# WHO KILLED THE BOOKIES? : TRACKING TOTALISATORS AND BOOKMAKERS ACROSS LEGAL AND ILLEGAL GAMBLING MARKETS

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# Table of contents

# Table of figures

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# Abstract

The thesis provides an account of the development and the eventual elimination of the illegal horserace gambling market. Prior to the introduction of totalisators in 1870 bookmakers (bookies) provided the only option for legal on-course horserace gambling. Using an Actor-Network approach (Latour 1986) I track the transformations of totalisators across times and places to provide a historical account of the development and the co-existence of both legal and illegal horserace gambling markets, documenting the 100 year struggle by racing clubs and successive Governments to remove illegal bookmakers from horserace gambling markets. My argument is that the illegal gambling market survived for as long as it did because bookmakers' constructed extensive actor-networks that enabled them to provide a faster and more accessible betting service to punters. A significant feature in their survival was also the public and police tolerance of their presence.

I argue that no one actually 'kills the bookies'. At each stage in the transformation of the scale and operation of totalisators, punters gradually began to use the services provided by a legal market. I document how the drift of legislation, coupled with technological changes and the establishment of new legal gambling sites, led to the expansion of global legal gambling markets that included sport bookmakers and legal horse racing bookmakers. These developments, especially computerisation, enabled the legal market to expand and reconfigure networks providing flexible, real and online access points for betting. These developments ultimately eliminate the comparative advantages of the local illegal bookmakers and bring to an end the illegal horserace gambling market.

# Chapter One

# Introduction

> Horse and greyhound racing are centuries old… It has developed and adapted over the course of time and can be expected to do so in the future. It will prosper at times, at others it may suffer relative decline but finally it has its roots too far down into the subsoil of our culture not to endure (TAB 1991: 10).

> Well when they introduced the TAB, it just killed the poor bookie
> (Peter re: the introduction of the TAB in 1951).

Horse racing has always been a part of my life. In my Christchurch suburban family home during the 1960s and 1970s every Saturday was race day, as it was in many New Zealand households. Today when I hear race commentaries, it takes me back to being in the family kitchen, watching my mother preparing meals and hearing my father outside mowing the lawns with several radios turned on in anticipation of race results. For a special treat on our birthdays, my brothers and I were always allowed to pick a horse with our father placing a fifty-cent bet for us at the local TAB (Totalisator Agency Board). The TAB always fascinated me, as I was unsure of what happened behind the doors once my parents entered; all I knew was they walked out with a ticket that sometimes miraculously transformed into money. Even though my family was interested in horse racing we went only occasionally to the races. As an adult, married to a man with an interest in horse racing, I have attended numerous race meetings and overtime developed knowledge about horses, racing and the appropriate way to place bets.

With an interest in horse racing and gambling studies, I decided to combine my lived experience with my academic life to study activities that have been a prominent feature in the lives of many New Zealanders. Early English settlers to New Zealand introduced horseracing and within a few years after the colonial settlement in 1840, most towns had established racecourses (Mountier 1993: 5). By the 1880s, there were more racecourses and racing clubs, on a per capita basis, in New Zealand than anywhere else in the world (Syme 1992: 264). Horserace gambling quickly became one of the country's most popular activities with men, women and children regularly

attending race meetings held on weekends and during the week, with Wednesday meetings being so popular that schools even closed for the day ( Grant 2001: 12-15).

In my previous research undertaken on the cultural significance of the Canterbury Draught New Zealand Trotting Cup, one of the largest sporting and cultural events held in Canterbury, I became interested in the existence of illegal bookmakers. This was an aspect of horse racing that I was aware of but had no comprehension of how, why and for what period bookmakers operated illegally in New Zealand. Exploratory research revealed that initially bookmakers provided the only available fixed odds-based betting service at racecourses throughout New Zealand. The introduction of the on-course totalisator, a system of pool betting, in 1870 provided for the first time an alternative to this service and within a fifty-year span, totalisators eventually replaced on-course bookmakers. By 1920, the New Zealand Government realising the potential revenue from gambling taxation and with the encouragement of racing clubs introduced gambling legislation that made the business of bookmaking illegal. In response, bookmakers reassembled and constructed their own illegal market. This market was intertwined with the legal market.

The illegal market, in parallel to the legal market, prospered and struggled at different stages of its existence but survived until the late 1990s when illegal bookmakers virtually disappeared. Within this period of co-existing legal and illegal gambling markets, successive Governments in conjunction with what over time became the racing industry, all sought to destroy the illegal market by introducing new technologies: technologies that inadvertently aided the illegal gambling market. Latour (1996) in *Aramis or the Love of Technology* sought to explain why the technology of an innovative transport system failed. In this study, I borrow aspects from his approach to provide an explanation of why the introduction of new technologies within the New Zealand gambling market initially failed in the aim of removing illegal bookmakers.

### Aims of Thesis:

The aims of my thesis are to provide an account of the construction and elimination of the illegal horserace gambling market in New Zealand. I am interested in understanding how and why an illegal gambling market developed and endured in New Zealand for nearly eighty years. In order to do this I will also account for developments within the legal market that reconfigured both the legal and illegal markets over time. I am interested in understanding why the Government and racing industry strategies of introducing new technologies and implementing legalisation were unsuccessful for such an extended period. What happened within the illegal market that guaranteed the survival of the bookmakers? What part did technology play in the development of the illegal market? How can I account for shifting changes in the organisational form of the illegal market? Of particular interest, are the shifting configurations of actors, interests, and power within these transformations. Moreover, what effect does the introduction of the totalisator and the Totalisator Agency Board (TAB) have on the illegal market? Does the introduction of the TAB, as Peter suggests really 'kill the poor old bookie'? If this is incorrect, then how can I account for the eventual demise of the illegal bookmakers?

My second aim is to provide an analysis of horserace gambling that includes humans (actors) and non-humans (actants). Actor-Network Theory (ANT) considers the question of connections between the social and the technical by following and describing how things are recombined following the introduction of new technologies. I therefore intend to use a Latourian (1996) method of following an actor, in this instance the totalisator, to account for developments within the New Zealand legal and illegal gambling markets. ANT theorists (Latour 1986; Callon 1986; Law 1992a; Law 1992b) argue that this method provides an alternative analysis of how power operates. My intention in adopting ANT is to ascertain whether it provides an explanation of the contestation of power within the New Zealand gambling markets as the Government and the racing clubs attempt to control gambling.

