

THE SOCIETY FOR THE STUDY OF GAMBLING NEWSLETTER

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The Society for the Study of Gambling was formed in 1977 to provide a forum for those concerned with research into gambling, to promote its scientific study especially as far as the psychological, social and economic aspects are concerned, and to inform and educate the public about these matters.

The membership of the Society is drawn from a wide circle of people who have an interest in various aspects of gambling. They range from social workers and psychiatrists who deal with 'compulsive gamblers', to members of the gambling industry. It is a condition of the Society that there should be freedom of opinion and practice among its members so that the Society does not take any particular stance in relation to gambling.

The Society holds regular scientific meetings which have, so far, always taken place in London. Further information concerning the Society can be obtained from the Honorary Secretary.

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ILLEGAL GAMBLING AND HISTORIES OF POLICING

David Dixon*

To understand gambling, we must understand its history. This is true as regards not only the development of control and regulation by the state, but also the place of gambling in British cultures. For example, it is impossible to understand the phenomenon of 'compulsive' gambling (leaving aside extreme medical models of addiction) unless one understands the historical creation of categories of deviant gambling. There is a tendency in gambling studies to overemphasize gambling's universal nature, particularly in accounts which use this as justification for treating British and American experience as unproblematically comparable. While the apparently universal occurrence of gambling can be recognized, it is much more valuable to examine specific historical and cultural developments.

The crucial general features of modern British gambling history are: firstly, the use of class discriminatory prohibition as the primary mode of control; secondly, the lateness, in comparison with other trends in British society, of the completion of the effective prohibition of public working class gambling (effected by the Street Betting Act, 1906); and thirdly, the longevity of this prohibition, lasting as it did right down to the legalization of off-course cash betting in the Betting and Gaming Act, 1960. An attempt must be made to understand and explain these features: it is no longer adequate simply to treat the 1906 Act as a belated and anachronistic expression of Victorian moralism and the 1960 Act as a by-product of a period in post-war Britain allegedly characterized by affluence, embourgeoisement and permissiveness.

Clearly this is not the occasion to try to develop a comprehensive account. Instead, attention will be directed here at one particular facet of the history of gambling - the role of the police. This seems justifiable and worthwhile because of the importance of the police not only, as might be expected, in the enforcement of anti-gambling law, but also in its creation. In addition, using the police as a point of focus allows us to make some connections with the recent debates about police-community relations and about proposals for law reform. However, this should not be taken to suggest that the police were the only major factor in the move towards prohibition: I have dealt with other factors in some detail elsewhere and my intention here is to remedy a relative neglect of the role of the police in that work. [1]

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Any discussion of the history of the British police has to begin with the dispersal of a pervasive body of myth about that history which has been (and continues to be) produced and reinforced by the police themselves and by traditional 'institutional' historians. [2] The central feature of this is an idealized image of police-community relations in the past. Opposition to the introduction of the New Police in the nineteenth century is interpreted as misguided concern about the preservation of traditional liberties. This was soon allayed, and a Golden Age of policing was installed in which the police played a major and positive role in the pacification of British society and the transition to democracy. The construction of such myths involves considerable historical licence: anyone having the least acquaintance with nineteenth century history would be surprised to learn from a recent Metropolitan Police Commissioner that the police were responsible for giving the 'trade union and labour movements... the freedom to grow and prosper'. [3] According to such accounts, harmonious police-community relations were fully established by the end of the century: 'By the early 1900s, the Londoner's trust in the familiar "bobby" was developing into an affection which was to last. The policeman on his beat was no longer a member of an alien force. He was a respected community member, a public arbiter and an ally to the weak and the poor.' (4) Paradoxically, it should seem, the period in which class discriminatory prohibition of gambling reached its zenith was the 'good old days' of British policing.

The last ten years have seen a substantial challenge to and revision of this conservative, institutional history of the British police. There is now a real alternative to these accepted accounts, which is why the plural 'histories' is used in the title of this piece. It refers to 'policing' rather than to 'the police' because this new work has taken as its main subject of attention the relations between police and policed, rather than as before the organisation and institutions of the police forces themselves. These writers [5] have established that resistance to the New Police was much more determined and violent than has previously been admitted, and that it did not fade away by the 1850s, but continued into this century (albeit in adapted form as the permanence of the police became inevitable and the aim became not their wholesale removal, but rather the satisfaction of specific grievances). Early decline in opposition to, and acceptance of the New Police was an essentially middle class phenomenon: the most characteristic and significant contribution of the new historians of policing is their insertion of a class dimension which earlier work had neglected. Storch's work is particularly important in stressing that police-community conflict was roused not only in the policing of working class political and industrial movements (in which case its significance would have to be qualified, in that the disorder and antagonism thereby occasioned was by nature intermittent), but also much more consistently in the policing of everyday working class life and recreation. The mandate of the New Police was the prevention of crime, and a vital part of this was the imposition and maintenance of new standards of public order. This entailed an onslaught on the street life of working class districts: surveillance and regulation were designed to achieve a moral reform of working class society, and the police were 'placed at the point of a larger attempt to transform popular culture'. [6]

So the move towards prohibition of public working class gambling has to be seen in this general context of attempted reform of working class culture running throughout the nineteenth century which came to a head in the years after 1870. This is not to imply any uncomplicated; smooth progress towards 'social control'. Indeed, the resistance to, and lack of success of the moral reformers were as important in the shaping of 'traditional' working class culture as the message of the moral initiatives. This resistance contributed to the unevenness of attempts at control: these came in waves, the products of campaigns by developing police forces and pressure from concerned groups and 'moral minorities'. There was inconsistency not only over time, but also over different areas of the country: the new historians have shifted attention away from the Metropolis and shown the diversity of police traditions in Britain.

