for a bookmaker to employ a person under 17 in any branch of his business (paragraph 379).

RACECOURSE BETTING CONTROL BOARD.

(28) No alteration is proposed in the constitution of the Racecourse Betting Control Board or in the Board's power to conduct cash totalisator betting at horse racecourses with persons attending those courses (paragraph 402).

Power to approve courses.

(29) The Board's power to " approve " horse racecourses should remain as at present, subject to the Commission's recommendation that future horse racecourses may in certain circumstances require to secure a licence for betting from a local authority (paragraph 407).

(30) Betting facilities on approved horse racecourses should be subject to certain conditions proposed in Chapter V (paragraph 408).

Operation of totalisators on approved courses.

(31) A licence to operate a totalisator should only be granted by the Board to the management of an approved horse racecourse. Where a licence is granted the Board should supervise the operation of the totalisator, and the deductions from the pools (less operating expenses and other charges actually incurred) should be paid into the totalisator fund (paragraph 414).

(32) The conduct by the Board of daily double event pools on races being run on the same day at the racecourse where the totalisator is in operation should be allowed; but the Board should not be allowed to organise pre-race pools or double event pools on races to be run at a later date or at a different course (paragraph 417).

(33) The Board in its betting transactions on racecourses should be confined to the receipt of legal tender and of " chits " issued under a scheme approved by the Secretary of State (paragraph 419).

(34) The Board should not be permitted to remunerate or offer special terms to any organisation or person who collects bets on its behalf at the racecourse (paragraph 421).

Off-the-course bets.

(35) The Board should not be allowed to set up offices off the course for the purpose of receiving bets off the course, or to remunerate or offer special terms to other organisations or persons in consideration of the latter receiving bets and transmitting them to the totalisator (paragraph 433). The existing arrangements whereby a commission is paid to companies in respect of bets transmitted to the totalisator by those companies should be brought to an end (paragraph 435).

(36) The Board should be allowed to receive cash postal bets at an approved racecourse where a totalisator is in operation in respect of races being run on that course (paragraph 438).

LOTTERIES.

General Conclusions.

(37) The institution of large lotteries in this country is not recommended. Such a step is undesirable in itself and unlikely to assist very materially in suppressing the sale in this country of tickets in lotteries promoted elsewhere (paragraph 496).

(38) If it should be decided to permit the institution of any large lottery in this country (a step which is not recommended) the least objectionable form of lottery is a State lottery for the benefit of the Exchequer (paragraph 496).

(39) The existing general prohibition in this country of all lotteries, whether promoted here or abroad, should be maintained, subject to the exemptions referred to below, and the law against foreign and illegal lotteries should be strengthened (paragraph 501).

Measures to give effect to the prohibition of lotteries.

(40) It should be an offence

(*a*) to promote an illegal lottery;

(*b*) to advertise, to sell tickets, or to print matter relating to any foreign or illegal lottery;

(*c*) to publish any information concerning foreign or illegal lotteries, including information about the results of drawings and the award of prizes, save where the information is simply a piece of news and is free from any probable tendency to encourage participation in lotteries;

(*d*) to bring into this country, for the purpose of advertisement or sale, tickets or other matter relating to a foreign or illegal lottery, or to send or convey counterfoils and remittances abroad to promoters.

In any proceedings under the Lottery Act the Court should forfeit to the State any money or valuable thing which is shown to be a contribution to a foreign or illegal lottery or to have been intended as prize money or to be the proceeds of a foreign or illegal lottery (paragraph 502).

Exemptions from the general prohibition of lotteries.

(41) Art Union drawings should be allowed as at present under the provisions of the Art Unions Act, 1846. The Board of Trade should, however, be given a general power to revoke at any time their sanction to an Art Union (paragraphs 497 and 503).

(42) Small private lotteries promoted in clubs, works, and elsewhere, and small public lotteries incidental to bazaars or sales of work, which are at present illegal, should be made lawful provided they fulfil certain conditions. An indication of the conditions which should be fulfilled is given (paragraphs 504 and 505).

(43) The majority of the Commission do not see their way to recommend any exemption in favour of small public lotteries or prize drawings in which members of the public generally are invited to purchase tickets (paragraphs 499 and 500).

(44) Three members of the Commission (Mr. Cramp, Mr. Maitland, and Mr. Shaw) hold that it would be practicable to frame a satisfactory exemption in favour of very small public lotteries or prize drawings for charitable purposes, subject to various safeguards (paragraphs 499 and 500).

COMPETITIONS.

(This refers to schemes not otherwise illegal as being lotteries.)

(45)—(*a*) It should be illegal to arrange, in connection with the sale of a newspaper or other article to the public, a competition in which prizes are offered for the forecasting of the results of sporting events;

(*b*) In regard to other competitions for prizes arranged in connection with the sale of a newspaper or other article to the public, the promoters should not be allowed

(i) to receive from competitors money or valuable thing (other than the return of a single coupon), *or*

(ii) knowingly to accept more than one entry from each competitor, *or*

(iii) to give more than £100 in a single prize.