The central argument that I develop in this thesis is that the illegal horserace gambling market survived for so long because of four key factors. Firstly, bookmakers enrolled more actors and created extensive actor-networks at a far earlier stage than the legal

market thereby providing a service that was faster and more accessible. Secondly, the devices introduced as a means to destroy the illegal bookmakers were unsuccessful because bookmakers utilised them to aid and ensure the success of their own businesses. Thirdly, there was a demand for their services from the betting public. The fourth and final factor is that the bookmakers' presence was tolerated by the vast majority of the New Zealand public and more importantly by the police.

I argue that the destruction of the illegal market occurs gradually after the introduction of the TAB when the legal market replicated some of the key features of the illegal market by providing off-course betting and telephone betting. As the legal market introduced more technologies, they began to provide a faster and more accessible betting service to punters than their illegal competitors. By 2000, the legal market had entered into and replaced most of the key illegal gambling sites while also creating extensive actor-networks. The police and members of the public who no longer tolerated the bookmakers' presence aided the expansion of these legal actor-networks.

The introduction, development and translation of the technology of the totalisator within the New Zealand gambling market is the key to understanding the rise and fall of the illegal bookmakers. At each point in the transformation of the totalisator, the creation of new actor-networks influenced the balance of power within the gambling markets. The legal gambling market finally gained the balance of power once the technology of the totalisator was translated in a form that gained the interest of the intended users of the technology and the legal market had enrolled more actors into their networks than the illegal market. The introduction of the TAB had enabled women to enter what had previously been a male dominated leisure activity. With the introduction of computerised totalisators combined with the transformation of hotels a new generation of punters also emerged. Therefore, the introduction of the technology of the totalisator both aided the construction and survival of the illegal market and in combination with developments in computerised technologies it also ultimately destroyed the illegal market.

## *Method*

The method of following both persons and things that I have used in undertaking this thesis does not follow the usual methods employed by anthropologists. I was unable to undertake participant observation because the practice of illegal bookmaking has almost disappeared. It is possible that some illegal bookmakers may still operate today but if they do, they are on such a very small scale that they are no longer any concern to the Government and the racing industry. By drawing on ANT as my method of analysis, I adopt an approach that provides a multi-sited ethnography that allows me to follow "actors in time and across settings" (Austrin 2002: 16). Marcus (1995) writes of the emergence of multi-sited ethnography as anthropologists moved from studying specific locations to undertaking "multiple sites of observation of participation that cross-cut dichotomies such as the 'local' and the 'global', the 'lifeworld' and the 'system'" (1995: 95). A Latourian analysis also cross-cuts the dichotomies of the 'social' and the 'technical'.

Marcus notes that Latour (1987, 1988) and Haraway (1991) have played a significant part in extending the domains of ethnographic investigation to include "more complex (and multi-sited) social and cultural time-spaces" (Marcus 1995: 104). My analysis adds to this multi-sited approach as I work across time- settings to provide a historical account of the construction of legal and illegal gambling markets. Like Latour (1996), I draw on historical accounts, archival information, official records and interviews to provide a "history of an assemblage" (Miller 1997: 355). With the development of social anthropology, history and anthropology are no longer separate disciplinary boundaries (Sahlins 1985; Hastrup 1985; 1990a; Rosaldo 1980; Wolf 1982). As Hastrup (1992) writes, "We no longer need to speak of historical anthropology because social anthropology as a whole has become historicized" (Hastrup 1992: 7).

In order to provide a historical multi-sited ethnography, I have chosen to follow an actor within the New Zealand gambling market and the direction of their statements in an attempt to view the construction of actor-networks. Even though this may appear a simple task, it was not as the dilemma I initially faced was which actor to follow. This analysis could have followed people as other scholars have (Rouse 1991; Willis 1981; Foley 1990; Wacquant 1998). For a period, I considered following money with a

similar approach developed by anthropologists in their analysis of commodity chains (Wallerstein 1991; Mintz 1985; Appadurai 1986); and of studying contemporary works of art and aesthetics (Myers 1967; Steiner 1994; Silverman 1986). However, after reading constantly that the totalisator transformed horseracing in New Zealand I began to question the role of the totalisator in the gambling markets. I came to appreciate that to account for the rise and eventual fall of illegal bookmakers it was imperative to follow the bookmakers' competitor and ally - the totalisator. By following the development of the legal totalisator networks, I was simultaneously following both the assembling and reassembling of legal and illegal markets. This has enabled me to provide an account of how gambling worlds or, more abstractly, how the social is assembled.

My research initially involved spending four days at the National Archives in Wellington delving into the transcripts of the 1946 Royal Commission of Inquiry, evidence boxes of information submitted to the Commission, as well as archived information from the Internal Affairs Department. This provided me with a wealth of information about the business of the illegal bookmakers. In particular, the transcripts and evidence for the Commission of Inquiry provided information not accessible if I had restricted my investigation to the final report of the Commission or historical accounts of gambling, even though these did provide me with valuable insights. By locating the testimony of the Dominion Sportsmen's Association (DSA), the national agency representing illegal bookmakers, and that of Arthur Albertson, one of Christchurch's infamous bookmakers, I obtained information concerning the vast heterogeneous networks that proliferated after the business of bookmaking was made illegal.

I was also fortunate to know a number of people either involved in the horse racing industry or with a keen interest in horse racing. I took a 'snowball approach' to locating informants for my study, asking them if they knew of any bookmakers or anyone who used to bet with a bookmaker before compiling a list of potential interviewees. When making contact with these possible informants I always made sure that I mentioned the name of the person who gave me the referral as soon as possible in my introductory comments so that they felt more at ease with my request. Most people I spoke to were happy to speak about their experiences because they

were in the past and therefore its illegality was no longer an issue. However, there was the occasional person that was unsure of my intentions as they would reply "No, sorry can't help you - don't know nothing about that sort of thing". I also had a contact who had been in the police force and he referred me to police officers who had participated in police raids involving bookmakers.

