

## 4 “Get This Lousy Piece of Legislation Put Right”

The rush by so many people to set up amusement arcades, clubs and bingo halls, as well as the proliferation of machines in pubs, began to cause problems on a local level. In an attempt to increase profits and better capture vacationing crowds, some arcade owners disobeyed long-standing municipal restrictions that governed site opening times by opening their arcades seven days a week. At the same time, local planning officers faced massive growth in the number of applications for new arcades. The subject of Sunday opening briefly became a contentious issue, and several arcade owners found themselves subject to challenges from civic and religious groups. Frank Booth, a well-known Welsh arcade operator, experienced this in the town of Tenby in March 1967.<sup>1</sup> The Amusement Caterers Association (ACA) trade body was quick to defend Booth; the challenge was removed, and Booth's arcade and others around the country began operating for extended hours, seven days a week. There is a sense that in the 1960s, supported by an increasingly organized application process and with the contribution of companies like Rank, Bell-Fruit, and Phonographic Equipment, not to mention the coin-operated trade bodies, the arcade industry was able to outmaneuver local planners and civic councils.

Changes were also made to the duration of the arcade trading season. While most seaside arcades closed when the last tourists left in the second week of September, some pioneering arcade owners decided to stay open. Jimmy Thomas remembered the response when his father did so with his arcade in Hunstanton:

People said he's crackers, he's crazy he can't do it, Hunstanton only has locals here in the winter! But of course, in no time at all they realized he'd got a very lucrative business because he was open fifty-two weeks a year. In a seaside town like Blackpool there are enough locals, it's like any other city, and the locals play in the arcades.<sup>2</sup>

Civic outcries to issues such as arcade opening times and season lengths might now seem inconsequential, but they represented the opening salvoes of a post-1960 Gaming Act pushback against the arcade and its perceived overexpansion. At first, the arcades were dominant in this exchange, and the number of arcade applications was staggering. According to documents shown in a planning appeal, the Welsh seaside town of Rhyl, home to about 19,000 residents, had “twenty-one amusement arcades in which there are something like 1,019 amusement machines” and “fifteen clubs, each with two gaming machines, or one-armed bandits.”<sup>3</sup> This equates to an arcade or club for every 500 or so residents and a coin-operated machine for every 15 locals. Being a tourist resort, Rhyl’s population would have swelled with vacationing holidaymakers during its summer season, but when the visitors returned home, the arcades remained behind, many of which remained open. The sheer profusion of arcades across the country and the growing number of arcade proposals became a source of public concern—the amusement arcade, especially now open out of season, became viewed by some as a moral hazard.

One prime issue was the inflexibility of planning approval processes that offered councils few suitable mechanisms to limit arcade and club applications once they had been submitted. *Shaw’s Guide to the Betting and Gaming Act, 1960* makes it quite clear that any opposition offered by a local authority had to be based on existing zoning issues or the substance of the application, not due to distaste for amusements.<sup>4</sup> Furthermore, council planning committees only had the latitude to approve or reject an application outright; they could not set the conditions, and this binary ruling was unhelpful for those seeking to reasonably plan the development of amenities, and this could be exploited by applicants. As the number of arcades and applications grew, councils began to reject applications, and appeals became entrenched. Applicants felt that the odds were against them and their proposals were being treated with prejudice, but the reality was that a well-presented appeal would be upheld, allowing the arcade to go ahead. The regulations simply delayed the growth of arcades, and the application process became a war of attrition, balanced in favor of the patient and prepared applicant.

Arcade proposers became well versed at overturning rejections, sometimes bringing the combined force of trade body and machine manufacturers against local planning committees. For example, in September 1967, Bell-Fruit Manufacturing, one of the most successful manufacturers of Amusement

with Prizes (AWP) fruit machines in Britain, joined United Breweries in opposition to the Swansea Council's opposition to gaming machines in public houses.<sup>5</sup> Challenging the process and substance of the rejection, Rees Davies, representing the manufacturer and brewery, said: "There is a complete void, and there is nothing to show that the Council has its discretion at all. We are told nothing of the committee's discussions. We are simply told this one and only reason for their refusal to grant these applications."<sup>6</sup> In this case, and very many more, the appeals were upheld and permissions for arcades begrudgingly granted. Concerned local planning committees were able to delay the spread of arcades, and perhaps stop the most inexperienced or unprepared applicants, but it could not, and did not, stop serious applicants.

### Jimmy Thomas Showboat Expansion

One of the most serious applicants was Jimmy Thomas. Thomas was born in 1934 in Leicester to a traveling showfolk and arcade operating family. The Thomas family ran a number of entertainment venues, including Cleethorpes Olympia, a prominent music hall that featured many of the headlining artists of the time, but Jimmy Thomas grew up in a small arcade attached to a Farmer Giles' Milk Bar in Cank Street, Leicester. Thomas told me that he grew up in the arcade: "I literally learnt to walk between the pintable legs"<sup>7</sup>; and he was given an arcade machine for his tenth birthday in 1944. It was his job to keep the machine working, and naturally he was allowed to pocket any earnings it made. He became adept at maintaining the machines and learned the skills of an arcade operator and engineer, but he also remained an active traveling showman, learning to entertain. Thomas described his early life as follows: "In the summer it was the traveling fairgrounds, and in winter back to the arcades."<sup>8</sup>

By 1955, Thomas had tired of the traveling fair. Wanting to own an arcade but lacking sufficient capital, he and his wife began operating machines in Yorkshire Miners' Welfare clubs and making the most of the personal touch he had developed through years of working on the fair. Thomas boasted that he eventually got a machine in every Miners' Welfare club in the county of Yorkshire. Thomas described this period as follows: "It was graft, it was work seven days a week, fifteen hours a day. And other operators would come along and people would say 'Neeee go away lad, we've got Jimmy and his wife.' And it worked, the personal touch worked."<sup>9</sup>