The restrictions under (*b*) should not apply to competitions of skill (paragraph 533).

GAMING.

Gaming Houses.

(46) Various enactments, which may be regarded as obsolete, should be repealed and replaced by an amending and consolidating Act embodying a definition of a common gaming house (paragraphs 536 and 537).

Whist Drives.

(47) The provisions against betting houses and gaming houses should be so drafted as not to cover whist drives and other card games where the only relevant money transactions are the payment

to the promoter of entry money, and payment of prizes on each occasion not exceeding, say, £20 in all, and where the place is not used habitually for this purpose (paragraph 540).

Gaming in Public Places.

(48) Various minor amendments are proposed (paragraphs 541 and 542).

Gaming Machines.

(49) Gaming machines are undesirable. The existing law in England is fairly effective but it should be strengthened (paragraph 549).

Gaming at Shows.

(50) No special exemption is proposed from the general provisions of the law (paragraph 551).

ALL WHICH WE HUMBLY SUBMIT FOR YOUR MAJESTY'S GRACIOUS CONSIDERATION.

S. A. T. ROWLATT (*Chairman*).
MARY GERTRUDE EMMOTT.
F. STANLEY JACKSON.
C. T. CRAMP.
R. F. GRAHAM-CAMPBELL.
W. L. HICHENS.
JAMES LEISHMAN.
A. MAITLAND.
DAVID J. OWEN.
ARTHUR SHAW.
SYDNEY M. SKINNER.
MARY STOCKS.

E. E. BRIDGES (*Secretary*).
A. JOHNSTON (*Assistant Secretary*).

1st June, 1933.

APPENDIX I.

See paragraph 5.)

ALPHABETICAL LIST OF WITNESSES WHO GAVE ORAL EVIDENCE.

Name.	*Designation of Witness or Organisation Represented.*	*Number of Session.*
Mr. James Adair	Procurator Fiscal, Edinburgh ...	4th.
Lord Askwith, K.C.B., K.C.	National Greyhound Racing Society	5th.
Mr. B. E. Astbury	Charity Organisation Society ...	16th.
Lieut.-Col. Romer Baggallay, D.S.O., M.C.	National Greyhound Racing Club...	5th.
Mr. R. M. Barrington-Ward, D.S.O., M.C.	"The Times"	20th.
Rev. E. Benson Perkins ...	Christian Social Council	11th and 12th.
Hon. Sir Trevor Bigham, K.B.E., C.B.	Deputy Commissioner of Police of the Metropolis.	2nd.
Sir Chartres Biron	Chief Magistrate of the Police Courts of the Metropolis.	9th.
Mr. S. Bishop	National Sporting League ...	21st.
Sir Ernley Blackwell, K.C.B.	Legal Assistant Under Secretary of State, Home Office.	1st.
Mr. Sydney G. Boswell ...	Probation Officer, Marylebone Police Court.	9th.
Mr. Charles Bowen	Pool (Tote) Clubs, Limited ...	15th.
Mr. William Bowen	Christian Social Council	12th.
Lieut.-Col. F. Brook, D.S.O., M.C.	Chief Constable of the West Riding of Yorkshire.	3rd.
	County Chief Constables' Association.	19th.
Mr. William Brown	British Greyhound Tracks Control Society, Limited.	15th.
Mr. T. E. Browne	Showmen's Guild	17th.
Mr. Sidney Burgess ...	Probation Officer, Highgate Police Court.	6th.
Mr. Robert Campbell ...	Scottish Football Association ...	18th.
Mr. F. J. Chamberlain ...	Christian Social Council	12th.
Major J. R. Chambers ...	Racecourse Betting Control Board	2nd and 10th.
Rev. A. Chisholm	Church and Nation Committee of the Church of Scotland.	7th.
Mr. James Christie, O.B.E. ...	Chief Constable of Greenock ...	4th.
Rev. J. Hutchison Cockburn	Church and Nation Committee of the Church of Scotland.	7th.
Lieut.-Col. R. Cockburn, O.B.E.	National Greyhound Racing Club	5th.
Col. J. d'E. Coke, C.M.G., C.V.O., C.B.E.	County Chief Constables' Association.	19th.
Mr. F. J. Cook	Odhams Press, Limited	20th.
Brig.-Gen. A. C. Critchley, C.M.G., D.S.O.	National Greyhound Racing Society	5th.
Sir William Davison, K.B.E., D.L., J.P., M.P.	Lotteries Group, House of Commons	16th.
Captain A. C. Dawson ...	Chief Constables' Association (Cities and Boroughs of England and Wales).	19th.
Major M. J. Egan	Chief Constables' Association (Cities and Boroughs of England and Wales).	19th.