I have given pseudonyms to all of the people I interviewed. To assist the reader I have implemented a system where I call the bookmakers I interviewed Bert, Bart and Bob. The punters are Peter, Paul and Percy with the ex-police officers being Cyril, Carl and Chris. The couple that were neighbours of a bookmaker I refer to as Norman and Ngaire. Based on the information from punters, neighbours and ex-police officers I have mentioned some of the cities and towns where the bookmakers they spoke of operated. This mainly refers to the period prior to 1951. With regard to the ex-bookmakers' accounts I have deliberately not disclosed their sites of operation in order to protect their identities. In the interviews I asked the bookmakers and the punters to describe how the business of bookmaking worked, what services bookmakers provided and where they worked from to get a sense of how bookmakers operated. In my interviews with ex-police officers I was interested in understanding their stance on the illegal bookmakers and how police raids were organised and enacted. Excerpts from my interview transcripts and the transcripts from the Royal Commission of Inquiry are verbatim in order to provide a description of how the illegal bookmakers accounted for their activities.

With the information gained from these informants, I developed an understanding of how bookmakers operated, the services they provided and their relationships with betting and non-betting members of the public. After I had undertaken these first steps it became clear to me that to understand the reasons for the development and the eventual demise of the illegal gambling market I also needed to account for the legal horserace gambling market. Some of the punters I interviewed were able to supply me with some information about the legal form of gambling available but the majority of the information was sourced from TAB's publications, Grant's (2000) history of the TAB, and media accounts of employees of the TAB. In this thesis, I combine these resources together with the literature on gambling studies. In the following section, I

discuss some of the key theoretical issues concerning gambling to position my work within this expanding academic pursuit.

## *Theorising Gambling*

The broad and diverse literature on gambling reflects attempts by scholars to provide an explanation of why people gamble and how gambling affects the individual and society. Reith (1999) asserts that within the wide range of gambling studies there are two distinctive groups of thought with one , predominately psychological, arguing that gambling is a pathological condition ( Curtis 2002:13). In these studies, gambling is detrimental to individuals (Freud 1928; Berger 1957; Oldman 1974), to families (Dickerson 1984; Halliday and Fuller 1974; Lesiuer 1984; Lesieur and Custer 1984; Leisieur and Puig 1987) and to society (Bloch 1957; Herman 1967; 1976). Scholars have also argued that gambling is irrational and dysfunctional behaviour (Moran, 1970; Graham & Lowenfield, 1986; Walker, 1996: Rosenthal, 2004). As the focus of my study is on the development of illegal gambling markets I do not enter the debate of whether gambling has a negative or positive effect on individuals or society. However, my analysis does sit more comfortably within Reith's second category of gambling as play.

In pre-war sociological studies gambling was included in the sociology of deviance that traditionally focused on 'nuts, sluts and perverts' (Becker 1968). A number of studies emerged in the 1960s and 1970s that shifted the focus of gambling as deviant behaviour to a consideration of what gambling means to gamblers. Sociologists and anthropologists, utilising the approach of participant observation, argued that gambling provided a positive contribution to individuals and to society. Gambling enabled predominately male gamblers to develop character (Goffman 1959, 1967), obtain status (Geertz 1973), and to obtain a form of social esteem that they could not obtain from other aspects of their social life (Herman 1976; Zola 1967). Gambling also facilitated social bonding and the formation of male relationships (Hayano 1982; Martinez 1983; Rosecrance 1985, 1987). Zimmer (1986, 1987a, 1987b), Woodburn (1982), Sexton (1987) and Mitchell (1988) argued that gambling acted as a "levelling mechanism" that aided "the smooth running of the society in question" (Cassidy 2002: 66). Studies also emerged that argued gambling was a rational activity in the

eyes of professional gamblers (Hayano 1984; Herman 1967; Rosecrance 1988b; Thorp 1962; Woung 1980) and in the eyes of punters (Rosecrance 1985; Neal 2005). These studies provide a valuable contribution to gambling accounts as they direct attention to the part that gambling plays in the social life of participants. However, they fail to account for the historical development of gambling as both legal and illegal practices. It is my intention within this thesis to extend the discussion on the social aspect of gambling by providing an historical overview of illegal and legal horserace gambling markets.

Another major shift away from gambling as deviant behaviour involves the representation of gambling as an acceptable leisure activity. Neal (2005) argues that "gambling is not purely about making money. It is also about fun, conviviality, excitement, drama, escape. In other words it is about leisure" (2005: pp. 291-292). Binde (2005a, 2005b) extends this discussion by providing a cross-cultural comparison of gambling practices to argue that gambling is a leisure activity and a major leisure product in most Western societies. However, as Cosgrove (2006) notes, studies that focus solely on gambling as leisure fail to account for the "social organisation of gambling" (Cosgrove 2006: 2). Studies have attempted to address this issue by considering the risk aspects of gambling (Cosgrove 2006; Kingma 2004; Garland 2003; Malaby 2003). I approach this from a different angle by tracking changes within the illegal and legal gambling markets to provide an account of how both are assembled and disassembled.

In addition, recent gambling studies have adopted an approach that focuses on political and economical issues surrounding gambling. This approach has developed in line with the emergence and proliferation of legalised and commercialised forms of gambling. These studies address the issue of the role of Governments within the gambling process in terms of gaming laws (Rose 1979-80; Rose 1986); crime and the control of the gambling process (Dixon 1980a, 1980b, 1982, 1983, 1987, 1996; Miers, 1984, 1985, 1991); and gambling policies and regulation (McMillen 1985, 1987, 1995, 1996a, 1996b, 1996c,1996d, 1996e, 1998). McMillen argues that, "underlying any analysis of gambling policy are questions about the relative power of the competing groups and alliances involved and their ability to influence the policy process to satisfy their own needs" (McMillen 1985: 8). For McMillen gambling is a

political issue. In this analysis I highlight the shifting position of the Government in the legal horserace gambling market to expand on discussions about the contestation of power within gambling markets.

