

A METHODIST STATEMENT ON

GAMBLING

Adopted by the Methodist Conference of 1992

INTRODUCTION

1. The 1987 Methodist Conference directed the Division of Social Responsibility to revise the 1936 Declaration on Gambling. Conference specifically directed the Division to follow the tradition of the 1963 Declaration by considering the gambling aspects of stock exchange activity, particularly in relation to privatisation. This resulted in a discussion document being adopted under the terms of Standing Order 129 by the 1989 Conference. A final version of the Statement follows.

2. Much has changed in British society since 1936, both in the areas of recreational gambling and stock exchange activity. The Church must decide what theological and ethical response is required by these changes and what the recommended practice of the Church should be. It will help to record the available definitions of gambling.

3. The 1936 Declaration defines the nature of gambling as follows:

By gambling, those practices are meant whose characteristic features are:

- a) a determination of the possession of money or value by an appeal to chance;
- b) the gains of the winners are made at the expense of the losers; and
- c) gain is secured without rendering in service or in value an equivalent of the gain obtained.

Gambling takes the following forms:

- a) Gaming, or playing for money in a game of chance;
- b) Betting, or staking money on a doubtful or uncertain event;
- c) Lotteries and Sweepstakes, which may be defined as the distribution of prizes by lot or chance;
- d) Gambling speculation. In the realm of finance and commerce there are transactions which have no relation to the legitimate production, marketing or distribution of goods, but are based upon the fluctuations of market prices and in essence consist of an attempt to gain through the loss of other people without rendering any commensurate service.

4. The **New Dictionary of Christian Ethics** defines gambling as:

- a) The determination of the possession of money or money value by an appeal to an artificially created chance,

- b) where the gains of the winners are made at the expense of the losers,
- c) and the gain is made without rendering an equivalent in service or value.

This definition excludes the playing of a game of chance wholly for amusement, the acceptance of a gift or the reduction of risk through insurance.

5. The **1978 Royal Commission on Gambling**, chaired by Lord Rothschild, offered the following definition:

Gambling consists of an agreement between parties with respect to an un-ascertained outcome that, depending on the outcome, there will be a redistribution of advantage (usually but not always monetary) among those parties. This redistribution may be achieved directly (as in a game of poker) or through an agent (as in the case of football pools and lotteries). Essential conditions in this definition of gambling are that participation in the agreement is voluntary and that the agreement not only provides each of the parties to the gamble with the chance of gaining advantage but also involves him in the risk of loss; failure to participate involves no risk of loss. Those who participate in such activities and risk loss for the chance of gain are termed gamblers.

6. The Rothschild Commission recognised that this definition encompasses more activity than recreational gambling:

(This definition) covers all the types of activity that fall within the range of this report; but it also covers more. Thus it covers, obviously, purely private wagers which are not matters of public policy. It may also cover certain activities in the Stock Market, for instance, or on the commodity and currency markets. Some of these activities are indeed, in any reasonable sense, examples of gambling. Various criteria might be suggested to distinguish these activities from any kinds of gambling which are the concern of this Commission; but it is doubtful whether any very clear line of principle can be drawn which will mark off all such activities from gambling in the sense in which it is discussed in this Report. In practice, the boundary of our concerns coincides with the lines drawn by taxation law, which taxes these other activities quite differently from the kinds of gambling, largely recreational, which are considered here.

7. The 1969 Methodist Declaration on Gambling and the Rothschild Commission suggest that gambling as a recreation, and speculation in equities, currency and commodities, have common features. The Rothschild Commission argues that the separation of these elements, though necessary, is somewhat arbitrary. It is this admittedly arbitrary separation that is followed below in distinguishing between **stock exchange activity** and **recreational gambling**.

8. The **New Dictionary of Christian Ethics** definition very closely resembles the first section of the 1936 definition, but excludes the element of Stock Exchange activity by the insertion of the phrase “**artificially created chance**”.

On balance, it seems best to accept the agreement between the 1936 Declaration and the Rothschild Commission and to argue the case for the separation of Stock Exchange activity from the field of recreational gambling, then turning to the matter of recreational gambling.