Name.	*Designation of Witness or Organisation Represented.*	*Number of Session.*
Mr. E. H. Furst	Scottish Football Association ...	18th.
Mr. H. Garland Wells ...	National Greyhound Racing Society	5th.
Mr. G. G. Graham	Scottish Football Association ...	18th.
Mr. John Gulland	National Anti-Gambling League ...	8th.
Lord Hamilton of Dalzell, K.T., C.V.O., M.C.	Racecourse Betting Control Board	2nd and 10th.
Mr. J. J. Hamilton	Former Organiser, London Stock Exchange Sweepstake.	16th.
Mr. J. S. Hardman	Christian Social Council	12th.
Earl of Harewood, K.G., D.S.O.	Jockey Club	5th.
Mr. Walter Harrison ...	Newspaper Society	20th.
Mr. William J. Harvey ...	Convention of Royal Burghs ...	24th.
Mr. Kenneth Henderson ...	Associated Newspapers Limited ...	20th.
Sir Clement Hindley, K.C.I.E.	Racecourse Betting Control Board	2nd and 10th.
Mr. Benjamin Hobson ...	Showmen's Guild	17th.
Mr. Fred Howard	Pool (Tote) Clubs, Limited ...	17th.
Captain Frank Howlett, M.B.E.	Christian Social Council	13th.
Rev. S. W. Hughes	Christian Social Council	11th.
Mr. H. G. Hunt	Christian Social Council	13th.
Lieut.-Col. H. P. Hunter, C.B.E., D.L.	County Chief Constables' Association.	19th.
Rev. H. Allen Job	Christian Social Council	13th.
Mr. F. R. Jordan	Gaming Laws Reform Association	19th.
Mr. J. M. Keynes, C.B. ...	... ...	20th.
Mr. E. B. Knight	Messrs. Wontner & Sons, Solicitors to the Commissioner of Police.	9th.
Commissioner David C. Lamb	Salvation Army	7th and 8th.
Mr. Thomas Levy, M.P. ...	Lotteries Group, House of Commons	16th.
Major-Gen. Lord Loch, C.B., C.M.G., D.S.O.	National Greyhound Racing Society	5th.
Mr. F. A. Lockwood... ...	Hon. Secretary, Hulton House Club, Mile End.	10th.
Major C. E. Lucas Phillips, M.C.	National Greyhound Racing Society	5th.
Lord Luke of Pavenham, K.B.E.	British Charities Association ...	6th.
Mr. C. A. Macpherson ...	City Prosecutor, Edinburgh ...	14th.
Mr. Hugh Macrae	British Charities Association ...	6th.
Mr. John Martin	... ...	6th.
Mr. John Maxwell	Chief Constable of Manchester ...	3rd.
Mr. A. K. Mayall, O.B.E. ...	Chief Constables' Association (Cities and Boroughs of England and Wales).	19th.
Mr. M. Millar Craig ...	Legal Secretary, Lord Advocate's Department.	4th.
Mr. G. Morley, C.B.E. ...	County Chief Constables' Association.	19th.
Mr. Thomas Murphy ...	Showmen's Guild	17th.
Sir G. E. P. Murray, K.C.B. ...	Secretary to the Post Office ...	18th.
Rev. I. D. Neilson	Church and Nation Committee of the Church of Scotland.	7th.
Sir Laurence Philipps, Bart.	Tote Investors, Limited	21st.
Mr. G. Picken	National Bookmakers' Protection Association, Limited.	20th.
Sir Charles H. Rafter, K.B.E.	Chief Constable of Birmingham ...	3rd.

Name.	*Designation of Witness or Organisation Represented.*	*Number of Session.*
Captain H. Rawlings ...	Chief Constables' Association (Cities and Boroughs of England and Wales).	19th.
Mr. George Rhind	Convention of Royal Burghs ...	24th.
Mr. John Robertson ...	Chief Constables' (Scotland) Association.	19th.
Mr. T. Robbins	Football Association of Wales ...	18th.
Rev. Cecil H. Rose	Christian Social Council	12th.
Mr. R. Ross, C.B.E., M.V.O.	Chief Constables' (Scotland) Association.	19th.
Mr. R. S. Ruston	Tattersalls Committee	10th.
Mr. H. W. Rymer	Amusement Caterers' Association	17th.
Sir E. Marlay Samson, K.B.E., K.C.	Stipendiary Magistrate for Swansea	17th.
Alderman A. A. Senington ...	Association of Municipal Corporations.	23rd.
Mr. James Shand	British Greyhound Tracks Control Society, Limited.	15th.
Mr. Peter Shand	Convention of Royal Burghs ...	24th.
Sir Percy Coleman Simmons, K.C.V.O.	Racecourse Betting Control Board	2nd and 10th.
Mr. Gordon Smith	Club Totalisator Company ...	17th.
Sir Josiah Stamp, G.B.E., D.Sc., LL.D.	... ...	22nd.
Hon. Sir Arthur Stanley, G.B.E., C.B., M.V.O.	... ...	6th.
Brig.-Gen. the Hon. F. C. Stanley, C.M.G., D.S.O.	National Hunt Committee... ...	5th.
	Racecourse Betting Control Board	10th.
Mr. P. A. Symmons, M.C. ...	Mitre Club	15th.
The Most Rev. and Rt. Hon. William Temple, Archbishop of York.	Christian Social Council	11th.
Mr. John Waddell	Northolt Park Racecourse Limited	21st.
Sir Frederick Wall	Football Association	18th.
Rev. F. E. Watson	Scottish National League against Betting and Gambling.	7th.
Mr. A. W. Wrightson ...	British Greyhound Tracks Control Society, Limited.	15th.
Alderman V. Wyles, J.P. ...	Association of Municipal Corporations.	23rd.