Studies within this political and economic framework acknowledge the role of technology within the gambling process but most fail to analyse the connection between technology and people in these expanding global gambling markets. Latour (1992) asked the question of where "the missing masses in our society" are to argue that objects that are a part of our everyday social life need to be included in academic analysis (1992: 227-254). By including humans (actors) and non-humans (actants) in an analysis, Latour (1992) suggests:

> What appears in the place of the two ghosts - society and technology – is not simply a hybrid object, a little bit of efficiency and a little bit of sociologizing, but a *sui generic* object: the collective thing, the trajectory of the front line between programs and anti-programs( 1992: 54).

This thesis will provide an account of horserace gambling that includes actors such as the illegal bookmakers, the Government, the racing clubs, the punters and the technologies that aided the development of both the legal and illegal gambling markets and that ultimately assisted in the eventual demise of the illegal bookmakers. In this section, I have discussed some of the wider theoretical issues concerning gambling. I want now to consider some of literature that specifically addresses the issue of illegal bookmakers and gambling.

## Illegal horserace gambling markets

Within the diverse range of gambling studies a number of historical accounts focus on bookmakers in the British gambling market (Clapson 1991; Chinn 2004) and the Australian gambling market (McCalman 1985; McCoy 1981; O'Hara 1981; Birch 1996). McCoy (1981) argues that over time Australian illegal bookmakers adapted their business practices "in response to new technology, consumer demand and government policy" (1981: 35). This depicts the illegal bookmakers as being reactive to changes within the gambling markets. In contrast to this, I will argue that New Zealand bookmakers were proactive with their use of technology and development of gambling products. New Zealand gambling studies that discuss illegal bookmakers are

also predominately from a historical perspective. Grant (1994, 2000, 2001, 2002) in his wider historical account of gambling in New Zealand, argues that bookmakers survived because they offered a service demanded by the gambling public, the police tolerated their presence and hotel owners supported their illegal activity. I build on his historical account to explain in more detail the survival of the illegal market by drawing into my discussion the presence of technological actors.

Syme (1992) adopts a sociological and historical approach adding to studies of gambling as both leisure and politics. In his analysis, Syme addresses the issue of why some New Zealanders gamble, the role of the New Zealand Government and the racing industry, and a consideration of why some people utilised the services of illegal bookmakers. More importantly, his (1985) profile of Wellington bookmakers is the only study that focuses solely on illegal bookmakers in New Zealand. Syme (1985, 1992) called for more in-depth research on bookmakers arguing that bookmakers had their, "own unique subculture, one, that has its own language, communication systems, support networks, mores and codes of ethics" (1985: 20). It is my intention to provide an input into this field of research but I extend my discussion to include the relationship between bookmakers and other technological actors that influenced the illegal gambling market. Of significance within my study is the relationship between bookmakers and totalisators.

Skene (1989) in his historical overview of New Zealand gambling legislation implemented from 1907 through to 1910 depicts a battle fought during this period between bookmakers and the totalisator. A fight that by 1910, Skene argues the totalisator won. I disagree as my study highlights that totalisators and the bookmakers become integral allies within the illegal gambling market. My analysis also considers the transformation of totalisators through to recent times. A number of historical accounts of horse racing and gambling in New Zealand argue that the totalisator transformed horseracing in New Zealand (Bisman 1983; Costello and Finnegan 1988; Skene 1989; Syme 1985, 1992; Grant 1994, 2000, 2001, 2002; Redwood 2000; McCarthy 2004). Recent historical articles about totalisators (Doran 2005/2006, Barrett and Connell 2005/2006) highlight developments within the technology of the totalisator that eventually provided a standardised system of betting and simultaneous betting that allowed for increased volumes of betting. However, these accounts are in

relation to the legal market only. What is missing from international and national accounts of gambling is a study that provides an explanation for the creation and development of an illegal market by including all actors. In my attempt to do this I have utilised the method of actor-network theory.

## An actor-network analysis of gambling

Gambling on horses is a politically influenced leisure activity. It is also a complex hybrid assemblage of networks, technologies and people. Yet very few studies consider to any great degree how the links between technology and people have aided the proliferation of gambling. Latour (2003) suggests that instead of considering the social and technology as two separate entities we should consider the idea of there always being an ongoing connection between people and objects that are part of our everyday lives. As Latour (2003) states ANT "is an argument not about the 'social' but rather the *associations* which allow connections to be made between non-social elements" (Latour 2003: 35). Actor-network theorists (Callon and Latour 1981; Latour 1986) use the term heterogeneous networks instead of society to include actors and actants. When thinking of actor-networks Bruun & Hukkinen (2003) argue that it is useful "to think of it as a network constituting the agency (the capacity to act) of some actor rather than as a network consisting of actors" (2003:104). This ensures that the focus of our attention is on the "the construction of actor-networks" (2003: 104). Therefore, by focusing on the connections between actors and including actors and actants, ANT does not provide a technological determinist analysis. The interaction or using the term translation between actors provides the means for understanding the 'mechanics of power'.

An ANT analysis of power is in some regards similar to a Foucauldian 'analytics of power' (Foucault 1979: 82) as power is "a (concealed or misrepresented) effect, rather than power as a set of causes" (Law 1992b: 6). However, as Law (1992b) notes ANT provides a different account because "it tells empirical stories about processes of translation" (1992b: 6). This approach reveals that at each link in the construction of actor-networks there are 'chains of translation' in which "actors modify, displace, and translate their various and contradictory interests" (Latour 1999:311). For example, punters used the totalisator while others used both the services of the bookmaker and

the totalisator and others chose to rely solely on the bookmakers. This reveals, as Cheshire and Lawrence (2005) note, that "agency is not an inherent property of an individual but becomes effective when people, objects or similar entities are enrolled into an ordered network according to a particular scheme" (2005:40).

To analyse the 'mechanics of power' I have adopted a translation model of power. This differs from a diffusion model that assumes "that a successful command issues from a central source, through a chain of command and is implemented" (Fox 2000: 861). In the gambling markets this might suggest that the Government attempts to control the gambling market would be successful because their instructions would automatically be obeyed. This was not the case. The paradox of power is therefore that:

> When you simply have power – *in potential* – nothing happens and you are powerless; when you exert power- in *actu* - *others* are performing the action and not you…Power is not something you may possess and hoard…Power is, on the contrary, what has to be explained by the action of others who obey the dictator… (Latour cited in Fox 2000: 861).