Gambling, Privatisation and the Stock Exchange

9. The last of the 1936 Declaration's nine recommendations urged that future legislation should be directed to the following ends:

“Such regulation of business and financial operations in the Stock Exchange and elsewhere as will prevent their exploitation for gambling purposes.”

10. The few Christian moralists who have given attention to gambling in recent years have shrunk from the logic of this position. The **New Dictionary of Christian Ethics**, and J Clark Gibson (**Gambling and Citizenship**) define gambling in terms remarkably similar to those of the 1936 Declaration, but insist that gambling must appeal to an “**artificially created chance**” (**New Dictionary**, see paragraph 4 above), or entail a “**purely artificial transaction.**” (Clark Gibson).

11. This shift of position avoids two issues. First, that speculation within trading institutions can involve **precisely** that creation of artificial opportunities on which the revised definition insists. Second, that the triumphant greed and envious loss which are so deplored in gambling are equally part of the emotional content of stock exchange speculation.

12. The issue has become of sharper concern in recent years. There has been a great expansion in the number of individual share owners, not least as a result of the Government's policy of privatisation – that is the sale to private purchasers of publicly-owned enterprises. It is argued that this official encouragement amounts to an endorsement of acquisitiveness which strongly contradicts the Christian principles of Divine providence, human solidarity and Christian fellowship which informed the 1936 Declaration. To dodge this issue is to accept a morality which ranks acquisitiveness as a public virtue but condemns greed as a private sin.

13. Two arguments are advanced to deflect such a harshly critical view of the stock market. First, that a review of the current facts denies such simple criticism. Second, that the nature of the stock market, and the potential for its abuse, extends far beyond the bounds of the ethics of gambling.

14. The number of people who hold shares on their own account has trebled since 1979. There are now nine million, or 20.5 per cent of the adult population, placing Britain third behind the USA and Japan on a scale of international comparison. The small shareholder is responsible for most of the transactions in the market; in June 1987, almost a quarter of the transactions (or bargains) were valued at under £600; more than half were values at under £2000. The relatively high cost of taxes and fees on small bargains is a sharp disincentive to “playing

the market". It is certain that shares are bought in order to make money, but it is also fairly clear that the new share owners are not overwhelmed by excessive greed.

15. The greatest opportunity for speculation lies in the use of professionally acquired information for private gain – "insider dealing". This was frequent practice in 1936, but criminal offences created by the 1985 Finance Act have gone some way towards cleaning up the system. It is precisely **because** of the huge number of small participants in the market that it has been comprehensively reformed; what were the arcane practices of relatively few must now be regulated in the interests of a vast new public. This, indeed, is the stated aim of the 1986 Financial Services Act, which imposes a mass of new controls in a generally deregulating age, though the effectiveness and general adequacy of some of these controls is being increasingly questioned.

16. It is further argued that the stock market is primarily an instrument for the allocation of resources to their most prudent use; the vast bulk of this allocation is managed by very large institutions – the insurance companies and pension funds – whose interests are not served by a volatile, speculative environment.

17. It is also claimed that the economic view of the 1936 Declaration is flawed. It is suggested that it is mistaken to regard the stock in trade of **one** market, and its pursuit of profit, as different from any other. It is also argued that our moral concern over the stock exchange goes well beyond the question of speculation. It is often the case that the most serious abuses are fraudulent rather than speculative. It is also suggested that the most destructive form of stock market activity is the takeover motivated by a desire to strip out assets rather than to develop potential. These points seem decisive in making the case that **although stock exchange activity has an affinity with recreational gambling, the issues involved are much wider and should be treated separately**. It is also evident that the speed of change in the financial system, together with the wide scope for dishonesty, entails continuing vigilance and fine tuning of the regulatory mechanisms.

Recreational Gambling

18. It is useful, briefly, to review the facts concerning recreational gambling, their theological and ethical implications, the consequences for church practice and the response of the Church to public policy.

19. At the time of the 1936 Declaration, recreational gambling was largely illegal and therefore unregulated.

20. The 1978 Rothschild Commission describes the class bias in the betting scene. Cash bets could be placed only on course. Off-course bets could be paid only on credit, by telephone or telegram. Legal betting was therefore generally made easier for the prosperous. The less well-off were served in the main by illegal "bookies' runners". Seebohm Rowntree reported vividly from East London in 1951:

As the police car came into sight, knots of men in street after street broke up and ran, like sparrows scattering at the approach of a cat. They were the street bookmakers, busy in a way, and to an extent, probably not remotely imagined by the large majority of citizens.