Thomas's graft paid off, though, and with the income from the machines, he was able to purchase his first arcade in Derby. He explained that while the arcade was generally thought of as seaside entertainment, his father's view was, "No, it's entertainment for anybody,"<sup>10</sup> especially for "women who were about shopping or wanted something to do to relax."<sup>11</sup> The logic was that men had pubs to go to, but women had startlingly few leisure options, and this constituted a viable business prospect. While other operators might have stopped there, Thomas was ambitious and pressed the opportunity even further, developing the multiple-site branded arcade chain that he called Showboat, which adopted a Mississippi riverboat theme. Following the Showboat arcades in Derby and Barnsley, he opened one in Loughborough, chosen due to its close proximity to Thomas's manufacturing factory in Quorn, only a few miles away. Thomas was also an entrepreneurial pioneer, having moved from fairground bingo to arcade, to operation, to manufacture, and had developed a consortium of arcade-related companies. The Thomas Group included builders, shopfitters, and interior designers, alongside staff specializing in machine design, manufacture, sales, and operation. Later, Thomas's companies specialized in bingo manufacturing and the construction of automatic change machines found in practically every arcade in the country. All of these divisions were used to build the Showboat chain. Each Showboat arcade's opening was treated as a gala event, featuring well-known television personalities such as Patricia Phoenix, who played Elsie Tanner on the soap opera *Coronation Street* and hence would be familiar to Thomas's target market, the British housewife.<sup>12</sup> The festivities ensured that the Showboat arcade openings were well attended by people who might normally balk at the idea of entering an arcade. And perhaps if they crossed the arcade threshold once, they'd return again. Explaining his vision, Thomas said: "People will know what standard to expect. . . . local authorities will know what to expect. They will know of the high standards and qualities of *Showboats*, and this will, we hope, ease planning applications."<sup>13</sup> Yet obtaining planning approval was rarely an issue for Thomas, who showed a preparedness and diligence toward gaming law and planning processes perhaps unmatched by his contemporaries:

I was a boffin on the law, gaming law. Nothing else, just gaming. And I had a very, very, good friend called John Harvey QC, and between him and I, we broke most of the barriers in the law, you know. I got through them, found what they really meant and what they said. I went into the law and I never ever lost an appeal,

I had 80-odd appeals . . . every appeal we took we won. I used John Harvey, John Drinkwater, Richard Beckett, the three top QCs in the land, and between us we know exactly what the law would allow.<sup>14</sup>

Thomas didn't only study the law; he also assembled a legal team that included some of the best-regarded barristers and solicitors in Britain. In the town of Bedford, the company encountered resistance to a Showboat arcade application. Thomas explained that "the councilor said, I don't care what you say, I don't want these places, I'm going to vote against it."<sup>15</sup> But Thomas's team's awareness of the law ensured that they knew when a planning committee had overstepped themselves. When this occurred, as in Bedford, Thomas sued the councilors for damages, explaining: "It worked because when we went to councils, we made sure that they knew that if a councilor opposed us unfairly, we would take them to court, that is, if they opposed us unfairly, just because they didn't like arcades."<sup>16</sup>

Through this approach, carefully selecting prime inland locations, ensuring planning approval, using a group of companies to fit out the arcades, and then putting on gala events to build a customer base, Thomas's Showboat systematically expanded, eventually becoming one of the largest chain of arcades in Europe. But while we can applaud Thomas's tenacity, preparedness, and foresight, facing a top legal team like his must have felt utterly one-sided and frustrating to those local planning committees.

In August 1968, following a wave of arcade approvals, representatives from South Shields, Tynemouth, Whitley Bay, Sunderland, Northumberland, and Durham county councils lobbied the government for powers to restrict their spread. Councilor Sidney Blackston, the main opponent of Burnley Town Council's plan to include an arcade in a £5,000,000 (\$6.8 million) town center development, said: "There is a real danger of these arcades spreading. They are all right at the seaside but wrong in towns. Once one has been approved, more and more applications will come in."<sup>17</sup>

By July 1970, Thomas had opened his sixteenth arcade, announcing his intention to open fourteen more within a year.<sup>18</sup> When quizzed by a journalist on how this expansion could be achieved, Thomas emphasized the need to select equipment carefully and understand the law. Thomas stated that "we have always used a wide variety of types of equipment in our centres, so we are not so badly affected by the laws as the operator who used to pack his arcade with a hundred fruit machines."<sup>19</sup>

The scale of expansion was unheard of. To achieve his ambitious plan to expand the Showboat arcade empire, Thomas took a different approach

to planning than did others. Instead of competing with every other arcade owner for sites at seaside resorts, Thomas focused on major inland towns and cities, “always in the main streets, always in the prime positions,”<sup>20</sup> but he found that these locations often had additional restrictions about retail areas that could be used to legitimately oppose an application, and this was the reason why other applicants had failed to build arcades there. The applications were not opposed because the council had objections to arcades, but because the proposals created a break in a line of continuous retail premises, which could hurt business in the area. Thomas’s solution was simply to combine retail and arcades in the same building: “I did it by putting retail in the front, because it wasn’t a break in the shopping frontage. I’d say no, we’re not a break, because we have retail on the front. You go through the retail to the arcade.”<sup>21</sup>

Thomas even saw opportunity in the retail frontage used to disguise the arcade, often selling nonperishable luxuries. He explained, “China was marvelous, it didn’t fade in the sun in the windows, it didn’t deteriorate.” The Poole Showboat arcade contained a shop that “became quite famous because it had the best selection of ships in bottles in the country.”<sup>22</sup> At a planning hearing to scrutinize a proposed arcade installation, Thomas’s team would present officials with drawings of the proposed Showboat building and examples of prior Showboat installations, with the “artist’s impression on one side, photograph of a finished shop on the other.”<sup>23</sup> Thomas explained that a critical difference was the nature of the clientele seen in the artists’ impressions and the photographs of Showboat arcades:

I’d produce brochures at planning appeals, they would have photographs of women in there, and every one of those women would have a carrier bag with Tesco’s on or Marks & Spencer’s on, to show that they were shopping. And we said it was part of giving them relief in the day and when they were shopping and they’ve got the kids at school they can meet in the Showboat. They didn’t want to meet in a pub anymore, because a pub was alcohol, and it wasn’t considered the place for women at the time.<sup>24</sup>

Thomas’s approach emphasizes the positive value of arcades, their cultural relevance, their social role, and their visibility beyond the seaside and the city, and even their reinforcing of conservative attitudes toward gender. It also chimes with the findings of Mark Griffiths’s 1991 paper detailing observations of the social function of the British arcade and the arcade as a space for female socialization in 1988.<sup>25</sup> Thomas was exceptionally aware

of the public ambivalence toward amusement arcades, civic concerns about national overexpansion, and increasing rumors of arcade delinquency and criminality. Thomas’s view was that arcades needed to become more visible to dispel misunderstandings about their function and purpose. By doing so, he hoped that “perhaps then the silly newspaper rumors about the way the business is carried out will be disproved and we will be accepted as legitimate businesses dealing in adult entertainment.”<sup>26</sup>