Public gambling had always been a subject of these attempts to reform working class recreation and culture. But this gambling was for the most part gaming with cards or dice, or small-scale betting and wagering which were by nature unorganized and unprofessional. Gambling only became a priority target with the emergence of an increasingly organized and professionalized system of betting and bookmaking. This in turn depended upon broader developments in the commercialization of popular culture and the creation of a national leisure market in the later nineteenth century; particularly important here were the new popular press and improvements in communications which were indispensable for the operation of a reputable, rapid bookmaking system. (Other factors, including the perception of the relative decline of drink as a social problem, changes in the relationship between work and leisure and the effects of urbanization, are discussed elsewhere. [7] These factors account for the relative lateness of gambling's emergence as a major subject of moral panic: their immediate product was the Street Betting Act, 1906.

Police support for the prohibition of public working class gambling effected by the 1906 Act was vital: in particular, their enthusiasm for, and claims of ability to enforce it were responsible for prohibition being preferred to the alternative method of control available - administrative regulation by licensing, registration and taxation. The Act was the result of a campaign by the National Anti-Gambling League which fed off deep-running antagonisms and conflicts in late-Victorian and Edwardian society; [8] but it could not have emerged without the positive consent and active approval of the police. Doubts felt by the 1901-1902 House of Lords Select Committee on Betting about the enforceability and general workability of prohibition were allayed by the senior police officers who gave evidence. They regarded street betting and bookmaking as major evils and asked to be given the power to repress them effectively. They claimed that they would be able to do this, just as in the late 1860s and 1870s they had enforced the Betting Houses Act, 1853, which had originally driven the bookmakers into the streets.

This police self-confidence lasted until the First World War. Until then, when difficulties in enforcement were admitted, their response was to ask for greater powers and higher penalties. But the War marked a crucial watershed in attitudes to gambling for the police, as for others. These changes found expression at the hearings of the 1923 House of Commons Select Committee on Betting Duty. The war-time discussion of state promoted gambling schemes provoked interest in the possibility of raising revenue from a tax on betting; the Committee was appointed to investigate this. However, taxation implied legalization and the substitution of administrative regulation for prohibition: in consequence, the police were provided with a forum in which to express opinions on the success of prohibition. [9] The Street Betting Act, which before the War had been greeted as an addition to their power, was now criticised as a threat to their authority which had to be removed. Prohibition was described as being unworkable: attempts to enforce it led to allegations of corruption and some real corruption (although it was stressed that this was unorganized and small-scale), and also to a more general threat to police-community relations due to popular antagonism to the enforcement of anti-gambling laws. The overt class discrimination of these laws was seen as threatening the vital toehold of consent on which the police depended: fears were expressed about the effect of this on popular attitudes to the legal and political system as a whole which were accepted as well-founded by both the 1923 Select Committee and by the 1932-1933 Royal Commission on Lotteries and Betting.

Despite this pressure, nothing was done to legalize working class betting until 1960. Part of the explanation is to be found in the consistent opposition of the Home office to decriminalization and its ability to ignore or deflect police criticism of the law until the organization of police opinion into an influential lobby after the Second World War. The Home office was painfully cautious and conservative; fearing the social consequences of the increase in working class betting which legalization was expected to produce. This powerful conservatism within the Home Office was a crucial element in the almost farcical episode of Churchill's attempt in 1926 to impose a betting duty without legalizing off-course cash betting. This failure which was later said to be 'written on the Customs heart', [10] handed the Home Office a decisive card which could be played whenever a betting tax was suggested subsequently.

Equally important, however, was the successful establishment of a *modus vivendi* between low-level police officers and working class communities - or, more precisely, the adult male members of such communities. This was managed through a negotiation about space, so that activities unacceptable in the town centre or on the main roads could be tolerated within the working class neighbourhood, and about notions of responsible citizenship, so that while adult male gambling was harmless, that of women and young people was regarded as harmful and in need of control. [11] As Michael Ignatieff recently argued: 'In each neighbourhood, and sometimes street by street, the police negotiated a complex, shifting, largely unspoken "contract". They defined the activities they would turn a blind eye to, and those which they would suppress, harass and control.' [12] These definitions varied regionally: generally, the use of shops and offices for betting seems to have been tolerated much more in the North of England than in London and the South, where business was normally conducted in the street. Without doubt, bribery was a normal part of these arrangements: perhaps this informal licensing should be seen as a method of control rather than as an indication of more sinister structural corruption. This *modus vivendi* was far from being permanent, stable or consensual. Action by specialized betting squads encouraged by magistrates or pressure groups frequently disrupted comfortable arrangements. News of violent police action outside the community towards strikers or unemployed demonstrators, as in the twenties and thirties, could threaten the basis of these social contracts. Finally, the *modus vivendi* was underpinned by an inescapable relation of force: it was the police that set the terms of any negotiation, and the police that retained the reserves of legal power which could be used against such communities.