21. The legislation of the 1960s did not therefore simply legalise gambling – it decriminalised a vast, existing working-class practice. Formerly, betting was the recreation chiefly of men with little surplus income, for whom a short run of bad luck could be an irreversible disaster, both for them and their families. This activity was brought within the law at a time when relative prosperity and secure income minimised the harm that previously attached to low-income betting.

22. Now many forms of recreational gambling have been legalised and almost all are highly regulated. The principles of regulation were first laid down by the 1951 Royal Commission, with further elaboration by the 1978 Commission, and may be summarised as follows:

- a) To interfere with the individual as little as possible, while recommending measures to discourage socially damaging excesses and the incursion of crime.
- b) Facilities offered should respond to unstimulated demand, i.e. there should be little or no advertising.
- c) Gamblers should be made aware of what they may lose.

23. These principles have been embodied in legislation over thirty years and they have totally reshaped the industry. The detailed examination of the industry presented in **The Winner's Shout, the Loser's Curse** indicates that gambling is a limited, heavily regulated leisure pursuit. A majority of the population engage in some gambling activity, but this is largely trivial; serious gambling is pursued by rather small minorities. The activity is, overall, in a state of decline and has been so almost since liberalisation in the sixties. Its share of the leisure market and its proportion of employees is decreasing. The number of casino and lottery players is shrinking, the number of football pool users is static and only newspaper bingo is recruiting more players. There is much evidence that any attempt to expand the gambling market, as in the proposals for a National Lottery, will merely eat into existing gambling practice.

The Law on Gambling

24. The law on gambling is briefly outlined as follows and is likely to remain broadly the same for the foreseeable future.

Gambling Regulated by Licence

25. The law makes a clear distinction between those kinds of gambling which require strict supervision, such as bingo and casino operation, and those which do not. The range of activity which is subject to regulation and licensing, usually through Local Authorities, is as follows:

- i) Horse and dog racing and on course / totalisator betting
- ii) Bookmakers' premises and betting shops

- iii) Pool promoters
- iv) Bingo clubs
- v) Members' clubs (including casinos and welfare clubs)
- vi) Gaming machines
- vii) Lotteries operated by national organisations, other societies, local authorities or newspapers.

26. Regulations can review licence fees, opening hours, limitations on use, advertising and amenities (especially in relation to betting shops), the system of inspection and the range of fines for infringements.

Gambling at Exempt and Non-Commercial Entertainments

27. This is the area of gambling which least involves the law, but which in many ways concerns the Methodist Church most. It comprises the range of activity which the Church is often pressed to permit, notably raffles and competitions in which the element of skill is negligible. This range of activity was judged quite harmless by the Rothschild Commission.

28. Minor forms of gambling may take place at exempt and non-commercial entertainments of the following sort:

“A bazaar, sale of work, fete, dinner dance, sporting or athletic event or other entertainment of similar character whether limited to one day or extending over two or more days.”

Forms of Gambling Permitted at Exempt and Non-Commercial Entertainments

29. The law allows at such events small lotteries, Amusements with Prizes and the use of gaming machines as follows:

Small lotteries

30. Raffles may be held at fundraising functions, usually for donated prizes and subject to the following rules:

- 1) The only expenses that can be deducted in connection with the lottery are those of printing the tickets and of purchasing prizes
- 2) The sum expended on prizes must not exceed £50
- 3) None of the prizes may be cash prizes
- 4) The sale of tickets or chances in the lottery and the announcement of the results must take place during the course of the event (thus it is not permitted to sell tickets door to door).
- 5) The lottery must not be a substantial inducement for persons to attend the event.

Amusements with Prizes

31. Provision is made under S15 of the 1976 Act to allow activities like rolling a penny, wheel of fortune, bingo etc. at exempt or non-commercial entertainments.