Latour (1986) argues that the mere "possession of power by an actor does not automatically confer the ability to cause change unless other actors can be *persuaded* to perform the appropriate actions for this to occur" (Latour cited in Tatnall and Gilding 1999:960). The introduction of the totalisator, a mechanism used to remove the illegal bookmakers from the gambling market, did not succeed because the technology of the totalisators was not translated "into a form where it can be adopted" (Callon citied in Tatnall and Davey 2005: 774). Not all of the actors within the gambling market especially the punters, decided it was in their best interests to use just the totalisator.

To discuss the process of the translation of the totalisator I use Callon's (1986) concept of the four moments of translation: problematisation, interessement, enrolment and mobilisation. In the first moment, a set of actors define a problem in order to offer a solution making them indispensable. Those actors who have defined and solved the problem then become established as an 'obligatory passage point' (Callon 1986: 206). All of the actors at this point "are fettered: they cannot attain what they want by themselves. The road is blocked by a series of obstacles- problems"

(Callon 1986: 206). In this first moment of translation of the gambling markets, the larger racing clubs initially defined the problem as being how to get all of the required actors, racing clubs and punters amongst them, to use the totalisator rather than the bookmakers. Their solution was to introduce new allies into the market to support their position.

 In the second phase of interessement, new allies are encouraged to become part of the process. It is at this point that the New Zealand Government is enrolled in the gambling market forming an alliance with racing clubs. In the third moment of enrolment there appears to be a stable network of alliances. However, as Callon (1986) notes interessement is only achieved if enrolment is successful and "to describe enrolment is thus to describe the group of multilateral negotiations, trials of strength and tricks that accompany the interessements and enable them to succeed (1986: 211). At different stages within the development of legal and illegal gambling markets the Government and the racing clubs, introduced more and more mechanisms in order to convince other actors that it was in their best interest to utilise the technology of the totalisator. In each link in the chain of developments, including the progressive transformation of totalisator technology, more actors ally with the legal market. However, as Callon (1986) and Latour (1986) argue that the process of enrolment is never complete because it continues to be "subject to a process of translation" (1986: 223):

> As each actor in the network seeks to redefine the interests of others according to his or her own objectives. The result is a continuous transformation of policies, goals or outcomes as they are encountered by a range of actors who slowly turn [them]…into something completely different as they [seek]…to achieve their goals (Latour cited in Cheshire and Lawrence 2005: 40).

In the fourth moment, representatives emerge placing themselves in the position of official spokespersons. In this case over time the Government and the racing clubs formed new alliances, or using Callon's term developed "chains of intermediaries" (1986:216) to establish their position as the only credible option. This "progressive mobilization of actors" acts as "a unit of force" (Callon 1986: 216). By this, Callon is arguing that that power is an active process. It is as Latour also suggests, "the number of other people who enter into the business that indicate the amount of power that has been exercised" (Latour, cited Tatnall and Gilding 1999:960). By following the

transformation of the totalisator over an extended period, I was able to track links to actors and the development of actor-networks within both legal and illegal gambling markets.

By utilising a ANT approach to the constructions of these gambling markets I also intend to expand on Austrin (1997, 2002), analysis of the construction and organisations of gambling markets, in which he acknowledges the co-existence of illegal and legal gambling markets. Austrin (1997, 2002, 2004) argues that there has been, and still is, a constant battle between the State and the gambling public in an attempt to exercise control over the horserace gambling process in New Zealand. In this struggle, Austrin argues that both parties act as "improvisers" or as "tinkerers" ,the State by its constant review process and the punter by searching for new methods of gambling(2002: 119-132). My thesis will expand on Austrin's work by considering how the introduction of the technologies of the totalisators transformed the legal and illegal gambling markets.

## Thesis Chapter outline

This thesis consists of seven chapters. Following this first introductory chapter I describe in Chapter two, the introduction of the technology of the totalisator and the subsequent reconfiguration of gambling markets. I document how the legal and illegal markets are reassembled. The focus of this chapter is the period 1870s through to late 1940s. In Chapter three, I focus on the service networks of the illegal bookmakers and their sites of operation from the 1920s through to the late 1940s. In Chapter four, I address the issue of the introduction of the national Totalisator Agency Board and the way in which this reconfigured the legal and illegal gambling markets in the period 1951 through to 1971. Chapter five, extends the discussion by describing the activities of two illegal bookmakers who operated during the 1970s through to the late 1990s. In Chapter Six I discusses some of the key developments of the legal market that remove illegal bookmakers from gambling markets.

**Figure 1 (1910), "Crowd at the Wanganui Racecourse, with members of the brass band in the foreground". This picture highlights the size of the crowds that used to attention horserace meetings. The picture also shows the grand scale of the grandstands that were a feature of most racecourses. As mentioned in this thesis most of these stands were built as a result of increased revenue following the arrival of the totalisator. (F J Denton Collection, Alexander Turnbull Library, G-21520-1/1).**

**Figure 2. ( January 1911) "Group of people at Wellington Cup Day, Trentham Race Course. The group, mostly women, have race books and are standing in front of a grandstand". This photo reveals that horse racing events were a social occasion that required a certain standard of dress. Some of the women are holding race books which may indicate that they did place bets on the totalisator. I have detailed in this thesis that it was mostly men that bet with bookmakers. (S C Smith Collection, Alexander Turnbull Library, G-45485-1/2).**

**Figure 3. ( 1910) "People studying the form at the races in Wanganui, by looking at the odds given by Sidney Blain, bookmaker." Note that the bookmaker's board shows that he only took bets on the 1st placed horse and that he operated a manual system where he wrote his odds on his betting easel. (Tesla Studios Collection, Alexander Turnbull Library, G-16693-1/1).**

**Figure 4. (1910), "Paying out after the Okarita [sic] races". (Joseph Quinn Collection, Alexander Turnbull Library, G-179312-1/2).**

# Chapter Two

# Re-assembling Networks: the introduction of totalisators

> By the late 1870s a monster in the form of the totalisator (primitive as it was at that stage) raised its head to leer in the direction of the bookies (Redwood cited in Phillips 2000:89).