In this way, decriminalization of public working class gambling could be delayed right down to 1960. People made books and bets in shops, pubs and the street, knowing that what they were doing was illegal, but caring little. The police largely contented themselves with more or less cursory attempts at enforcement. The Betting and Gaming Act, 1960 should be seen not as the removal of control from working class betting, but rather the imposition of a much more effective mode of control - administrative regulation backed up by the market.

The 1960 Act brought most, but not all, gambling inside the law. The negotiation of power still continues in relation to the illegal gambling of socially marginal groups such as the unemployed and the ethnic minorities. Action seems to be taken against the illegal recreational activities of such groups only when and if they come to be seen as a threat for reasons external to these activities themselves. There is a clear contrast here between on the one hand, recent heavy responses to after-hours drinking and street gambling in parts of Liverpool and the longer history of policing of the black communities' meeting and recreational centres, and, on the other, the way in which the Chinese community's illegal gambling is tolerated with minimal interference. Indeed, the Rothschild Report recommended legalization of such gambling. [13] Contemporary attitudes to Chinese gambling are similar to those to adult male gambling before 1960. But this has not always been the case: in the years around the First World war, activities such as gambling in the Chinese community provoked serious racial violence. [14] The difference is that then the Chinese were perceived as socially and economically threatening aliens: now they are accepted as a generally exceptionally law-abiding and hard-working community.

The point that this contrast makes will suffice as a conclusion. It shows that gambling and reactions to it cannot be understood in isolation from broader historical patterns in society, culture, politics and the economy. Gambling is made illegal and perceived as a threat or a subject of concern not so much because of anything internal to gambling itself, but rather because of the meanings which are loaded onto it from outside. To understand gambling, we must understand what it is that gambling is seen to indicate: as I said at the beginning, this necessitates historical analysis.

Footnotes

- 1 See "'Class law': the Street Betting Act of 1906", 8, International Journal of the Sociology of Law (1980), pp101-128; "The discovery of the compulsive gambler", in Z. Bankowski and G. Mungham, eds., Essays in Law and Society, (London: Routledge and Kegan Paul, 1980) pp157-179; "The state and gambling: developments in the legal control of gambling in England, 1867-1923", in W.R. Eadington, ed., The Gambling Papers: Proceedings of the 5th National Conference on Gambling and Risk Taking (Reno: University of Nevada, 1982), pp1-87.
- 2 For an excellent analysis, see C.D. Robinson: "Ideology as history: a look at the way some English police historians look at the police", 2, Police Studies, (1977), pp35-49.
- 3 D. McNee: "Street Riots", Sunday Mirror, 31 October, 1982, p10.
- 4 E. Harlow: Scotland Yard: the first 150 years (London: British Tourist Authority, 1979), p19.
- 5 In particular, see R.D. Storch: "'The plague of blue locusts': police reform and popular resistance in Northern England, 1840-1857", 20, International Review of Social History (1975), pp61-90; *ibid.*: "The policeman as domestic missionary: urban discipline and popular culture in England, 1850-1880", 9, Journal of Social History (1976), pp481-509; M. Brogden: "'All police is conning bastards' - policing and the problem of consent", in B. Fryer, et al. eds., Law, State and Society (London: Croom Helm, 1981), pp202-208; *ibid.*: The Police: autonomy and consent (London: Academic Press, 1982).
- 6 Storch: "The policeman as domestic missionary...", *op.cit.*, p484.
- 7 See "'Class law'...", *op.cit.*, pp109-121.
- 8 See *ibid.*

- 9 See "The state and gambling...", op-cit., section 5.
- 10 C.C. Hood: The limits of administration (London: John Wiley, 1976), p172.
- 11 See P. Cohen: "Policing the working-class city", in B. Fine, et al. eds., Capitalism and the rule of law (London: Hutchinson, 1979), pp118-136.
- 12 M. Ignatieff: "Police and people: the birth of Mr. Peel's 'blue locusts'", New Society, 30 August, 1979, pp443-445 at p445.
- 13 Final Report of the Royal Commission on Gambling, 1976-1978, Cmnd .7200 (London: HMSO, 1978), chapter 22.
- 14 See J.P. May: "The Chinese in Britain, 1860-1914", in C. Holmes, ed., Immigrants and minorities in British society (London: George Allen and Unwin, 1978), pp111-124.

THE PROVISION OF CREDIT FOR GAMING

David Miers*

Section 16 of the Gaming Act provides:

where gaming to which this Part of the Act applies takes place on premises in respect of which a licence under this Act is for the time being in force, neither the holder of the licence nor any person acting on his behalf or under any arrangement with him shall make any loan or otherwise provide or allow to any person any credit, or release, or discharge on another person's behalf, the whole or part of any debt -

- (a) for enabling any person to take part in the gaming, or
- (b) in respect of any losses incurred by any person in the gaming.