32. The rules are the same as those for small lotteries, but prizes may be in cash or kind and there is no limit to the stakes or the prizes. In practice, the stakes and prizes are limited in value by the modest scale of the event.

Gaming machines

33. The use of gaming machines, including Amusements with Prizes machines, is permitted by S33 of the 1968 Act.

(Ref: Gaming Acts of 1845 and 1968; Betting, Gaming and Lotteries Act 1963; Horse Race Betting Levy Acts 1969, 1981; Pools Competition Act 1971; Lotteries and Amusement Act 1976; Gaming (Bingo) Act 1985).

Recreational Gambling: Theological and Ethical Issues

34. It is difficult to cite clear Christian sources on the subject of gambling outside the 80-year period from 1880-1960. It is therefore difficult to make a clear theological and ethical case on the practice, although it is usually regarded with evident distaste. In **Sermon XLIV** on the use of money, John Wesley sums up the implicit Christian view when he counts gambling as a means of gain inconsistent with love of neighbour.

35. In **Sermon LII** he refers to Gamblers

“who made a trade of seizing on young and inexperienced men, and tricking them out of all their money...not a few of these (were constrained) honestly to earn their bread by the sweat of their brow, and the labour of their hands.”

36. Gambling is not forbidden in the “Rules of the Society”; however in correspondence on the subject of state lotteries he wrote: “I never bought a lottery ticket myself, but I blame not those who do.”

37. Gambling became a more important ethical issue for Christians in the late 19th Century. This concern reflects the social development of the period, which produced large concentrations of alienated, insecure wage-earners. This new historical situation evoked an appropriate Christian response. This was especially true of the Methodists, whose commitment to the urban poor led them to see gambling as a serious social and moral issue. So gambling was condemned firmly by Methodist Conferences at the turn of the century, and the 1936 Declaration can be seen as a summation of that tradition – firmly condemning gambling as a personal vice, but linking it equally firmly to the evil of speculative greed.

38. There has been very little Christian comment on the issues since the practice of recreational gambling became legitimised as one leisure activity among many. This is a remarkable silence, given the vast upsurge in Christian social concern over the last quarter century, and raises a serious problem for our present enterprise; the search for an official Christian view on any matter ought to spring out of a current debate within the Church, and it is remarkable how little debate there has been. The two most substantial and recent Methodist works on social ethics make only passing reference to the issue. (Kenneth Greet **The Art of Moral Judgement** 1970 and Richard Jones **Groundwork of Christian Ethics** 1988.) It is possible however, to identify two largely irreconcilable positions which may be called the “rigorous” and the “liberal”.

39. The rigorous view holds that gambling is inherently wrong and that the practice entails the denial of central Christian truths. Among the British Churches, this view is chiefly associated with the Methodists, as outlined in the 1936 Declaration and in subsequent commentary.

40. **The 1936 Declaration** urged an absolute rejection of gambling on ethical grounds as follows:

The more widespread gambling practices become, the more evident are the evil results as revealed in the record of crime, commercial disaster and human tragedy. These show that addiction to gambling tends to create moral indifference, and to undermine moral responsibility.

41. It is also argued that, quite apart from the material damage done by gambling, it corrupts the moral life of the gambler: “the winner’s shout, the loser’s curse” (in William Blake’s phrase) are equally divisive of the human community, and in this the true evil of gambling lies.

42. The most telling rigorist arguments are, however, theological. Thus the 1936 Declaration:

The Christian attitude to God and life is essentially one of reverent trust in the Fatherly care and providence of God for all his children...Gambling is contrary to an acceptance of the Divine will and providence. Belief in luck cannot be reconciled with faith in God.

The Divine law of communal love is love of our neighbour as ourselves, and the binding of ties of human fellowship are to be realised in mutual obligation and love. With this divine law of neighbourly regard, indulgence in gambling cannot be reconciled.

Within Christian fellowship nothing can be condoned which would imperil the witness of the Church to the standards both of personal behaviour and social righteousness. For this reason, the Conference of the Methodist Church is constrained to lay down regulations found in Standing Orders 014 and 915, excluding any resort to gambling practices in connection with the work of the Methodist Church.

43. The adopted stance is thoroughly uncompromising: any toleration of gambling denies the Fatherly providence of God, breaches the divine law of love and imperils Christian fellowship.