APPENDIX II.

ee paragraph 23.)

Extracts from the Second Report of the Select Committee on the Laws Relating to Lotteries.

(1808).

Your Committee are compelled to state, that the Evils of clandestine Insurance appear to them to prevail to a much greater extent than they had reason to suspect when they made their First Report in the month of April last; and it now appears fairly questionable, whether the number of Persons concerned in such practices has materially diminished, or the Sums adventured have been at all decreased. The greater privacy with which the transactions are conducted of course makes every inquiry into their existence exceedingly difficult, whilst it produces combination, and renders the invention of any real remedy the more hopeless.

* * * * * * * * * * *

Your Committee have to lament that it is not in Their power to furnish to the House any more satisfactory result of this part of Their labours: but when it was recollected that for many years past the attention of the most acute and ingenious Persons, well acquainted with the whole of the Lottery System, both legal and fraudulent, under the auspices of successive Ministers, have been directed to this object without success; that it has been represented to Your Committee, that the Lottery and illegal Insurances are inseparable; that the former cannot exist without the latter for its support; that a system of connivance in those acts which the Law prohibits pervades all ranks concerned, from the Persons contracting with Government under the Law, down to the meanest wretch employed in the violation of the Law, and its most ordinary victim: Your Committee did not enter upon this matter with much prospect of success, and do not therefore feel any very great disappointment at the issue: They are persuaded the House will not impute to Them any want of attention to the subject, or zeal in the execution of Their duty.

In truth, the foundation of the Lottery is so radically vicious, that Your Committee feel convinced that, under no system of regulations which can be devised, will it be possible for Parliament to adopt it as an efficient source of Revenue, and at the same time divest it of all the Evils and Calamities of which it has hitherto proved so baneful a source.

A spirit of adventure must be excited amongst the community, in order that Government may derive from it a pecuniary resource. That spirit is to be checked at a certain given point, in order that no Evils may attend it—the latter object has not hitherto been attained; with all the pains which have been bestowed upon it. Your Committee are of opinion that its attainment is impossible.

The ingenuity of Persons interested in breaking the Law, is always upon the watch for its new Enactments, and has hitherto always baffled the sagacity of the Legislature. Added to which, there can be no hope of greater purity amongst the persons employed to detect and bring Offenders to punishment than has been hitherto experienced, or than now exists. The Statute Book is burthened with regulations entirely repugnant to the spirit of the Constitution, rigorous and oppressive in the extreme, which, if they are ever executed, fall only upon the ignorant and destitute, whilst the wealthy and more profligate hold them in utter contempt: and this unseemly state of things is allowed to continue, in order that the State may derive a certain annual sum from the partial encouragement of a Vice, which it is the object of the Law, in all other cases, and at all other times, most diligently to repress.

In the meantime Your Committee find, that by the effects of the Lottery, even under its present restrictions, idleness, dissipation and poverty are increased, the most sacred and confidential trusts are betrayed, domestic comfort is destroyed, madness often created, crimes, subjecting the perpetrators of them to the punishment of death, are committed, and even suicide itself is produced, as will fully appear

by the Evidence submitted to the House. Such have been the constant and fatal attendants upon State Lotteries, and such Your Committee have too good ground to fear will be their invariable attendants so long as they are suffered, under whatever checks or regulations, to exist.

The question naturally occurs to Your Committee, whether any pecuniary advantage, however large or convenient, can compensate to a State for the amount of Vice and Misery thus necessarily produced by the levy of it.

The answer to this question is submitted to Your wisdom and deliberation. But in order that the House may come to a decision, in every view so important to the interests and happiness of the community, without prejudice, Your Committee cannot conclude without expressing a decided opinion, that the pecuniary advantage derived from a State Lottery, is much greater in appearance than in reality. When we take into consideration the increase of Poor's Rates arising from the number of families driven by speculations in the Lottery, whether fortunate or otherwise, to seek parochial relief, the diminished consumption of exciseable articles during the drawings, and other circumstances deducible from the Evidence, they may well be considered to operate as a large deduction from the gross sums paid into the Exchequer by the Contractors. On the other hand, the sum raised upon the people is much greater in proportion to the amount received by the State, than in any other branch of Revenue.