Under the Betting, Gaming and Lotteries Act 1960, it was not unlawful either to give credit for gaming, or to release a player from his gaming debts (although such contracts were unenforceable at law). Such facilities allowed many players to overreach themselves; by making them unlawful, the government sought 'to restrict the worst temptations to excess'. [1] By way of illustration, the following transactions are unlawful where one of the parties is the licence-holder, or is a person acting on his behalf (such as the casino's credit manager) or under any arrangement with him (such as another player):

- 1 a player is loaned £500 cash to play roulette, or at the end of the evening, is loaned 1% of his losses for his taxi fare;
- 2 during the play of a game, a player is given additional chips on the basis of an I.O.U.;
- 3 a player is told that he will be given chips representing 1% of the losses incurred by any new members that he introduces to the club;
- 4 a player presents a cheque for £45,000 to be exchanged for chips, the club retaining £7,500 in reduction of his existing debts of £87,000; [2]

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- 5 at the end of gaming, a player who has written ten cheques to the club is permitted to consolidate nine of them in a single cheque, the tenth being simply returned to him.

Section 16 was aimed at the home population, and so far as that object is concerned, it has been a success. What was not foreseen in 1968 was the extraordinary market pressures of the mid 70s caused by the influx into the London clubs of a large number of very high-staking players, mainly from the Middle East and Gulf States. It is common for established members of London clubs to be allowed to exchange cheques for cash or chips, usually, but not always, up to a pre-set credit limit. However, to maintain the vastly increased income which these players brought in, and to prevent them from taking their custom elsewhere, a casino either had to initiate preferential terms in the way in which it dealt with such players' cheques, or at least to accede to requests for such terms. A legal difficulty which arose was whether section 16 applied to such terms. Two particularly controversial issues were:

- 1 whether it is lawful for a casino to accept a cheque for gaming while a dishonoured cheque drawn by the player remains unpaid; and
- 2 whether it is lawful for a casino to compromise a dishonoured cheque, that is, to settle with the player for a lesser sum or to allow time to pay.

The point which lies behind both issues is that if such dealings with cheques were lawful, a casino could freely provide what is in effect credit for gaming, the only constraint being its commercial judgment. Many casinos took advantage of the uncertainty concerning the scope of section 16, which brought them into conflict with the Gaming Board whose view was that such preferential dealing was improper, if not unlawful, and where their behaviour was extreme, into conflict with other casino proprietors who preferred to maintain a more co-operative relationship with the Board. These disagreements caused some tension within the gaming industry during the late 70s, and while the recent decision R. v. Knightsbridge Crown Court, ex parte Marcrest Properties [4] resolves some of the legal controversy, there remains scope for further disagreement about its application to particular cases.

Exchanging cheques for cash or tokens for gaming

It is lawful for a casino to accept a cheque in exchange for cash or chips for enabling any person to take part in the gaming, provided that three conditions are met. These are that the cheque should not be postdated, that it should be exchanged for cash or chips of an equal amount, and that it should be delivered to a bank for payment or collection within two banking days. [5] Of these three, it is the last condition that has been most abused. [6] In the absence of a deliberate abuse, a recent decision suggests that some technical non-compliance will not be unlawful, [7] but the evidence of the past few years shows that a number of clubs

have systematically and chronically failed to comply with this requirement. Such non-compliance constitutes grounds for refusing to renew, or for cancelling a gaming licence. In addition to accepting a player's own cheques, many casinos will permit a player to use its own blank house cheque forms. Scrip cheques, when properly completed constitute valid bills of exchange, and provided that they are valid at the time they are exchanged for chips, do not contravene section 16. They are however open to abuse. For example, if the player were merely to sign the cheque form, leaving the casino to enter as the drawee the name of its own bank, at which the player has no account, the cheque will be returned marked 'no account' and the player will have gamed on unlawful credit. Such cheques figured in the Gaming Board's objections to the renewal of Playboy's licences and in its application for the cancellation of the licence for the Knightsbridge Sporting Club. [8]

Accepting cheques that might be dishonoured

Cheques exchanged for cash or tokens will sometimes be dishonoured. The question which arises is whether a casino should accept further cheques from the player while an earlier cheque (or cheques) remains unmet. A Department of Trade investigation into the parent company of the Knightsbridge Club identified a number of reasons why a casino might be prepared, on commercial grounds, to accept a cheque that it believed might be dishonoured. These included the belief that the player was ultimately good for the money, the wish not to antagonise an important client, and the belief that it was good for the casino that a particular player was seen to be gaming there. [9] It is clear from this investigation, and from licensing proceedings concerning other casinos, that the scale of the acceptance of cheques for gaming while dishonoured cheques remain unpaid has been considerable. For example, a Mr C. 'a foreign gentleman of apparent wealth, with a well-developed capacity for losing at gaming' had, over a period of 15 months, drawn 71 cheques totaling £966,000 payable to the Knightsbridge Club, all of which had been dishonoured. [10] At the Playboy Club dishonoured cheques to the value of £12 million had been held while the 37 players who had drawn them continued to present cheques for gaming. [11]

The Gaming Board took the view that the continued acceptance of cheques, each of which was subsequently dishonoured, was improper behaviour for the holder of a gaming licence. It was not, however, sufficiently convinced that such behaviour was illegal for it to take immediate and direct action against licence-holders. Instead it relied on persuasion, a strategy which was occasionally successful. [12] In the case of the Knightsbridge Club, the continued acceptance of Mr C's cheques constituted one of the grounds on which the Board eventually applied for the cancellation of the club's licence. It was decided in ex parte Marcrest Properties that the repeated acceptance of cheques which the management knew would be dishonoured was unlawful, as, in the circumstances, the cheques amounted to 'sham' cheques, and were thus akin to 'no account' cheques.