## *Introduction*

Prior to the introduction of on-course totalisators in 1870 in New Zealand, bookmakers in informal alliances with racing clubs organised horserace gambling markets. With the realisation of the potential revenue of the mechanical totalisator, the metropolitan racing clubs quickly came to see the bookmaker not as an ally but as a competitor. This shift in perspective provoked a battle between the totalisator, supported by the larger clubs, and the bookmakers. For the racing clubs to win the fight they needed to enrol more allies to assist in their aims of increasing revenue and simultaneously reducing the betting public's reliance on bookmakers. The metropolitan racing clubs did this by introducing and improving the technology of the totalisator, by encouraging all racing clubs to use the totalisator, and by welcoming government involvement into the gambling market. By 1920, with the implementation of gambling legislation that banned bookmaking, bookmakers were forced to develop their own illegal gambling actor-networks.

This chapter consists of two sections. In the first section, I describe the various stages of the installation of totalisators from 1870 through to 1920. By following the transformations of the totalisator during this period, three key factors emerge that are pivotal in understanding the development of the legal gambling market. Firstly, from the viewpoint of the racing clubs a fast and efficient betting system meant increased gambling revenue. Secondly, the introduction of a standardised betting system provided the clubs with the ability to control the flow of gambling money. The third and final factor was the development of totalisators so significant that purpose-built buildings were required to house them. In this step, in an attempt to ensure that racecourses became the only legally approved gambling site in New Zealand

totalisators became a permanent fixture at racecourses. In the second section, using the testimony of the Dominion Sportsmen's Association (DSA) and that of one of their infamous members, Arthur Albertson, from the transcripts of the 1946 Royal Commission of Inquiry on Gaming and Racing, I intend to describe how the illegal market reassembled and created new actor-networks after the introduction of the totalisator through to the late 1940s. The method of following actors reveals the presence of employees of The Post and Telegraph Department, The Radio Broadcasting Corporation, The New Zealand Police, plus members of the New Zealand public, who in different ways aided the illegal networks, albeit unintentionally in some cases. It also reveals the presence of the distributive decentralised technology of the telephone, telegraph and the radio.

The aim of this chapter is to develop an understanding of why the Government and Racing Clubs' mutual goal of eliminating bookmakers in the period 1870 through to the late 1940s was unsuccessful and conversely why the illegal market survived. I will draw on Callon's (1986) process of translation to discuss this issue. In this chapter, I argue that the introduction of the totalisator reassembled the legal gambling market. It also assisted in the creation of an illegal market because the decision to restrict horserace gambling sites inadvertently enhanced the demand for off-course betting: a demand that only illegal bookmakers could fulfil. By enrolling the totalisator and the distributive technologies of the telephone and the radio, bookmakers were able to facilitate this demand. The illegal market survived until the late 1940s because more actors were enrolled in the illegal market than in the legal market thereby creating new and extensive actor-networks.

## *Introducing the totalisator*

Prior to the introduction in 1870 of the elementary form of the totalisator, racing clubs in New Zealand operated on a local and individual basis providing the facilities for horse racing events with bookmakers paying fees to the clubs. Person-to-person betting occurred between bookmakers and mainly male punters as bookmakers deemed it unacceptable behaviour to take bets from women (Grant 1994: 30-49). The bookmaker and the racing clubs worked together to form an unofficial alliance to provide racing and betting services. However, the introduction of the totalisator

disrupted, as it did in France, the betting relationship between bookmakers and their clientele.

Joseph Oller invented the first primitive totalisator in France in 1860. This new method of gambling called pari-mutuel, which means, "wagering among ourselves" provided a system, "where the amounts bet on all of the individual horses were totalled, reduced by a commission or fee and distributed to the winners in proportion to the amount of each bet" (Doran, 2006/2007).[1] This pool system of betting provided an alternative to fixed odds offered by bookmakers. Barrett and Connell (2006/2007) argue that Oller's intention by introducing this machine was to remove bookmakers from the gambling market. Doran (2006/2007) adds credence to this, stating that totalisator operators and the racing clubs actively promoted the pari-mutuel system as a better option because it offered, in their view, fairer odds than those offered by the bookmakers. More significantly, as noted above, it promised to eliminate the third party of the bookmakers and secured racing clubs control of all betting.

The new system was not, however, without problems with one of the disadvantages being that bettors were not aware of the price a horse was likely to pay until the start of the race. Oller quickly alleviated this by displaying racing information about the bets during the betting process on blackboards situated near the totalisator (Doran, 2006/2007). A second issue was that the manual calculation of the betting totals often resulted in errors (Barrett and Connell, 2006/2007). The problem of manual errors was later resolved in New Zealand with the introduction of the Julius automatic totalisator. Doran argues that Oller's manual system was "really a group of humans cooperating to make the pari-mutuel concept work" (Doran 2006/2007). I argue that it was humans as well as non-humans working together that ensured the success of this new system. The introduction of the totalisator into the French gambling market therefore created new actor-networks that excluded bookmakers. This new technology emerged and developed in New Zealand in the period 1870 to 1920.

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[1] For additional information about the history of totalisators please refer to www.ozemail.com.au .

## *The New Zealand experience*

Syme argues that the introduction of the totalisators was a means of providing an alternative gambling service rather than being about removing bookmakers from the gambling market (Syme, 1992: 266). If it is correct that Oller's intention was to exclude bookmakers from the betting process then it is possible that some New Zealand racing officials were aware of this because the introduction of the totalisator does assist in the eventual illegality of bookmaking. The first phase of the New Zealand experience was the introduction of mobile totalisators, owned and operated by independent totalisator contractors. These contractors transported the totalisators to clubs on race days and received a fee for the use of their machines. Bisman (1983) describes the appearance of the first manual totalisators in 1879:

> [There were] a line of sellers (usually about three or four) at an open bench, behind a board with a series of numbers, each with a lever. The sellers called aloud the bets they took, and the man at the board sweated as he feverishly pulled the appropriate levers to register the bets. Wagering complete, the dividend ( after the deduction of the various percentages) was worked out… a fairly easy matter , in those days as there was only one dividend , on the winner, whatever the size of the field ( Bisman, 1983: 29).