No mode of raising Money appears to Your Committee so burthensome, so pernicious, and so unproductive; no species of adventure is known, where the chances are so great against the adventurer; none where the infatuation is more powerful, lasting, and destructive.

In the lower classes of Society the Persons engaged, whether successful or unfortunate, are, generally speaking, either immediately or ultimately tempted to their ruin; and there is scarcely any condition of life so destitute and abandoned, that its distresses have not been aggravated by this allurement to Gaming, held forth by the State.

Your Committee are conscious that They are far from having exhausted all the grounds upon which it might be urged, that the Lottery ought not to be resorted to as a Financial Resource. The reasoning upon them appears to Your Committee to apply with peculiar force to the situation, the habits, and all the circumstances of a great Manufacturing and Commercial Nation, in which it must be dangerous, in the highest degree, to diffuse a spirit of Speculation, whereby the mind is misled from those habits of continued industry which insure the acquisition of comfort and independence, to delusive dreams of sudden and enormous wealth, which most generally end in abject poverty and complete ruin. If after all that has been stated, and a perusal of the Evidence, the House shall think proper to sanction the adoption of the Lottery in any future Session of Parliament, Your Committee recommend to Your consideration the various suggestions contained in their two Reports for the alteration of the Law, from which they are willing to hope, at least, that some beneficial selection may be made. But they cannot flatter themselves with the expectation that They have been much more fortunate than the able persons who have applied themselves with so much industry and so little success to the same subject, and to whom the Public are indebted for their attempt to correct the Evils, which, in the opinion of Your Committee, can only be done away by the suppression of the cause from which they are derived.

APPENDIX III.

See paragraph 137).

SPECIMEN FOOTBALL COMBINATION BETTING COUPON.

The Fixed Priced Coupon.

Matches played on 4th MARCH, 1933.

No. 1 LIST.

5 SELECTIONS

2 to 1—6 home
2 to 1—4b 1a
2 to 1—3h 2a
5 to 1—4h 1d
6 to 1—3h 1a 1d
3 to 1—2h 3a
7 to 1—4b 4a
18 to 1—5 away

6 SELECTIONS

4 to 1—6 home
4 to 1—5h 1a
4 to 1—4b 2a
6 to 1—5b 1d
6 to 1—4b 1a 1d
7 to 1—5h 3a
9 to 1—2b 4a
20 to 1—1h 5a
30 to 1—6 away

7 SELECTIONS

5 to 1—7 home
5 to 1—6h 1a
6 to 1—6b 2a
8 to 1—5h 1d
8 to 1—5h 1a 1d
10 to 1—4h 3a
14 to 1—3h 4a
18 to 1—5b 2d
25 to 1—2b 5a
35 to 1—1h 6a
45 to 1—7 away

8 SELECTIONS

8 to 1—8 home
8 to 1—7h 1a
9 to 1—6h 2a
10 to 1—6h 1a 1d
10 to 1—7h 1d
14 to 1—5h 3a
18 to 1—4h 4a
30 to 1—3h 5a
40 to 1—2h 6a
50 to 1—1h 7a
75 to 1—8 away

9 SELECTIONS

12 to 1—9 home
12 to 1—8h 1a
12 to 1—7h 2a
18 to 1—6h 3a
22 to 1—5h 1d
25 to 1—4h 6a
35 to 1—4h 5a
50 to 1—3h 6a
50 to 1—7b 2d
70 to 1—2h 7a
100 to 1—1h 8a
100 to 1—6h 3d
125 to 1—9 away

10 SELECTIONS

10 to 1—10 home
18 to 1—9h 1a
16 to 1—8h 2a
25 to 1—7h 3a
30 to 1—6h 4a
35 to 1—9h 1d
50 to 1—6h 5a
60 to 1—4h 8a
75 to 1—8h 2d
80 to 1—3h 7a
150 to 1—2h 8a
150 to 1—7h 3d
170 to 1—1h 9a
200 to 1—10 away

11 SELECTIONS

22 to 1—11 home
22 to 1—10h 1a
22 to 1—9b 2a
33 to 1—6h 5a
40 to 1—10b 1d
40 to 1—7h 4a
60 to 1—6h 6a
75 to 1—5h 6a
85 to 1—9b 2d
150 to 1—6h 3d
225 to 1—2h 9a

No. 2 LIST

5 SELECTIONS

5 to 2—5 home
5 to 2—4b 1a
5 to 2—3h 2a
6 to 1—4h 1d
6 to 1—3h 1a 1d
8 to 1—2h 3a
8 to 1—1h 4a
18 to 1—5 away