The brochures that he created were not done to get approval—urban Showboat arcades *did* primarily cater to women and adults exclusively. Unlike seaside arcades, children were barred from urban Showboats arcades, and they included a careful mix of machines and bingo. Showboats did not challenge the character of a city-center retail district because of their design or nature. They offered adult entertainment and a social space outside the male dominion of the pub. Using this approach, Thomas decided that he “could get one in every single town centre,”<sup>27</sup> so he confidently pursued applications in even the most conservative locations. As Thomas put it, “We had the main street in Cambridge, Birmingham, Torquay, we had the main street in any major city that isn’t London or a seaside. In all of these we had a *Showboat*.”<sup>28</sup>

Alongside arcades and clubs, many people applied for licenses to operate single machines on other premises. The Hull City Council’s 1968 application workload offers a sense of the proliferation of arcades and machines: “Sixty applications had been received for permits for premises in the city, including machines to be sited at thirty-four grocery shops, nine newsagents, five off-licenses, two fish and chip shops, two public houses, two butchers’ shops, a confectionery shop and a cafe.”<sup>29</sup>

Fred Hammond, the Hull Corporation Committee chair, voiced frustration about the council’s inability to control arcades and the power of appeal: “I agree with curtailing a lot of this, but we can only object where they do not comply with the law.”<sup>30</sup> Feeling trapped by the law and facing increasingly professional applications and appeals, Hull councilor Reverend John Borne blamed the 1960 Gaming Act, calling for Members of Parliament (MPs) to “get this lousy piece of legislation put right.”<sup>31</sup>

### **Undertaxed, with Criminal Overtones**

While arcade expansion was an issue, emerging associations with organized crime soon eclipsed this as a concern for the British public. The size of

coin-operated machine sales and the profits that machines made were not noticed just by American manufacturers and British entrepreneurs, but by those associated with organized crime from around the world. Gabe Forman, an American citizen, moved to Britain in the early 1960s, selling and operating fruit machines in the West End of London. Colin Mallery, then working for Ruffler & Walker, recalled delivering equipment to Forman:

I delivered over there one day and I went to unload the van, and he said. No, no, don't you do that. I'll get someone else to do that, and he had a big gold thing on his arm. And he said, "you don't do any of that, my boys will do that." And these blokes come out and unload the van, and he says, "let's go and have a drink" so he gave me half a beer from the office and a white fiver worth £50. I couldn't believe it, I was earning about £30 a week then with overtime.<sup>32</sup>

Evidently, British police became concerned by individuals like Forman, so they took action. Forman was allegedly given 24 hours' notice to leave before being deported from Britain—the assumption in the trade was that he was an American union racketeer. Despite being told these accounts, I could find little evidence to show that Forman was warned, or that he was connected to crime. On January 31, 1961, Forman's company Las Vegas Coin featured prominently in the Amusement Trades Exhibition, held in the Royal Horticultural Hall, London. A *Billboard* magazine feature observed, "Gabe Forman had large crowds around him constantly on his Las Vegas Coin Machinery Imports (Entertainments) Ltd stand where he had a display of new Mills Bell-O-Matic fruits, burglar alarm stands for fruits, and some converted machines."<sup>33</sup> Yet the June 1961 issue of *Cash Box* magazine tells of the "three-pronged dispersal"<sup>34</sup> of Forman's company. While this evidence is perhaps circumstantial, it adds weight to the claims that Forman was impelled to leave Britain very swiftly in early 1961.

While those profiting from the newly legitimized and rapidly expanding coin-machine industry were thrilled by the 1960 Gaming Act, there was growing disquiet elsewhere in political circles. The view of many was that the act had resulted in the "proliferation of gambling establishments all over the country,"<sup>35</sup> and while this referred to clubs, it also implicated arcades. A number of politicians, such as Lord Hawkes, became concerned that the true income of coin-operated machines was being misreported to customs and excise, and furthermore, that declared earnings were under-taxed compared to those of alcohol and tobacco. MPs estimated the value of this undertaxation at "£1,000 million [\$1.36 million] a year,"<sup>36</sup> a very



welcome contribution to the national purse. In Parliament, MPs questioned whether coin-machine-related taxes could be increased, allowing the industry to “contribute, in larger measure to the national budget, and thus indirectly to the social and perhaps even defence needs of the people?”<sup>37</sup> It became evident that there was a growing appetite to revisit the 1960 Gaming Act and push back against expansion, profit, and perceived criminality.

### The One-Armed Bandit Murder

On the morning of January 5, 1967, the club fruit machine money collector Angus Sibbet was discovered shot dead in the back of his Mk. X Jaguar in a quiet Newcastle back street. The crime took place at a pivotal time in the war against 1960s organized crime in Britain. The “one-armed bandit murder,” as the case became known, made front-page news. Journalists exposed a lurid tale of racketeering, intimidation, organized crime, and links to the infamous London gangsters Ronnie and Reggie Kray. The subsequent manhunt and trial captivated the public imagination, indelibly connecting coin-machines and organized crime, and the incident was used by those advocating greater control of the coin-op industry.