44. This argument can be extended by contrasting the Christian life of self-sacrifice with the desire for gain at another's loss that is at the heart of the gambling impulse. This wilful opposition to the good leads to the view that gambling is not merely misguided, but evil.

45. The **liberal** position finds its clearest expression in a paper by Dr Ronald Preston published in 1974 (**Ethical Aspects of Gambling: A New Look**). The paper makes the points that the Royal Commission of 1951 found no widespread serious social consequences resulting from gambling and that the activity involves around one per cent of the national income, and of this, 80 per cent is re-distributed as winnings. Therefore gambling should be regarded less as a distinct activity in itself and more as a minor part of the entertainment and leisure industry. Like much of this industry, gambling relieves both the boredom of unfulfilling work and the subordination of ordinary citizens to authorities over whom they have no control. This accounts for the mystique surrounding the skill of gambling and the enormous intellectual investment made in its activities, especially in racing.

46. Preston recognises that gambling seriously harms a small minority, especially those for whom it forms a powerful compulsion, but points out that society in general cannot be run on prohibitions designed for the benefit of addicts. Another member of this harmed minority is the heavy, as opposed to the compulsive, gambler. It is suggested that reasonable legislative restraints seem to be the best safeguard that society can devise against heavy gambling.

47. Preston recognises the destructive potential of gambling and commends the present form of public legislation, together with continued public scrutiny. The current level of lottery prize levels is approved, with a warning that further increases in prize levels are undesirable. It is further argued that gambling operates now in a context where, on average, around 40 per cent of disposal income is available for largely non-essential expenditure – probably a tenfold increase over the century. It must be recognised that the prohibitionist attitude arose largely from social conditions which have now changed somewhat.

48. For these reasons, Preston asserts, gambling is not generally an urgent ethical question. Nor is it appropriate to ban gambling even among Christians. To do so would be to over-emphasise the place of acquisitiveness in gambling and to ignore its elements of relaxation and play. The Church must ask how gambling may be handled in a relaxed but circumspect way, rather than by the heavy hand of prohibition.

Weighing the arguments

49. At first sight, the rigorist case seems overstated – understandably, given the social setting of its formation. It is clear that the distinctive Methodist view on gambling grew out of an active pastoral concern for the poorest in society. An ethical response was formed as that work grew. As suggested above, gambling can be a

serious evil when an unregulated system battens upon financial insecurity. That concern has, it might be said, been permitted to inflate into a great doctrinal issue, which condemns the purchase of a raffle ticket as a denial of the Fatherhood of God, human solidarity and Christian fellowship. Similarly, the stark contrast between the self-indulgent gambler and the sacrificial life to which Christ calls us, implies a level of Christian ascetic practice which few, inside or outside the Church, would recognise as widespread.

50. It may also be countered that “the winner’s shout, the loser’s curse” hardly describes most gambling outcomes. Stakes are modest; the pleasure and pain resulting are minor; losses are less cursed than regarded as a reasonable charge for this kind of entertainment. The rigorist argument is further weakened by the fact it has not been defended or extended during the quarter-century over which gambling has become a legitimate leisure activity.

51. It can be claimed that Preston’s liberal view pays inadequate attention to the seedier realities of the gambling world. In total, gambling is a minor part of the leisure industry and is in relative decline. This is so, however, because of the high degree of regulation which the traditional Methodist witness has helped to secure. It is also true that specific areas of gambling will continue to threaten serious harm; among these today are illegal betting and the inducement to the abuse of AWP machine play by young people. It is necessary to be continually alert to the industry’s development.

52. It is necessary also to take both rigorist and liberal arguments seriously. On the one hand, the acquisitive nature of gambling – to enjoy a gain, through chance, at another’s expense – can be destructive and demeaning to human relationships. On the other hand, it is clear that this consuming desire for gain at the expense of others is not the main motivation behind gambling, especially when it occurs in a fairly carefully regulated context. This is especially true in the case of the minor forms of fund-raising which are often the cause of contention within the Methodist Church. This is certainly gambling, but the element of desire to gain is virtually absent.