The next phase was the introduction of mechanical totalisators.[2] These portable machines were inefficient because of the manual calculation of totalisator totals and dividends. This, in some cases, meant the delay of races until the balancing of the totalisator. As Doran comments, "there was a great need for some secure method, less expensive in staff and simple to operate, of providing timely totals in the face of many thousands of gamblers" (Doran 2006/2007). The introduction of George Julius'[3] automatic totalisator at the Ellerslie racetrack in 1913 was an attempt to alleviate some of these issues. Julius's original intention for the totalisator was as a voting machine but when it was not utilised by the authorities he looked for an alternative use. As Julius said:

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[2] There is some confusion about whether Mr Ekberg, a Swedish- born doctor based in Canterbury, or George Julius actually invented the machine. However, it appears that the confusion is due to a misunderstanding of whether Ekberg's machine was mechanical or automatic. In a letter to the Melbourne Herald, after Julius death in 1946, Ekberg's daughter-in-law stated that Ekberg was the first to invent an automatic tote (McConville 1999). However, Norrie suggests that even though Ekberg's totalisator was mechanical it was not automatic (Norrie 1993). Ekberg did test his totalisator in 1879 at several race meetings held in Canterbury (McCarthy, 2004: 43). By 1880, Ekberg had patented the machine (Redwood citied in Phillips 2000: 89).

[3] Later to be Sir George Julius.

> Up to that time I had never seen a racecourse. A friend explained to me what was required in an efficient totalisator. I found the problem of great interest as the perfect tote must have a mechanism capable of adding the records from a number of operators all of whom might issue a ticket on the same horse at the same instant ( George Julius, cited in Bridges and Downs 2000:55) .

The Auckland Racing Club was the first club in the world to install and operate this improved totalisator at the Ellerslie racecourse in 1913. This totalisator was "the largest mechanical calculating machine ever built" (Doran 2005/2006). To gain an idea of the significance of this it was not until the introduction of the large mainframe computers in the 1960s that there was a "computing device to match it in size" (Doran 2005/2006). Due to the size of this new breed of totalisator, racing clubs constructed purpose built two storied buildings with machinery occupying entire first floors. These totalisator buildings quickly became a permanent feature of most racing clubs throughout New Zealand. The fixed location of the totalisator is important because it laid the foundations for what the Government and the racing clubs would later deem to be an appropriate and official gambling site.

The Ellerslie building consisted of 30 operational ticket-vending windows with the number of windows corresponding with the number of horses in a race. Bettors queued up in front of these windows to purchase a ticket.[4] The bet was recorded by operators pulling a lever, referred to as 'beer pump handles" (Doran 2005/2006). This new system displayed, " in large readable figures, in 'real time' as bets were made on the next race, the total number of 'unit bets' made on each horse in the race and the grand total of all such bets" (Doran 2005/2006). By real time betting, Doran is referring to the ability to be able to view changes in the price that a horse is paying during the actual betting process. The totalisator therefore incorporated visual technologies allowing punters to observe price alterations. Media coverage of this event suggests that the Ellerslie totalisator's inaugural operation was reasonably successful:

> The machine has become more familiar to its operators, and it worked on Saturday and yesterday with fine regularity, and to everybody's satisfaction…. Speculation was very brisk during the afternoon, with

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[4] The minimum bet was 10 shillings.

investments reaching to £41,514 10s, compared with £38,026 10s on the concluding day of last year, and making £74,053 for the meeting, against £68,947 10s in 1912, an increase of £5,105 10s (*New Zealand Herald*, 25 March 1913 cited in Doran, 2005/2006).

Further improvements to the system were the introduction of a Julius device known as a 'shaft adder' that allowed for the simultaneous placement of bets. This is in sharp contrast to the manual betting system of the bookmakers that only allowed for individual single bets. Consequently the totalisator system handled more bets resulting in increased revenue to the racing clubs. Another issue was that the totalisators only recorded bets. They did not automatically issue tickets with pre-printed betting tickets manually issued and this led racing clubs to voice their concerns to the developers of the totalisators over the issue of mistakes and the potential of fraud occurring, requesting an improved system whereby the totalisators automatically issued tickets.

By 1918, new totalisators, with the recording machinery connected to the ticket-selling machines, were in operation in New Zealand (Doran 2005/2006). Most of the metropolitan clubs installed the new Automatic Totalisators Ltd (ATL) machines at their racecourses. ATL, a company formed by George Julius, dominated the international totalisator industry until the introduction of computerised betting systems in the 1970s through to the 1990s when their systems finally became redundant (Barrett and Connell 2005/2006). ATL's totalisators remained in operation until 1981 when the TAB purchased ATL's New Zealand operation and replaced them with a computerised system.

The introduction of the mechanised totalisator provided racing clubs with a far faster system than their previous manual system, and with increased efficiency racing clubs could hold more race meetings. By 1921, race meetings attracting large crowds were held on five days of each week throughout New Zealand (Grant, 1994: 99). However, after the Second World War the Labour Government concerned about members of the work force taking time off to attend race meetings during the week, restricted racing to Saturdays and public holidays only (Syme 1992: 176). This decision to restrict the number of racing days proved to be beneficial to the illegal bookmakers, as they had to focus on only one race meeting most weeks.

In the above section, I have highlighted the introductory phases of the totalisator in New Zealand. Using Callon's (1986) four moments of translation, I now want to discuss the way that this new mechanical device reconfigured the single bookmaker organised horserace gambling market into co-existing and overlapping legal and illegal markets.

## *The Four Moments of Translation*

## Problematisation

In the problematisation phase of translation, actors attempt to become indispensable by defining a problem and offering a solution (Callon 1986; 203-204). The initial aim of the metropolitan racing clubs was to introduce a standardised and more efficient betting system. The totalisators met their requirements, as it was, "one machine, one form of betting, one standardised means of betting where the odds on offer were the same for everybody" (Skene, 1989: 24-25). In this phase of translation, the problem as defined by the metropolitan racing clubs was how to persuade the punters to bet via the totalisator thereby removing their reliance on the bookmakers. Their attempted solution was to begin by convincing all of the racing clubs that they would benefit by using the totalisator. With the alignment of the racing clubs, it was hoped that the totalisator would become an 'obligatory passage point' for all gambling transactions. This solution not only guaranteed racing clubs' indispensability within the gambling market but also detrimentally affected bookmakers' activities.