A London career criminal called Dennis Stafford was charged with Sibbet’s murder. The case became important in managing public perceptions of police authority and competency. According to Stafford, who has claimed his innocence ever since, “there were widespread fears that club officials were being corrupted. There were cases of social clubs being burned down and there was lots of wild talk about gang warfare.”<sup>38</sup> Stafford’s view was that his conviction offered the police and public a quick, reassuring win (Stafford denied playing any part in Sibbet’s murder, but he did acknowledge being a known “face” and nuisance that the police wanted to imprison). Stafford’s account of his activities in Newcastle, and the dossier he created to show his innocence, shared by Stafford’s girlfriend actor Jill Bennett with an aspiring film star, eventually became the inspiration for Ted Lewis’s 1970 novel *Jack’s Return Home*, later filmed as *Get Carter*,<sup>39</sup> a classic gangster movie starring Michael Caine. Some of that film’s most memorable scenes came directly from Stafford’s dossier. He explained:

The Krays were keen to muscle in on the rich pickings that we had discovered in the North-East. They badly wanted to get in on the fruit-machine game and they sent a couple of guys up from London to persuade me to cooperate. These

jokers came up and knocked on the door of this little bed and breakfast place in Westgate Grove where I was staying. I just got out of bed, picked up a shotgun and went out to deal with them. If I'd hung around to put my clothes on, I might not be here today. They soon got the message and cleared off back down south.<sup>40</sup>

Featuring intimidation, murder, and naked, shotgun-toting gangsters on the streets of Britain, the Sibbet case illustrated that aspects of the coin-operated trade had been infiltrated by organized crime. MPs agreed that the 1960 Gaming Act had caused conditions that criminals exploited, including the clause that defined maximum stakes for club machines but not their maximum prize, which made machines—especially if tampered with to never pay out the large sums they advertised—compelling and lucrative. As a result, the government began systematically reviewing the entire British coin-operated gaming apparatus: gaming machines, AWP, clubs, bingo halls, arcades, manufacturers, and distributors. Lord Stoneham, the minister of state, argued that it was necessary to look at all aspects of the trade because the “majority of amusement machines now—especially those in pubs and cafes—are nothing more than the familiar ‘one-armed bandits’ or fruit machines, adapted to give reduced prizes. They are gaming machines.”<sup>41</sup>

While there were significant differences in the profits made in arcades and clubs, and they catered to different audiences, Stoneham asserted that the machines were “often identical in design and retailed by the same people.”<sup>42</sup> His view was that “the temptations to abuse are similar, in kind, if not in degree,”<sup>43</sup> and in doing so, he implied that the British industry had been infiltrated by both homegrown and foreign organized crime.

### **Butlins and the Mafia**

Not long after the Sibbet case, the largest machine distributor, Phonographic Ruffler & Walker (PRW), suffered a major blow that reinforced negative public attitudes of the trade. In 1968, PRW began to add entertainment companies to their portfolio. It purchased the Dreamland amusement park in Margate, and this investment was so successful, with an estimated 100,000 visitors each week,<sup>44</sup> that PRW looked for further entertainment acquisitions. The Butlins chain of holiday camps rose to prominence during the 1950s with the postwar desire for cheap and cheerful, organized holidays, swiftly becoming a cherished British public institution. Butlins represented an ideal potential acquisition for PRW that would complement

its central business of coin-machine distribution and supply. If successful, the purchase would give PRW unmatched vertical integration, from machine importation, distribution, operation, and maintenance to a large population of on-site holidaymakers to play its machines.

In late November 1968, PRW submitted an initial offer to the Butlins board members, commencing the sensitive process of corporate purchase negotiations. However, on December 5, 1968, a week into the negotiation process, the *Daily Mail* newspaper ran a story headlined “West End Mafia Faces an Attack by Sir Rasher,”<sup>45</sup> a reference to Gaming Board member Sir Ranulph Bacon. It said: “Already it is thought that the Mafia has quietly acquired interests in several London casinos . . . It’s only a few weeks ago that a Mafia takeover bid to get hold of one of our big entertainments companies made the front-page headlines. Except that only a few people knew about the Mafia part of it.”<sup>46</sup>

The insinuation was that PRW was a mob-controlled company, and it was attempting to buy a cherished British public institution. The Butlins purchase promptly collapsed, and eight PRW directors sued the *Daily Mail* for libel. The *Daily Mail* claimed that the Associated Leisure directors, Cyril Shack and Gordon Marks, had become shareholders in the Colony Sporting Club gaming house in Berkeley Square, London, in 1966. At this point, the club was run by the American film star George Raft, famous for his role as Guino Rinaldo in Howard Hawks’s 1932 gangster film *Scarface*.

In 1967, in the wake of the Sibbet murder, the Home Office withdrew Raft’s British residence permit due to his alleged criminal affiliation. Following this, the Associated Leisure directors sold their interests in the club, not wanting any association with organized crime. The *Daily Mail*’s position was that the relationship between PRW and the Mafia had not simply been one of unfortunate coincidental investment—the criminal links were known and beneficial to all involved—and thus the British coin-machine industry had been infiltrated by American organized crime. While the Raft events had taken place the year before, PRW’s interest in Butlins had made the company and its associations of public interest, and hence the *Daily Mail* published its piece. While the newspaper article immediately prevented the PRW Butlins purchase from going ahead, the subsequent libel trial against the *Daily Mail* wasn’t heard until late June 1971—at which point PRW had been renamed Associated Leisure. The libel trial centered on four points, which were that PRW had:

- (i) traded with a Mafia controlled company, known as the *Las Vegas Coin Company*;
- (ii) involvement with the Mafia in gambling due to investing in the *Colony Club*;
- (iii) entered into partnership with the Mafia by dealing in equipment built by the *Bally Manufacturing Corporation, Chicago*;
- (iv) joined with the Mafia in an attempt to purchase of *Butlins*.<sup>47</sup>

The authorities were made aware of the accusations, but after the investigation found no evidence of wrongdoing, Associated Leisure's license to trade was not withdrawn. Furthermore, Bally were one of the oldest American coin-machine companies in the industry, and practically every distributor in Britain that sold their machines had business dealings with them. Associated Leisure's relationship was certainly closer with *Bally* than others, as seen by Bill O'Donnell agreeing to build machines specifically for the British market, but this relationship would be expected when dealing with the largest distributor in such a significant market as Britain. Furthermore, Bally had also been subject to a Securities and Exchange Commission investigation in the US and become a public company, making its accounts entirely visible. Evidently, the *Daily Mail's* accusations were flimsy at best. According to the *Daily Mail's* defending barrister, QC Waterhouse, it was apparent that "the company's dealings with the *Las Vegas Coin Company* was of very minor relevance,"<sup>48</sup> but it is unclear whether this was Gabe Forman's company before he returned to the United States (the name is certainly almost identical). Ultimately, the journalist's claims depended almost wholly upon the two PRW directors' involvement with the Colony Sporting Club and being dealers for the Bally Corporation.