This decision achieves some of the objectives of both the Gaming Board and the British Casino Association. At one extreme, which Mr C's case must represent, it is unlawful to accept cheques for gaming following a series which have been dishonoured; this resolves some uncertainty in favour of the Gaming Board's view. At the other extreme, that of a single dishonoured cheque, the British Casino Association thought the Board's proposal to the Rothschild Commission, 'that licensees should be prohibited from accepting cheques from any person if any previous cheque presented by that person has been dishonoured and the debt so incurred has not been discharged', as 'unnecessarily inflexible'. This was so, in the B.C.A.'s view, because a cheque may be dishonoured in circumstances which have nothing to do with a player's ability to pay; for example, a transfer of funds from a bank in Kuwait to the one in London on which the cheque is drawn may have been delayed. The Association felt that 'proprietors should be allowed to use their commercial discretion whether to accept a cheque from a player who has a dishonoured cheque outstanding'. [13] This too is allowed by ex parte Marcrest Properties, since there is nothing in such circumstances to suggest that any further cheque is a sham.

However, the decision by no means resolves the entire issue. At what point does the continued acceptance of cheques following dishonoured one become unlawful? The appeal of the Board's proposal was that it contained a clear, of commercially arbitrary, line. Ex parte Marcrest Properties allows the casino to exercise commercial judgement; but the price is uncertainty at the borderline. No clear criteria are set out in this decision. There will thus continue to be some tension within the industry, with some casinos, whether because they fear the loss of their licence more acutely than others, or because they feel they may be more closely scrutinised by the Board, adopting a cautious interpretation mainly in line with the Board's views, [14] and others who are prepared to go further.

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Compromising dishonoured cheques

The second way in which credit for gaming was given by some casinos was in not enforcing the complete settlement of dishonoured cheques. As with the previous point, if a casino may lawfully accept a lesser sum in payment, give time to pay, or accept payment by instalments, then a very great deal of credit for gaming can be given. The legal basis on which it was argued that section 16 did not prevent a casino from compromising a dishonoured cheque was as follows: [15] in law a cheque is normally treated as the conditional payment of a debt; this debt only revives if the cheque is dishonoured; in this event, the creditor/holder of the cheque has two courses of action against the debtor/drawer of the cheque – one in respect of the debt, and one in respect of the cheque. This is perfectly good law. The argument continues: section 16 may apply to prevent the compromise of the debt, but it does not apply to

the cause of action arising on the cheque. This is so for two reasons: firstly, section 16(1) only refers to gaming debts and it cannot be supposed that Parliament intended so extensive a restriction as that this should apply to cheques as well; and secondly, that as the cheque is in the first place exchanged for chips or cash in order to enable a person to game, no unlawful credit can be given thereafter when the cheque bounces, since the person has by then gamed. In other words, the cheque did not give rise to a debt 'in respect of any losses incurred by any person in the gaming' within section 16(1) (b), since the cheque was lawfully exchanged to enable a person to game, and the date of the chips or cash which he thereby obtained was in no way connected with the means by which they were obtained.

In ex parte Marcrest Properties O'Connor L J rejected this argument. He held that within the context of section 16, the acceptance by a casino of a cheque in exchange for cash or chips was a form of providing credit which, were it not for section 16(2), would be unlawful. This being so, section 16(1) applied to the dishonoured cheque. So far as Parliament's intention was concerned, it was avowedly its purpose to curtail the provision of credit; and so far as the argument-based upon section 16 (1) (a) was concerned, the court held that a 'rebuttable presumption is created that where money is owed to a casino by a gambler who has lost money at the tables then the debt arises from losses incurred by him in the gaming', and accordingly the cheque cannot be compromised. His Lordship was further influenced by the consideration that were the casino's submission correct, then the result would be that it would be unlawful to compromise an I.O.U. (which is itself unlawful credit under section 16(1) (a)) following the player sustaining gaming losses, but not unlawful to compromise a cheque in substantially similar circumstances. Thus to give time to pay on an I.O.U. would be unlawful, but not on a cheque.

This aspect of ex parte Marcrest Properties raises some difficult legal issues in respect of the incidence of a debt, and the nature of the presumption mentioned by O'Connor L J. Provided that a dishonoured cheque is, on the facts of any given case, referable to gaming losses, it will be unlawful to compromise it, and this substantially achieves the Gaming Board's objective in this matter. [16] Here as with issue (a), there will be clear cases: Mr C's debts were settled for £175,000 and this was unlawful; but there may be borderline cases.