6 SELECTIONS

5 to 1—6 home
5 to 1—5h 1a
5 to 1—4b 2a
7 to 1—5h 1d
7 to 1—4h 1a 1d
8 to 1—3h 3a
10 to 1—2h 4a
22 to 1—1h 5a
35 to 1—6 away

7 SELECTIONS

7 to 1—7 home
7 to 1—6h 1a
7 to 1—5h 2a
9 to 1—5h 1d
9 to 1—5h 1a 1d
12 to 1—4h 3a
16 to 1—3h 4a
20 to 1—5h 2d
50 to 1—2h 6a
60 to 1—1h 6a
50 to 1—7 away

8 SELECTIONS

10 to 1—8 home
10 to 1—7h 1a
10 to 1—6h 2a
12 to 1—6h 1a 1d
14 to 1—7h 1d
15 to 1—5h 3a
20 to 1—4h 4a
55 to 1—3h 5a
45 to 1—2h 6a
60 to 1—1h 7a
80 to 1—8 away

9 SELECTIONS

14 to 1—9 home
14 to 1—8h 1a
14 to 1—7h 2a
20 to 1—6h 3a
25 to 1—5h 1d
30 to 1—5h 4a
40 to 1—4h 5a
55 to 1—3h 6a
60 to 1—7h 2d
75 to 1—2h 7a
120 to 1—6h 3d
120 to 1—1h 8a
150 to 1—9 away

10 SELECTIONS

90 to 1—10 home
20 to 1—9h 1a
30 to 1—8h 2a
30 to 1—7h 3a
40 to 1—9h 1d
40 to 1—6h 4a
60 to 1—5h 5a
65 to 1—4h 6a
80 to 1—8h 2d
100 to 1—3h 7a
150 to 1—2h 8a
160 to 1—7h 3d
200 to 1—1h 9a
250 to 1—10 away

11 SELECTIONS

30 to 1—11 home
30 to 1—10h 1a
30 to 1—9h 2a
35 to 1—8h 3a
45 to 1—10b 1d
45 to 1—7h 4a
70 to 1—6h 5a
85 to 1—5h 6a
90 to 1—9h 2d
200 to 1—8h 3d
250 to 1—2h 9a

ODDS FOR No. 3 LIST.

4 to 1—5 home
4 to 1—4h 1a
6 to 1—5h 2a
8 to 1—4h 2a
8 to 1—3h 3a
8 to 1—6 home
8 to 1—2h 5a
10 to 1—7 home
12 to 1—6h 1a
14 to 1—5h 2a
10 to 1—1h 4a
12 to 1—5h 3a
14 to 1—4 home
16 to 1—7h 1a
16 to 1—5 away
16 to 1—2h 4a
16 to 1—4h 3a
20 to 1—3h 4a

20 to 1—5b 3a
25 to 1—6h 1a
25 to 1—4 home
30 to 1—3 away
30 to 1—6 away
25 to 1—4b 4a
25 to 1—7h 2a
30 to 1—2h 5a
30 to 1—6h 2a
55 to 1—1h 6a
35 to 1—3h 5a
50 to 1—7 away
50 to 1—2h 6a
50 to 1—5h 4a
60 to 1—4h 5a
60 to 1—1h 5a

Only in case of postponements will the following be paid—

2 to 1—3h or 3a
4 to 1—3h or 1a
6 to 1—2h or 2a
2 to 1—1 draw

5 to 1—4 home
7 to 1—3h 1a
4 to 1—2h 2a
4 to 1—1h 3a

Each prediction must contain not less than 4 Selections on my No. 3 List.

ODDS FOR DRAWS

10 to 1—2 draws 30 to 1—3 draws

On all Full-time Lists
If postponements 2 to 1 2 draw

NO QUOTATION—NO BET

NOTICE.—The prices on ALL LISTS are subject to fluctuation, but the prices offered will be clearly printed on the Coupon each week.

The following odds are only paid in the event of postponements on Nos. 1 and 2 Lists :—

1 to 6—1 home
1 to 4—1 away
1 to 4—2 home
2 to 1—1 draw
1 to 2—1h 1a
1 to 2—2 away
1 to 2—3 home
4 to 6—2h 1a

1 to 1—1h 2a
6 to 4—3 away
1 to 1—4 home
1 to 1—3h 1a
6 to 4—2h 2a
1 to 1—1h 3a
3 to 1—4 away

Not less than 5 teams can be taken.

Fixed Price Rules

1.—Letters must bear a time postmark, not later than advertised time of kick-off.

2.—The strictest investigations will be made in the case of a letter taking an unreasonable time in transit. I cannot be held responsible for letters lost in post.

3.—When posting registered letters on day of matches, clients should enquire if their letters will get a time stamp, not in code. Registered letters when code stamped, must be posted overnight.

4.—All commissions received from army camps, from abroad, or from Ireland must be received on day of matches. Credit Accounts Opened on approved references. No account entertained unless officially sanctioned by me.