The *Daily Mail* defense appeared more precarious each day of the month-long trial, but then there was a sudden change of fortune when it called an American citizen, Herbert Itken, as a witness. Itken offered the jury a colorful narrative, claiming that he was recruited by the Federal Bureau of Investigation (FBI) to infiltrate American organized crime and had witnessed meetings between the Mafia and PRW directors at the Colony Sporting Club. Despite the absence of evidence to support Itken's claims of engagement with the FBI or Central Intelligence Agency (CIA) in the US, or indeed of any Mafia meetings, the trial was swayed by his account, and the jury sided with the *Daily Mail*. The PRW directors were ordered to pay £60,000 in court fees, and the newspaper's story was deemed a fair report.

Following a dismissed appeal request, one of the founding directors, Cyril Shack, left the coin-operated industry altogether, but he continued to maintain that a miscarriage of justice had occurred. His view was shared in subsequent years by the barrister who had represented the *Daily Mail* in the trial. In his memoirs, Waterhouse explained that in later years, he became aware that "Itkin was never an FBI or CIA agent: he was merely a voluntary informant, and his evidence about reporting matters to the FBI in London was expressly refuted by the FBI representative."<sup>49</sup> Furthermore, Waterhouse said that in a later American case, Itken had been deemed an unreliable witness when challenged during cross-examination. Whatever the truth of the matter, the Butlins/PRW/Mafia case dealt the entire arcade industry a major blow, and as the newspaper reported its successful defense, concerned *Daily Mail* readers were more certain than ever that the arcades and those in the industry posed a threat to British society. The pushback took shape in the Gaming Act of 1968, a major revision to the 1960 Gaming Act that introduced sweeping new controls. This was then followed by the 1969 budget, which introduced punitive duties on coin-machine operation.

### The Gaming Act of 1968 and the Gaming Board

Sir Ranulph Bacon, one of the founding members of the Gaming Board, described the "full-scale Gold Rush" in Britain that emerged in the eight years that followed the 1960 Gaming Act: "with six times as many clubs as in any other country, haphazardly located in industrial, cathedral and university cities, sea-side resorts and country mansions . . . inside a decade, this little island became the gambling centre of the world."<sup>50</sup>

The Gaming Act of 1968 introduced wide-reaching administrative checks on all aspects of the coin-machine industry, requiring those manufacturing, selling, and operating games to have licenses awarded by the newly formed Gaming Board of Great Britain (henceforth Gaming Board). The Gaming Board was led by Sir Stanley Raymond, former chair of the British Railways Board, and had sweeping powers to search premises, carry out investigations, and scrutinize company accounts on behalf of the Home Secretary. Foreign nationals, or individuals with prior convictions, were ineligible for licenses. The Gaming Act of 1968 forbade profit-sharing between operators and site owners, seen as something exploited by criminals who forced

landlords to site machines with very unfavorable share agreements—if they received any return at all. Anyone found trading in machines such as AWP's without a license faced up to two years' imprisonment and an unspecified but unlimited fine, while those found in breach of license terms risked a £400 (\$534) penalty and up to three months' imprisonment. Violation resulted in immediate and uncontestable license disqualification and the closure of any attached clubs, arcades, manufacturers, or distributors dependent on that license.

The Gaming Board was recognized as a powerful and active body that closely scrutinized and regulated the industry, rapidly purging it of criminality. Raymond also unveiled a rationalization of the geographic spread of high-stakes club gaming, concentrating it into twenty-eight locations around Britain that could be better observed and policed. Any high-stakes clubs outside these locations were told that their licenses would expire and would not be renewed, and the Gaming Board gradually redrew the map of the most exploitable machines and activities. While some major seaside resorts were included in the high-stakes plan, the locations were generally found in cities where large populations could be entertained and large police forces found. In London, club gaming was restricted to Mayfair and the West End.

The arrival of the Gaming Board made the British coin-operated industry hostile to criminal elements. Purged of its (real or imagined) criminal elements, the industry remained the preserve of showfolk, entertainers and entrepreneurs, but the salacious association of arcades and organized crime persisted in the public imagination. Many who had adhered to the 1960 Gaming Act were frustrated by the sweeping 1968 revisions and its profusion of administrative complications. An editorial in the coin-operated industry newspaper *Coin Slot* described the law as a "sledge-hammer Act for a small nut."<sup>51</sup> The general consensus was captured by the *Coin Slot* editor's comment, "No one would deny if honestly challenged that the casino and 'heavy' gaming establishments were in danger of getting out of hand. But why the hell was it necessary to deal with modest gaming by machines in the same heavy-handed, clodhopping way as the multimillion-pound casino-style operation?"<sup>52</sup>

While the Gaming Act of 1968 was eventually recognized as effective in addressing the criminal exploitation of the 1960 Gaming Act, it was only one part of the pushback. It was accompanied by tax changes that

successively constricted the legitimate British arcade industry and forced change upon it.

### The 1969 Budget

“It is so bad, even worse than we thought,”<sup>53</sup> was the response of John Singleton, secretary of the ACA, to the unveiling of the 1969 budget, in which the British government radically increased the taxes paid by the arcade industry. The budget introduced license duty on AWP machines, which had become the staple income generator in the British arcade, and this change greatly increased the costs attributed with running an arcade. The 1969 budget stipulated that the first AWP machine on a site incurred an annual duty of £25 (\$34), but each subsequent machine was charged a duty of £150 (\$204). Following strident lobbying from the ACA trade body, concessions were introduced that halved the duties for seasonal arcades and sites that operated only low-cost penny-play machines, but even so, these taxes were a greater burden than the industry had ever faced.

The 1969 budget went even further: it counted *every coin-slot* on a machine as a separate machine for tax purposes. The logic was that machines with multiple coin-slots could be played by many people simultaneously, multiplying the earnings. However, this failed to acknowledge the realities of public play and machine design—namely, that machines were made with a profusion of coin-slots to increase the sense of choice during play. A single large machine, such as Crompton’s twenty-player *Derby Racer*, was now subject to enormous levels of duty. A *Derby Racer* machine, if operated in a seasonal arcade over a typical four-month summer, would be taxed at £1,500 (\$2,040) (£75 [\$102] for each of the twenty coin-slots), an astonishing figure considering that the machine cost £1,765 (\$2,400) to purchase new. In a yearlong arcade, ineligible for the seasonal half-rate concessions, the *Derby Racer* would cost £3,000 (\$4,080) in taxes. The centerpiece machine that once cost the same as a three-bedroom house would now cost almost twice that amount per year in tax alone. To make matters worse, duties were collected at the beginning of a trading season to avoid any circumvention of duties, but that was also before the machines could make a single penny. The budget also insisted that the duties applied to any machines in a location, regardless of whether they were operational, or even accessible to the

public. If the intention of the 1969 budget was to address a period of perceived undertaxation, bring the expansion of arcades to a halt, and perhaps punish those involved in what was now regarded by some as an unsavory trade, then it was brutally effective.