Footnotes

- 1 J. Callaghan, 758 H.C.Debs. 1177 (13 June 1968). See generally the Report of the Royal Commission on Gambling (1978, Cmnd. 7200), hereafter, Rothschild, paras. 18.26 and 18.62.
- 2 Ladup v. Shaikh, The Times, 3 February 1982.
- 3 On consolidation (which is currently unlawful) see Rothschild, paras. 18.67 and Report of the Gaming Board for Great Britain 1976 (1977), H.C. 251) para. 37.
- 4 Unreported, 22 October 1982 (Divisional Court, O'Connor L. J. and Comyn J.). The decision was subsequently upheld by the Court of Appeal.

- 5 Gaming Act, sections 16(2) and (3). See also Report of the Gaming Board for Great Britain 1976, op. cit., para. 31.
- 6 Report of the Gaming Board for Great Britain 1976, ibid., para 120; 1977 (1978, H.C. 278), paras 91, 93; 1978 (1979, H.C.11) paras. 18-19 and 1979 (1980, H.C. 561) para. 128.
- 7 Aziz v. Knightsbridge Gaming, etc., The Times, 6 July 1982.
- 8 The use of house cheques both generally and at the Knightsbridge Sporting Club is discussed in detail in Department of Trade, Scotia Investments Ltd. (Investigation under section 165(b) of the Companies act 1948) (1980), chapter 18.
- 9 Ibid., para. 18.8.
- 10 Ibid., para. 18.17.
- 11 On this and other aspects of credit gaming, see Miers, Malpractices in Casino Management (1982; copies available from the author).
- 12 Report of the Gamin Board for Great Britain 1976, op. cit., para. 36; 1978, op. cit., para. 105; and Scotia investments, op. cit., para 18.82.
- 13 On this issue see Rothschild, paras. 18.63 and 18.65.
- 14 Assuming that the Board specifies its views; the tension in the industry has in the past been heightened by the Board's unwillingness to provide authoritative guidelines based on its interpretation of section 16; see Report of the Gaming Board for Great Britain 1981 (1982, H.C. 324) paras. 25 and 26.
- 15 The argument is set out in full in Scotia Investments, op. cit., paras. 18.10 and 18.11.
- 16 Rothschild, paras. 18.63 and 18.66.

AROUSAL IN REAL AND LABORATORY GAMBLING: TOWARDS A DAVYDOWIAN
R. Iain F. Brown and George Anderson*

Part of this study was presented by G. Anderson for the degree of B.Sc. at the University of Glasgow. A full report is included in a paper submitted to the British Journal of Psychology.

Psychological studies in gambling (Cohen, 1970; Blascovitch, Veach and Ginsburg, 1973; Leopard, 1978) have failed to take adequate account of excitement or arousal as the central phenomenon of gambling and have failed to reproduce it in the laboratory (e.g. Rule and Fischer, 1970). Experimental studies in strategies and patterns of gambling behaviour and risk taking in the laboratory have failed to account for the effects of subjective chance/skill orientation and for personality factors in risk taking, especially that measured by scores on the Sensation Seeking Scale (SSS) (Zuckerman, 1979).

The present study investigated (1) the existence and possible importance of arousal in gambling using students and regular gamblers; (2) the effects of being ahead or behind in patterns of wins or losses on risk taking; (3) the relationship between excitement in gambling and sensation seeking; and (4) differences between the behaviour of students and experienced gamblers in real and in artificial gambling situations.

A standard artificial risk taking situation was set up, similar to those in which the relationship between arousal, personality factors and gambling behaviour had previously been tested, and subjects' responses (in terms of heart rate and bet size) were compared to their responses in a real casino.

Among the predictions were:

- 1 Real gambling will be exciting as measured by HR increase but laboratory gambling will not.
- 2 Gambling behaviour in the same subjects will differ between conditions of low arousal in the laboratory and of high arousal in the real situation.
- 3 Individual differences in sensation seeking will be related to gambling behaviour and arousal produced in the real but not in the laboratory gambling situation.

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There were two conditions in the experiment, a laboratory condition and a real condition and two samples, a student sample and a gamblers' sample. The sample of gamblers was exposed once to both conditions but the sample of students was only exposed to the laboratory condition twice due to ethical problems of introducing students to real gambling.

In the laboratory condition subjects' responses to the game of blackjack were compared in a 'standard' artificial casino as used by others involving dim lighting, real blackjack chips, a blackjack shoe, light music, carpeted floor and an instruction room (e.g. Blascovitch, Veach and Ginsburg, 1983). Stakes and prizes offered were the averages of previous studies, taking into account the effects of inflation, and an observer/table inspector made a record of every bet, the cards dealt and the outcome.

In the real condition subjects were prepared as for the laboratory condition and driven to a real casino where their patterns of play at blackjack were observed and recorded on an audio mini cassette recorder.

The student subjects were 12 male undergraduates, none of whom were regular gamblers or had played blackjack in a casino before. The gambler subjects were all experienced gamblers, holding a membership card for at least one casino and playing blackjack regularly.

All subjects completed the SSS(V) (Zuckerman, 1979) and a short questionnaire measuring their view of the game as skill or chance and their perception of their own motivation. The heart rate of all subjects in both conditions was monitored by a small ambulatory recorder carried in the inside pocket of their jacket.