5. Commissions over £3 must reach me before kick-off.

6.—Should a match be stopped owing to unforeseen circumstances, the result at the abandonment to be considered final. When extra time is played the result is reckoned on first 90 minutes' play

7.—Any match played on date mentioned stands, whether played as League, Cup Tie or Friendly.

8.—In the event of any match being wrongly stated or any club giving up ground advantage (unless correctly stated on Coupon), said matches are void, and clients will be paid on remaining matches. No notice will be taken of clients' alterations.

9.—If a match is played on neutral ground both teams will be considered Home Teams.

10.—When a match becomes void the remaining part of the commission stands

11.—Proof of posting cannot be accepted as proof of delivery

MATCHES PLAYED ON SATURDAY, 4th MARCH, 1933.

PLAY THE PASSING GAME AND PASS ON MY COUPONS TO YOUR FRIENDS

No. 1 LIST

ENGLISH CUP—Sixth Round.	
Burnley	Manch. C.
Derby Co.	Sund'rl'nd
Everton	Luton T.
West Ham	B'ming'm
ENGLISH—FIRST	
Arsenal	Liverpool
Blackburn	Hud'rsf'ld
Blackpool	Portsm'th
Leeds Un.	Sheff. U.
Sheff. W.	Wolves
W. Brom A.	Newcastle
ENGLISH—SECOND	
Bradf'd C.	Plymouth
Bury	Grimsby
Chesterf'ld	Bradford
Lincoln	Oldham
Millwall	Manch. U.
Notts Co.	Charlton
Port Vale	Stoke C.
S'hampt'n	Tottenh'm
Swansea	Notts F.
ENGLISH—THIRD (South)	
B'rnem'th	Reading
Brentford	Southend
Bristol C.	Aldershot
Clapton O.	Brighton
Coventry	Que'n's PR
Exeter	Gillingh'm
Newport	Cardiff C.
N'hampt'n	Bristol R.
Swindon	Norwich
Torquay	Crystal P
ENGLISH—THIRD (North)	
Barnsley	Rotherh'm
Darlington	Rochdale
Doncaster	Southport
Gateshead	York C.
Halifax	N Brigh'n
Hartlep'ls	Accringt'n
Hull C.	Mansfield
Stockport	Crewe A.
Tranmere	Chester
Walsall	Carlisle
Wrexham	Barrow
SCOTTISH CUP—Fourth Round	
Clyde	Stenhouse
Hibernians	Hearts
K'marn'k	Moth'rw'll
SCOTTISH—FIRST	
Airdrie	Morton
Ayr Un.	S. J'stone
Cowd'nb'th	Hamilton
E. Stirling	Falkirk
Partick T.	Queen's P.
St. Mirren	Aberdeen
Third Lan.	Rangers
Place sums invested Under Columns.	

THROUGHOUT THIS COUPON PUT 1 FOR HOME TEAM; PUT 2 FOR AWAY TEAM; PUT X FOR A DRAW.

No. 2 LIST

ENGLISH CUP—Sixth Round.	
Burnley	Manch. C.
Derby Co.	Sund'rl'nd
West Ham	B'ming'm
ENGLISH—FIRST	
Arsenal	Liverpool
Blackburn	Hud'rsf'ld
Blackpool	Portsm'th
Leeds Un.	Sheff. U.
Sheff. W.	Wolves
W. Brom A.	Newcastle
ENGLISH—SECOND	
Bradf'd C.	Plymouth
Bury	Grimsby
Chesterf'ld	Bradford
Lincoln	Oldham
Millwall	Manch. U.
Notts Co.	Charlton
Port Vale	Stoke C.
S'hampt'n	Tottenh'm
Swansea	Notts F.
ENGLISH—THIRD (South)	
B'rnem'th	Reading
Brentford	Southend
Bristol C.	Aldershot
Clapton O.	Brighton
Coventry	Que'n's PR
Exeter	Gillingh'm
Newport	Cardiff C.
N'hampt'n	Bristol R.
Swindon	Norwich
Torquay	Crystal P
ENGLISH—THIRD (North)	
Barnsley	Rotherh'm
Darlington	Rochdale
Doncaster	Southport
Gateshead	York C.
Halifax	N Brigh'n
Hartlep'ls	Accringt'n
Hull C.	Mansfield
Stockport	Crewe A.
Tranmere	Chester
Walsall	Carlisle
Wrexham	Barrow
SCOTTISH CUP—Fourth Round	
Clyde	Stenhouse
Hibernians	Hearts
K'marn'k	Moth'rw'll
Place sums invested Under Columns.	