The 1969 budget appeared to be written specifically with the success of multiplayer coin-operated machines in mind. Its repercussions were disastrous for operators that had invested in big machines during the 1960s, as well as for manufacturers like Cromptons that specialized in their construction. Arcade owners were obligated to change their machine mix to limit exposure to the new taxes, and the once-prestigious multiplayer machines became oppressive burdens overnight. A front-page article in *Coin Slot* captured the industry's fears:

While a few rich arcade owners and operators may be able to afford the high taxes, the vast majority, average and below average, would be completely crippled by them . . . Many established people in the business would be finished, their staff would be unemployed and the Government would lose revenue from Income Tax, Corporation Tax, Purchase Tax and other taxes to which the industry are contributing on a wide scale.<sup>54</sup>

Following the 1969 budget announcement, operators canceled orders for multiplayer machines, and the entire British coin-operated industry was thrown into disarray. Consequently, seaside operators, especially those based outside the major tourist resorts (which had become so monopolized by corporate purchasing), had little choice but to focus on single-player, low-stakes, low-jackpot AWP's and novelty machines. This accentuated the difference between large and small arcades and larger and smaller resorts. The major resorts became dominated by corporate interests, which could invest in the most impressive and expensive machines, sometimes obtaining a commanding share of all the arcades in a resort and running for an extended season. By contrast, the smaller British resorts were dominated by sanddancers, who entertained fewer tourists in seasonal arcades, and these arcades contained smaller, less expensive machines.

The 1969 budget had a profound impact upon the look and feel of British amusement arcades. It also generated ill will between seaside and city operators; seaside operators felt disproportionately harried by the budget and increasingly let down by their trade organizations.

In response to the situation, the well-known Welsh arcade owner Philip Booth published an open letter in the trade press blaming the 1969 tax



changes on the “mushrooming of inland arcades.”<sup>55</sup> He accused the trade bodies (ACA and ATA; Amusement Trades Association) of giving seaside arcades poor representation, and he called for the creation of yet another trade organization to exclusively support seaside arcades. In September 1969, the Seasonal Seaside Amusement Operators Association (SSAOA) was formed with a mandate to fight for the needs of “operators of amusement equipment within an area of one mile in depth from the coastline.”<sup>56</sup> Members of the SSAOA, mostly comprising small arcade owners who found themselves stuck with worthless multiplayer and high-stakes machines, began a protest campaign of newspaper-friendly bonfires of coin-operated machines (see figure 4.1 and 4.2). Dudley Barron, the owner of Great Yarmouth Paradium, explained the reasons: “We can’t afford the tax, we can’t sell them [the machines] because no one will buy them, and we can’t store them. Hence the bonfire on Yarmouth beach near the Marina. But this is not the end. We shall continue to protest against this crippling tax.”<sup>57</sup>



**Figure 4.1**

Preparing for the “Bonfire of the Machines,” Great Yarmouth, 1969. Note the *Fun with the Stars*, *Penny Falls*, and *Allwin* machines being prepared to be torched. Copyright Archant Norfolk.



**Figure 4.2**

The “Bonfire of the Machines,” November 5, 1969. Arcade operators protest prohibitive taxes that made multiplayer machines unaffordable by lighting public bonfires. Freddy Bailey is sixth from right behind the burning machine. Copyright Archant Norfolk.

The twenty-player *Derby Racer* became an iconic casualty of the new tax regime. In Swansea, Don McKay, the owner of Tivoli Entertainments, threw a *Derby Racer* from the side of Mumbles pier into the Bristol Channel. McKay explained: “This latest tax has been the death knell for multi-slots. The ways things are going, many of the amusement arcades at the holiday resorts will have to close their doors.”<sup>58</sup> McKay’s *Derby Racer* protest was replicated by at least one other arcade owner in Margate. The SSAOA coordinated “the firing of the machines”<sup>59</sup> across British seaside resorts on November 5, 1969—Guy Fawkes Night, the British commemoration of a failed attempt to destroy the Houses of Parliament, celebrated with fireworks and bonfires. The Essex SSAOA bonfire organizer Tommy Manning of Clacton-on-Sea explained: “We burnt £2,000 [\$2,720] worth of machines because we cannot pay the tax on them. I estimate that around £50,000 [\$68,000] worth of equipment

will be destroyed. The tax on penny machines will put a very large percentage of the small seaside operators right out of business."<sup>60</sup>

The number of machines burned and the estimated values being suggested once more illustrate the impact of legislative changes on the British arcade industry, negating almost a decade's worth of investment. In one protest in Great Yarmouth led by Dudley Barron, 100 machines were destroyed. In Withernsea, East Yorkshire, nearly 50 automatic machines were burned as a crowd of 200 watched, with the local councilor, Charles Nicholson, ceremonially lighting the pile. Nicholson justified his role in the protest on the basis of the *positive* contribution that arcade revenue made to the resort: "If we lose the amusement arcades, which could happen because of this tax, we could lose a great amount in rates. Amusement caterers are the largest ratepayers we have in the resort."<sup>61</sup> While many had reservations about the sudden growth of arcades, others recognized their economic contribution and the way they made resorts attractive to visitors.