In the artificial casino subjects were reminded that, although there was a ten pound prize, the game was not competitive, the point being to play against the dealer. An assistant, introduced as the table inspector, operated the heart rate and event recorders and noted the cards, stakes and outcomes. The experimenter, an experienced croupier, conducted the game under normal casino rules. Events were recorded in each cycle as 'Stake Decision Time', 'Hopeful Time' and 'Card Decision Time'.

In the real casino, after ten minutes relaxation in the casino coffee bar, a five minute baseline was taken and at the blackjack table the experimenter placed himself immediately behind the seated subject where he had access to the HR and event recorder switches. There he could give a running commentary (recorded on a concealed mini cassette recorder) allegedly for the benefit of his assistant standing immediately behind him.

There was no significant difference between the mean HR increases over baseline of students and gamblers in the artificial casino but a highly significant difference was found in mean HR increase between gamblers in the artificial and real casinos ($p < 0.0001$). On a within subject comparison no overlap was found. Half (6/12) of the gamblers perceived their own motivation to gamble as 'Enjoyment and Excitement' and only one as 'To Win Money'.

61% of gamblers took more risk when behind in the artificial casino but 75% of the results are discussed in relation to some general problems of laboratory bound psychology, viz. (1) hidden interactions in the laboratory which only become apparent in the field; (2) variable change from the laboratory to the real situation; (3) false representativeness in the laboratory and its confusion with generalisability. The implications are considered for (1) the understanding of gambling and gambling addictions; (2) the laboratory paradigm of studies in risk taking and gambling; (3) the study of psychology as a whole.

It is concluded that:

- 1 as has always been known, but is now documented for the first time, real gambling is very exciting for regular gamblers;
- 2 some form of arousal or excitement is a major, if not the major, reinforcer of gambling behaviour for regular gamblers;
- 3 experimental studies of risk taking have neglected several potentially important variables: arousal, subjective skill/chance orientation and sensation seeking;
- 4 the most appropriate strategy for the study of risk taking, gambling and other behaviour involving high degrees of arousal and/or emotional involvement is not primarily laboratory based experiments followed by secondary checks on the viability of findings from them in the field (Baddeley, 1981) but may rather be the exact reverse: primary naturalistic or field studies supported by secondary checks in the laboratory on the validity of the measuring instruments and the methods used in the field;
- 5 the data and conclusions justify an attempt at a theoretical reorientation in the explanation of gambling and gambling addictions.

A Pavlovian theoretical perspective on gambling is proposed in addition to the existing Freudian (1929) and Skinnerian (1953) analyses. An optimum level of stimulation model (Zuckerman, 1969 and 1979) is compared with a two-system biological hedonism model (Gray, 1964 and 1975) for its predictive power specifically in the fields of gambling and gambling addictions. Some characteristics common to both Pavlovian models are compared in turn with the established Freudian and Skinnerian models. The implications of Pavlovian models for social control of gambling and intervention in gambling addictions are reviewed and the extension of the models to other addictions are discussed briefly.

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UPDATE

The Summer 1979 issue of The Journal of Social Issues (vol 35, no 3) was devoted entirely to the theme 'Gambling in the U.S.: Public Finance or public Problem?'

We reproduce below the abstracts of the articles it contained.

Single copies of the issue are available from Marshall Lebowitz, J.S. Cammer and Co., 49-65 Lansdowne Street, Boston, MA 02215, U.S.A.

'The micro and macro dimensions of gambling in the United States'
Maureen Rail Kallick-Kaufmann
Survey Research Center, University of Michigan, Ann Arbor, MI 48109

A national probability sample of 1736 respondents and a Nevada State probability sample of 296 respondents were surveyed during the summer of 1975 to determine the extent of gambling activity in the United States, to estimate the amount of government revenue that could result from various changes in the gambling laws, and to predict the social consequences of these changes. While there were large variations among regions and demographic groups, a majority of all adult Americans gamble. Wagers on commercial games amounted to \$22.4 billion in 1974 of which \$17 billion was wagered legally and approximately \$5 billion illegally.

[The full report on this survey appears as Kallick, M., Suits, D., Dielman, T., and Hybels, J. A survey of American gambling attitudes and behaviour Appendix 2 to Gambling in America. Washington, D.C. U.S. Government Printing Office. 052-003-00254-0, 1977. (Reprinted in Research Report Series, Institute for Social Research, University of Michigan, Ann Arbor, MI, 1979.)]

'The impact of legalization on:-legal gambling participation'
Judith H. Hybels
Data Resources, Inc., 29 Hartwell Avenue, Lexington, MA 02173

This paper examines the effects of legalization on illegal gambling participation using a multivariate analysis to adjust for the influence of demographic variables. In addition, the incidence of illegal gambling in a nationwide sample was compared with the incidence reported by Nevada residents. Games with similar structures and psychological characteristics appear to be complementary. That is, people who participate in one tend to participate in the other as well, regardless of their legal status. Dissimilar games operate as substitutes for each other.

'Gambling: a social problem?'

T.E. Dielman

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This paper reports the results from a national survey of gambling behaviour, social problems, and attitudes toward the legalization of gambling. Non-bettors perceived more negative consequences and fewer positive consequences associated with the legalization of gambling than did bettors. One negative consequence perceived by a majority of both groups was an increase in political corruption. The level of gambling activity was positively associated with several social problems such as divorce, absenteeism, and frequency of alcohol consumption. Respondents who were classified as probable compulsive gamblers reported more family problems.