No. 3 LIST

Burnley	Manch. C.
Derby Co.	Sund'rl'nd
West Ham	B'ming'm
Blackburn	Hud'rsf'ld
Blackpool	Portsm'th
W. Brom A.	Newcastle
Chesterf'ld	Bradford
Millwall	Manch. U.
Port Vale	Stoke C.
S'hampt'n	Tottenh'm
Swansea	Notts F.
B'rnem'th	Reading
Bristol C.	Aldershot
Clapton O.	Brighton
Newport	Cardiff C.
N'hampt'n	Bristol R.
Swindon	Norwich
Torquay	Crystal P.
Darlington	Rochdale
Doncaster	Southport
Hartlep'ls	Accringt'n
Tranmere	Chester
Wrexham	Barrow
Hibernians	Hearts
K'marn'k	Moth'rw'll
Airdrie	Morton
Cowd'nb'th	Hamilton
Partick T.	Queen's P.
St. Mirren	Aberdeen
Third Lan.	Rangers
Place sums invested Under Columns.	

NOTE.

THE ENCLOSED ENVELOPE DOES NOT REQUIRE TO BE STAMPED. I PAY THE POSTAGE ON DELIVERY AT MY OFFICE.

NAME .....

ADDRESS .....

TOWN .....

APPENDIX IV.

See paragraph 165)

SUMS SUBSCRIBED TO SWEEPSTAKES ORGANISED BY HOSPITALS TRUST, LIMITED (DUBLIN).

Sweepstake	Total amount subscribed (i.e., including Sellers' Commission)	Sellers' Commission.	Proceeds of Sale of Tickets.	Sellers' Prizes.	Expenses (in addition to Sellers' Commission)	Prize Fund.	I.F.S. Stamp Duty.	Available surplus for Hospitals and to Minister for Local Govt. (for Poor Law Hospitals).	Approximate amount subscribed in Great Britain.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1930.	£	£	£	£	£	£	£	£	£
Manchester November Handicap.	800,052	133,342	666,710	8,352	117,453	409,234	—	131,672	470,000
1931.									
Grand National ...	2,114,355	352,392	1,761,963	6,000	134,557	1,182,416	—	438,991	1,430,000
Derby	3,393,236	565,539	2,827,697	38,000	189,773	1,902,500	—	697,424	2,350,000
Manchester November Handicap.	3,575,822	595,970	2,979,852	38,000	262,623	1,943,766	—	735,463	2,300,000
1932.									
Grand National ...	4,091,693	681,949	3,409,744	44,000	276,589	2,247,719	—	841,436	2,950,000
Derby	5,021,383	836,897	4,184,486	56,000	291,812	2,804,552	258,030	774,091	3,785,000
Cesarewitch	4,404,363	734,060	3,670,303	46,000	333,853	2,384,374	226,519	679,557	3,090,000
1933.									
Grand National ...	3,721,586	620,264	3,101,322	38,000	301,261	1,986,731	193,833	581,497	2,370,000

NOTES.—As regards the first seven sweepstakes, the figures in columns (4) to (9) inclusive are taken from the statements of receipts and disbursements compiled in respect of each sweepstake in accordance with the terms of the Public Charitable (Temporary Provisions) Act, 1930. The corresponding figures in respect of the sweepstake on the Grand National, 1933, are taken from the newspapers.

The amounts retained by sellers as commission do not appear in the published statements of receipts and disbursements, which are built up to the net proceeds of the sale of tickets (column (4) of the table). The figures in column (3) are arrived at by assuming sellers' commission to equal 16⅔ per cent. of the net proceeds of each sweepstake (i.e. £1 on every £6 of tickets sold). The figures in column (2) are arrived at by adding the figures in columns (3) and (4).

The figures in column (10) are an estimate (rounded to the nearest convenient figure) based upon the proportion of the prizes known to have been received in this country.

APPENDIX V.

See paragraph 387).

Chits Issued by Racecourse Betting Control Board.

Chits are issued in denominations of £1, £5, £10 and £100.

The chits are printed by the Racecourse Betting Control Board's bankers and are circulated by them to other banks which have undertaken to sell chits to their customers. No money passes at this stage.

When the customer of a bank obtains a book of chits from his bank, the cost is immediately debited to his account. The issuing bank informs the Board's bankers that they have sold chits numbered X, Y, Z, and they transmit to the Racecourse Control Board's account with the Board's bankers the money value of the chits sold.

There is an interval between the time when the customer purchases chits from his bank and the time when the purchase price of the chits sold reaches the Board's bank. The object of this interval is to give the banks issuing chits the use for a few days of the money obtained from the sale of chits, in order to recoup them for their services in issuing the chits.

Chits are accepted at the totalisator on a racecourse in lieu of cash. After each day's racing the winning chits and the amount due on each are listed and sent to the headquarters of the Racecourse Betting Control Board. The Board check the list and send it to their bank with a cheque for the total amount due on the winning chits as a whole. The Board's bank then distribute the winnings among the various banks, to be credited to the accounts of the various winners.

In the case of Tote Investors Limited, and the Blower, chit transactions for all practical purposes are carried out in the same manner as in the case of a private individual using chits.

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