Although the protest bonfires caught the imagination of the regional press, they had no discernible impact upon government policy. Within a few short months, the *Derby Racer* and other multislot machines vanished from the arcades of Britain—up in smoke, plunged into the cold North Sea, or sold for next to nothing to fairground showfolk. According to a presentation made to the Treasury by a joint ACA and ATA delegation in 1970, the impact of the tax was enormous on operators and manufacturers alike: "In the majority of cases duty absorbed between 35 and 75 per cent of the before-tax profits,"<sup>62</sup> and "in many instances the duty payable actually exceeded the profit."<sup>63</sup> Following such a large decline in profits, many arcades closed, and others were "merely struggling on in the hope that their plight can soon be eased."<sup>64</sup>

By April 1971, it had become evident that lobbying by the SSAOA, ATA, and ACA trade bodies had failed to change the government's position on taxation. Concessions were not forthcoming, and in July, the final opportunity for amendments was lost, without MPs even discussing the subject in Parliament. For some operators and manufacturers, the fight to obtain concessions from the Treasury was too slow and ineffectual, and they retired from the trade. John Harris, former chair of the Eastern Section of the Showmen's Guild, put his 780-foot Hunstanton pier up for sale, explaining: "Taxes have put such a burden on caterers all over the country that we are no longer working for ourselves."<sup>65</sup>

The taxes also damaged manufacturers. In March 1972, Mayfield Electronics, the company run by Eddie Carter and with whom Michael Green had developed the *Penny Lanes* and *Indianapolis* machines, went into liquidation, with seventy redundancies.<sup>66</sup> When the 1969 legislation was announced, Mayfield Electronics employed 150 people, but it immediately reduced staffing levels and focused on producing amusement-only machines. The market for pure amusements was not sufficient, and Mayfield were left with a large stock of multiplayers and spares that they could not sell. The following month, Jim Crompton told a similar story of catastrophic market decline: "The effect of the duty we have suffered over the past two years has been a drop in sales of machines to the home market of 95 per cent. We just haven't developed any dutiable pay-out machines at all. I can't see how coastal sites can continue in business and pay this duty."<sup>67</sup>

While the survival of operators required prudent investment, manufacturers had no choice but to generate income, and with the inert British market, looked to international export. Bell-Fruit, the largest all-British manufacturer of AWP machines, announced that in 1970–1971, exports made up the majority of its £350,000 profits, and the British AWP market had shrunk to a quarter of what it was in 1968.<sup>68</sup> A Bell-Fruit spokesperson explained, "The Gaming Act can be fairly and squarely blamed for the dislocation in manufacturing fruit machines and the heavy redundancies experienced by many in the business. The Act effectively killed the jack-pot for everyone, including the playing public, and equally effectively retained it for the Government."<sup>69</sup> By January 1972, faced with a depressed home market for AWP sales, Bell-Fruit expanded its operating business by purchasing Mecca Leisure Services for £1.7 billion.<sup>70</sup> As a result, Bell-Fruit became the largest operators of AWP machines in Britain as well as being the largest manufacturer. The majority of sites purchased in the Mecca Leisure Services deal were machines in pubs, a sector that Bell-Fruit had pioneered. By purchasing the operating interests, Bell-Fruit created vertical integration, ensuring that there would be a large British market for its factory output and it would receive a significant proportion of the AWP investment in Britain.

### Moral Hazard

The pushback against arcades and clubs grew, chiming in with the historic opposition that the fairground had faced. During this period, concerns

changed to the alleged risks of gambling, and in historical terms, the "moral hazard" it produced. Civic and religious groups began to lobby politicians, demanding the ability to limit arcade expansion and prevent children from entering arcades. They often supported their complaints by reports that emphasized moral hazard. For example, in March 1970, the Manchester North Rotary Club published a report claiming that the atmosphere caused by low-stakes AWP gaming as occurred in an "amusement arcade is not in the best interests of that child or its later development,"<sup>71</sup> and penny machines were a "temptation" to minors. These reports did not connect the arcade owners to a fairground tradition, nor did they acknowledge their often-generous civic contribution, but they did speak abstractly of the threat posed to children. The reports underplayed the fact that many arcade owners had voluntarily adopted policies not to admit unaccompanied children, as was the industry trade bodies' official position for all inland arcades. Seaside arcades were omitted from this policy because they served a holiday-making clientele and offered a family-friendly amusement mix, designed in part for children.

The Showboat arcades banned children, displaying a "big policy notice visible in the arcade entrance,"<sup>72</sup> and many other arcade owners recognized the logic of the policy. Despite the wide adoption of these policies, the absence of any legal obligation to ban children was perceived by many as a legislative failure, exploitable by disreputable arcade owners. This concern gained momentum through the early 1970s. At the 1973 Welfare Officers' Association national assembly, its members voiced similar concerns about arcades and children. The association claimed that arcades were a cause of child truancy, they were "magnets to teenage delinquents," and child gambling levels constituted a "social menace."<sup>73</sup> The Welfare Officers' Association president Jack Clayton stated that "growth of these amusement parlours, full of one-armed bandits and other small-change gambling toys is largely responsible for this. . . . These places cause trouble on two counts—because to go there a boy often has to play truant and to afford the machines he usually has to steal or spend his dinner money."<sup>74</sup>

At the end of 1974, the Churches' Council on Gambling commissioned the former civil servant Arthur Taylor to produce yet another report on the relationship between childhood delinquency and arcades.<sup>75</sup> Unexpectedly, for research commissioned by a partisan church group, the report failed to establish any substantive link between arcades and delinquency, which

many assumed might exist. While the report's findings were interestingly unexpected, the data also offered a glimpse at the size and shape of an industry in flux. Taylor estimated: "England and Wales had only 350 to 400 arcades and 250 to 300 prize Bingo stalls or halls. On top of that, there were probably 10,000 premises like cafes—but excluding pubs and clubs—where machines were installed."<sup>76</sup> In just over five years, changes made to the Gaming Act of 1968 and the ensuing taxation had radically contracted the industry. Taylor's paper was eminently even-handed in its approach, recognizing that the concerns that people felt about children and arcades were well intended, if not largely baseless, explaining that evidence did not support the argument that arcades constituted a moral hazard: "more convincing and extensive evidence would need to be found before this problem of juvenile delinquency could be presented as, in itself, a sufficient reason for further tightening the restrictions on amusement arcades."<sup>77</sup>

Taylor found no evidence that arcades were a significant cause of truancy, nor that children got into bad company in arcades. Indeed, while he acknowledged the potential risk of individual cases of theft by youngsters wanting money to play on machines, he did not find this occurring in practice. Taylor's summation to the Churches' Council on Gambling was that existing legislation was robust and effective, despite being voluntary, and in his view, "the amusement arcade might be a tiger, but it seems to be pretty well caged."<sup>78</sup>

### ***Johnny Go Home, Playland, and the Rise of the AAAG***

On July 22, 1975, the ITV channel broadcast *Johnny Go Home*,<sup>79</sup> a film telling the tragic story of runaway children attracted to Piccadilly Circus in London's West End and the pedophiles who physically and sexually abused them. The documentary revolved around the murder of one former runaway, Billy Two Tone, and the gradual exposure of a child abuse ring centered around a homeless hostel for runaways and its predatory principal, Roger Gleaves. Ten million people watched the shocking documentary and recognized Piccadilly's Playland arcade. Before that, *The Dilly Boys*, a 1973 book by Mervyn Harris detailing male prostitution in the West End of London, had explained that the arcades in Piccadilly had replaced other public locations as a convenient rendezvous, "a meeting ground for male and female prostitutes and other nefarious activities."<sup>80</sup> The noise and busyness

of the arcade, its free entry, long opening hours, and no doubt the pleasures of the gaming all made arcades attractive places to loiter.