'Economic background for gambling policy'

Daniel B. Suits

Department of Economics, Michigan State University, Lansing, MI 48823

Legalized gambling as a revenue source is evaluated on the basis of data derived from a nationwide survey. The major findings include: (1) gambling is essentially a consumer commodity which people purchase because they enjoy it, rather than because they expect to make money; (2) maximum revenue potential depends on consumer responsiveness to the price of a given game; (3) high take-out rates encourage gamblers to participate in illegal substitutes; (4) state receipts from gambling, regardless of the details of the way they are collected, are economically identical to any other form of excise tax; (5) although gambling outlays tend to increase with income, the amount of increase is disproportionate to the amount of income, and therefore gambling tends to be a highly regressive form of taxation; and (6) the maximum revenue which states could expect to collect as the result of legalizing gambling is about a 4 percent addition to total receipts from other sources of revenue.

'State conducted lotteries: history, problems, and promises'

G. Robert Blakey

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New York 14850

Lotteries have played an important role in American finance through much of this Nation's history. This paper begins with an account of the abuses that led to the prohibition of the privately run lottery during the nineteenth century. It then goes on to analyze the promise and performance of the state run lotteries that have been created during the last decade. The paper argues that the lotteries have failed to fulfill the promises of their proponents, either in raising revenue or in fighting organized crime, and that they constitute a regressive and inefficient form of taxation. It also argues that the promotion of gambling serves to tarnish the image of state government.

'The changing structure of American gambling in the twentieth century'

Mark H. Haller

Department of History, Temple University Philadelphia, PA 19122

The author examines some of the factors that altered the economics and control of policy and numbers gambling, bookmaking, and casino gambling from 1900 to 1950. The factors include the emergence of black ghettos after World War I and the consequent rise of blacks to controlling positions in numbers and policy banks; the changing ownership and activities of the national race and sports information service; the increasing use of the telephone for making sports bets; and the sudden wealth of bootleggers in the 1920's along with their growing involvement in gambling enterprises. The author concludes that these factors exercised a diverse and interrelated influence on the history of American gambling.

'Enforcing the gambling laws'

Thomas W. Mangione and Floyd J. Fowler, Jr.

100 Arlington Street, Boston. MA 02116

A great deal of controversy surrounds the writing and enforcement of antigambling laws. In large part, this is due to a lack of consensus among citizens, police departments, and prosecutors in defining the objectives of antigambling laws and the methods of enforcing them. It is suggested that since standards of appropriate behaviour vary from place to place, the wishes of the local citizens should be the primary guide in determining enforcement effort priorities. The authors differentiate the four main targets of enforcement efforts and conclude that only two - public social gambling and commercial gambling - can be substantially affected by local police. Finally, specific suggestions about how police and prosecutors can cooperate in enforcing local antigambling laws are made.

'The dilemmas of regulating casino gambling'

Jerome H. Skolnick

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One of the major reasons for the reluctance to legalize many of the popular forms of gambling is the belief that these forms are particularly difficult to control honestly. It is generally believed that organized crime has been able to undermine regulatory mechanisms. This paper reports on the difficulties and successes of the Nevada Gambling Control Board's efforts to deal with a sophisticated and complex form of gambling organization, and compares and contrasts that regulation with the regulation of casino gambling in England.

'Public opinion and the politics of gambling'
Kathleen M. Joyce
301 W. 108th Street, New York, NY.

This paper examines the relation between the attitudes of the public toward gambling and recent changes in gambling laws. The nineteenth century wave of antigambling sentiment found expression in many state constitutions. Consequently, legalization or decriminalization of gambling became unusually difficult among that class of activities often referred to as "victimless crimes". Renewed interest in gambling as a revenue source, in the last few decades, has produced a number of surveys dealing with attitudes toward gambling and has required statewide votes on some 45 separate gambling items. Public attitudes are compared, along several dimensions, for results of a national survey and results of voting on particular gambling proposals. Attitudes are consistent between survey data and voting data, particularly as they pertain to administrative and regulatory form. Also, in one state, demographic variables discriminating favourability in the survey data predict voting outcome on a lottery proposal.

'Easy sport: research and relevance'

Peter Reuter

Center for Research for Institutions and Social Policy, Room 515, 217 Broadway, New York, NY 10007

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This paper is an analysis of the Final Report of the Commission on the Review of the National Policy Toward Gambling. After discussing the origins and political environment of the Commission, the paper focuses on the relationship between the Commission's recommendations and the results of its own research. The author argues that the research was used only where it fitted the Commission's views and was ignored where it did not. The paper concludes with a discussion of the structural factors that led to this outcome.

NOTICES

The next meeting of the Society will be held on Wednesday, 18th May, 1983 (this is a change of date from 11th May). The venue is still the Challoner Club, 59/61 Pont Street, London W1. It is hoped that this change of date will still be equally convenient for members. The programme will be forwarded to members nearer the date.

Erratum

SSG Newsletter No. 2, p3, 14th line from bottom should read:

'production, including normal profit (i.e., what could be'