53. It seems appropriate, therefore, to heed the experience of our tradition in our concern for the serious evils of gambling; but also to avoid the heavy-footed pursuit of the trivial.

Church Practice

54. From the above, it is clear that the Church will continue to regard gambling with concern. But changed circumstances since 1936, and especially since 1961, may encourage us in a cautious relaxation of our current rigour. Legislation has imposed a system of careful regulation on the gambling industry. Mild entertainment is the main outcome of most gambling activity, rather than greed, envy and financial ruin.

55. Opinion is naturally divided as to what the Methodist response should be to the significantly altered social context of gambling. Some will feel that a total ban on gambling should be sustained. Others suggest that the relaxation of the traditional Methodist stance is desirable on four grounds.

- a) **The Law.** The law now provides a reasonably clear guide as to what is of serious concern within gambling activity. A clear distinction is made between gambling which requires careful regulation and relatively trivial activity in which gain at the expense of others is not a serious consideration – the whole area of minor fund-raising, as described at paragraphs 28-31 above.
- b) **The practice of other churches.** Methodists are aware that other churches, notably the Anglicans and the Catholics, do things differently. This is particularly true where Methodists are involved in Local Ecumenical Projects and other instances in which they share buildings and a Christian life together. Some Methodists are embarrassed at what they themselves feel to be an eccentric view of the practice of other churches. There is a concern that Methodism should no longer be sharply distinctive in this way.
- c) **Other people's practice.** The Church is increasingly involved with a wide range of social groups who use our premises. Again, many Methodists are concerned to find themselves associated with a moralising view towards minor forms of gambling that they do not themselves share.
- d) **Methodist practice.** It is clear that many Methodists see no harm in the kind of minor forms of gambling that are not required to be licensed, like the purchase of raffle tickets at private functions. A survey carried out in one circuit found that a third of Methodist members gambled, and that they distinguished very clearly between this as a harmless social activity and gambling with a desire to gain at the expense of others. It is also felt that our failure to distinguish between the serious and the trivial weakens our case against, for instance, the lack of regulation of gaming machines and proposals for a national lottery.

56. It is therefore proposed that the Methodist Church should adopt a largely common-sense distinction between what constitutes serious gambling and what is merely a trivial activity which aims at minor fund-raising, and in which the desire to win at the expense of others is generally absent. This is broadly the view that informs the law on gambling, with the serious anomaly of the law on Amusements with Prizes Machines. To distinguish thus between serious and trivial forms of gambling practice is to reinforce and renew the Methodist witness on this question rather than to weaken it.

57. It is therefore suggested that those minor gambling activities which are permitted at exempt and non-commercial entertainments, as described at paragraphs 28-31 above, should be allowed on Methodist premises, with the following prohibitions: that Amusements with Prizes machines are not permitted on Methodist premises; and that prizes awarded in the context of Amusements with Prizes shall not be cash prizes.

58. It is important to distinguish between our view of minor gambling on the one hand and our view of stewardship on the other. **The aim of this proposed relaxation is to remove the heavy hand of censure from trivial sorts of gambling; it is emphatically not to legitimise a whole new range of fund-raising**

activities. The Methodist Church depends on the serious commitment of its people to the stewardship of their resources. To gamble without thought of the small gain on offer may be no great matter; to give little, by whatever means, is a serious failure of Christian commitment.

59. It seems unlikely that any further degree of regulation would reduce the number of people who suffer serious harm from gambling except in the area of AWP Machine abuse; it is much more likely that closer regulation would increase illegal gambling, with a consequent expansion of harm. It must be expected that the number of those harmed will not abate. The Methodist people must therefore continue, with others, in its pastoral vocation to heavy and compulsive gamblers.

Conclusion

60. It is important to recognise that what is at issue both in recreational gambling and in the stock market is not merely the activity itself, but the motives and intentions of the participants. Most recreational gamblers want fun and, if possible, a win. This is even more the case when stakes are low, a good cause is helped and the question of gain does not seriously arise. Most participants in the stock market look for the best possible return on their resources. Each area is subject to extensive abuse and each needs to be closely regulated, but this scrutiny will probably be more effective if the different areas, their vices and regulatory systems, are seen as largely separate fields of concern.