The adoption of the arcade as a rendezvous was not unique or new, and police had prosecuted prostitution and solicitation in many venues in the area in the past, but *Johnny Go Home* brought the issue into sharp relief and played into the hands of those holding a negative view of arcades. The facts that the arcades played no part in the crimes, and that the voluntary policies of the British Amusement Catering Trade Association (BACTA) had been adhered to, were irrelevant, and there was an immediate public outcry calling for the closure of the arcades in and around Piccadilly. The view of the concerned citizens of Westminster was that *Johnny Go Home* amply demonstrated the inadequacy of arcade regulations and their moral threat. While criminality may have been removed from the coin-machine industry by the Gaming Act of 1968 and the Gaming Board, it was the spaces themselves, the addictive nature of the games, and the unsavory characters who hung out there that were the concerns of the mid-1970s.

Despite extraordinary public pressure to revoke Playland’s license, the Westminster City Council’s planning committee was restricted by the laws that governed arcade applications, so it could do nothing because Playland had not operated unlawfully. The council eventually attempted to close Playland, but this was overturned on appeal shortly afterward. For many, understandably incensed by the events shown in *Johnny Go Home*, the council’s inability to close the Playland arcade was an affront, reigniting tensions around council impotence over planning control. William Molloy, the Labour MP for Ealing North, spoke of the need for “vigilant supervision of these places to ensure that such arcades cannot become the haunts for these evil vice dealers,”<sup>81</sup> and similar sentiments were expressed in many articles in the mainstream press. Alan Willis, head of the (now merged) BACTA, responded: “It is wrong, therefore to single out *Playland* and terribly unjust to tar the rest of the West End arcades or any other arcades with the same brush.”<sup>82</sup> However, despite these protestations, the situation reaffirmed the link between games, crime, and moral decline, and arcades were regarded as unsavory—even dangerous—places, echoing the criticisms that ended St. Bartholomew’s Fair some 150 years earlier.

The Playland case reinforced public negativity toward arcades, and this became gradually coordinated, articulate, and effective. The Westminster councilor Robert Davis became the spokesperson and leader for the

concerned, eventually forming the Amusement Arcades Action Group (AAAG), a powerful lobbying body. The AAAG did not become truly active until the early 1980s, but in the mid-to-late 1970s, they supported press articles that stoked public moral indignation. The treatment of arcade owners in the mid-to-late 1970s by the regional and national press reinforced long-held views of persecution and prejudice—similar to the Showmen Guild's "defensive war" some sixty years before.<sup>83</sup> For example, on May 28, 1976, the *London Evening News* ran a story about the Crystal Room and Golden Goose West End arcades, run by the Trusthouse Forte subsidiary London Coin, in which a journalist approached young players and asked them about unsavory behavior. David Rogers, the manager of the arcades and the director of London Coin, was so incensed by the journalist's actions that he wrote a letter to the paper that was reproduced in the trade press:

[Y]our article on London arcades is riddled with lies. If you had tried to question young men in the Crystal Room or the Golden Goose as you say, you would have been asked to leave. . . . Have you ever written about how clean the arcades are or how we have fitted glass and open fronts so that anyone can see in? Or that there are no nooks and crannies inside? Have you said anything about how well-lit they are?<sup>84</sup>

The furious Rogers even used accusations of chauvinism by women's rights groups in the 1970s to discredit the *London Evening News* claims, explaining that "women are not allowed into our Old Compton Street premises after 10pm, and before that time only if accompanied by men. Why didn't you write about the two recent occasions that women's lib demonstrations took place outside the arcade for that very reason?"<sup>85</sup>

By the mid-1970s, the British arcade was attacked on all fronts by taxation, invasive administration, and, like fairgrounds before them, by concerned moral champions. Following this period, the coin-operated and arcade industry became deeply suspicious of journalists (and to some degree academics), on the basis that reports and interviews were often distorted or misrepresented to the detriment of the arcades in the public eye. But paradoxically, like the fairgrounds that preceded them, there was substantial public desire for seaside and inland arcades despite the criticisms of moral reformists. Furthermore, as appetites for international travel grew throughout the late 1970s, the British seaside resort became increasingly associated with poorer holidaymakers, as those who could afford to travel abroad often did. As this happened, the arcade took on a veneer of unsophistication.



During the 1970s, however, the major British seaside resorts such as Margate and Blackpool, where the arcades lacked quite the same insidious connotations as they were tarnished by in the city, saw enormous visitor numbers, paving the way for expansion and development.

The anti-arcade pushback was not as compressed or as coherent as presented here (it occurred over an eight-year period), but it can be seen as the mirror image of the expansionism felt in the early 1960s. It showed a reaction to concerns over criminality and moral hazard attached to the coin-op industry that were imagined, exaggerated, and substantive and reconnected with deep-seated discourses that framed public play, gambling, and those involved with their operation as unsavory and criminal. We should remember that it was not the sanddancing arcade operators or the coin-machine manufacturers that created the exploitable conditions of the 1960 Gaming Act, but the government itself. But the pushback disproportionately penalized the showfolk turned arcade operators.

Big businesses—Forte, Rank, and to a lesser extent PRW/Associated Leisure—had sufficient capital reserves to shoulder the duties and taxes of this period, but smaller companies were forced to close. In the case of arcades, this likely led to premises being bought by the large corporations at close-out rates (in fact, the early 1970s led to another wave of corporate expansion and consolidation in major resorts). We see the power of legislation writ large in the pushback, and as the smaller arcades and manufacturers are forced out of business, the British amusement arcade changed shape once again. And in the early 1970s, this was caused by the arrival of videogames.