Prior to the introduction of the totalisator racings clubs in addition to the fees paid by bookmakers, also received revenue from admission and membership fees. The metropolitan clubs promoted the totalisator as a system that would over time, provide all racing clubs with vastly increased revenue. This was correct and the significance of the increased revenue racing clubs received is illustrated by  Henry's (1931) comparison of revenue for the period 1894/1895 and 1919/1920. Henry's work highlights that totalisator turnover increased from £232,491 in the 1894-95 racing season to £3,091,479 in the 1919/1920 period.

| | Season 1894/95 | | | Season 1919/1920 | | |
|---|---|---|---|---|---|---|
| Name of club | number of days | Totalisator Investments £ | Stakes given | number of days | Totalisator Investments £ | Stakes given |
| Auckland Racing Club | 11 | 65,534 | 8,530 | 12 | 1,052,145 | 54,325 |
| Canterbury Racing Club | 8 | 65,911 | 11,370 | 11 | 623,973 | 44,140 |
| Dunedin Jockey Club | 9 | 51,072 | 7,190 | 9 | 301,673 | 25,000 |
| Wellington Racing Club | 6 | 38,116 | 4,035 | 9 | 613,118 | 31,200 |
| New Zealand Metropolitan Trotting Club | 4 | 11,858 | 1,650 | 9 | 500,568 | 23,700 |
| **Total** | **38** | **£232,491** | **£ 32,775** | **50** | **£ 3,091,479** | **£ 178,365** |

Table 1: Henry, 1931: 64

To put this into perspective Skene (1989) provides a comparison of the racing stakes between New Zealand and Britain in the 1921/1922 racing season. In New Zealand, where horseracing was still in its infancy, the stakes were $1.9 million. In contrast, the stakes in Britain were $2.2 million.[5] New Zealand's population was 1.25 million whereas Britain's was 40 million. The major difference was that Britain's only method of betting was bookmaking (Skene, 1989: 24). Thus New Zealand racing clubs received a larger share of betting revenue following the introduction of the totalisator. In turn, the money was spent on improving racing facilities, "hence the bevy of grandstands that can be found in New Zealand that were built around the turn of the century" (Skene, 1989: 24). Racing owners also received an increase in their stake money. In contrast, bookmakers in order to survive the new alignment of clubs and totalisators, adapted to their new circumstances by providing off-course betting services.

Bookmakers initially "became a kind of middleman" as one of their services was to charge a fee for placing bets on-course via the totalisator (Grant 1994:62). By the late 1880s, part-time and larger full-time bookmakers emerged with the larger scale operators setting up off-course business premises and establishing extensive networks assisted by telephones and the telegraph service. This enabled them to be in regular contact with their clients and fellow bookmakers (Grant 2002: 76). [6] Telephones,

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[5] Skene translated the amounts from pounds into dollars based on current exchange rates in the late 1980s.

[6] New Zealand's first telephone exchange opened in Christchurch in 1881 with thirty subscribers. In 1910, the first coin-operated telephones were introduced. By 1930, all the main centres were connected

introduced in the same period, were successfully enrolled within the illegal network and provided bookmakers with the ability to expand - a system that the legal market attempts to replicate with the introduction of the TAB in 1951. Grant (2002) states that off-course bookmakers prospered because many of their clients did not trust the accuracy of the machine. More significantly the use of telephones meant that bookmakers were no longer operating from a fixed location in direct competition with the totalisator.

Some bookmakers viewing the totalisator as a competitor, joined forces with an unlikely ally, the anti-gambling movement, in an attempt to ban the totalisator (Grant 1994:62). Other bookmakers utilised the totalisator to offer their punters the options of 'tote odds' as well as 'fixed odds' but over time the majority of the bookmakers came to offer only tote odds. The racing clubs and the Government were aware that bookmakers were utilising the totalisator and used the 1894 Gaming and Lotteries Act to make it "illegal for bookmakers to lay totalisator odds" (Costello and Finnegan 1988: 138). This act was to have a limited effect. The bookmakers by adapting to their new circumstances created the foundations for what eventually became an illegal gambling market.

## Interessement

In the moment of interessement, a series of processes attempts to lock allies in place. It involves interesting and attracting an actor to come between it and other actors. Callon suggests for this interessement to occur one of the key actors, in this instance the metropolitan racing clubs, must "build devices which can be placed between them and all other entities who want to define their identities otherwise" (Callon 1986: 208). The introduction of the totalisator was a device introduced to create a diversion in the pathway of the betting transaction between bookmakers and punters. Consequently, the metropolitan clubs also needed a new ally to support their efforts in encouraging all racing clubs and the betting public to utilise the totalisator. The involvement of the New Zealand Government in the gambling market ensured the creation of a significant alliance between the metropolitan clubs, the Government and

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via an automatic branch exchange (PABX) and 125,000 New Zealanders had phones. By 1939 "New Zealand had more phones per head of population than any country except the US" (Newman 2004).

the totalisator, framing the formation of new actor- networks. None of these actors can gain control of the racing revenue or, as Callon puts it "attain what they want" (Callon 1986:206), without the assistance of other actors. Once the totalisator was utilised by all racing clubs the central focus changed to how to convince the punters to use the totalisator rather than the bookmakers. In this action the new actor-network defines what is an appropriate betting method (via the totalisator) and what is an inappropriate method (via the bookmaker).

The New Zealand Government's entry into the horserace gambling market was initially to appease the anti-gambling movement. Church groups and anti-gambling campaigners in calling for an end to gambling during the 1880s focused on bookmakers who, in their view, were nothing more than, "unworthy leeches who feed off the weakness of others" (Grant 2001: 23). A significant feature of the 1881 Gaming and Lotteries Act was that the legislation licensed totalisators and restricted the use of the totalisators to racing clubs only. Under the 1881 Act, racing clubs had to apply to the Colonial Secretary[7] for a permit whereas previously they did not need to seek permission (Costello and Finnegan 1988: 139). Skene comments that the totalisator a, "national cash betting machine had been legalised on the understanding that it would make bookmakers as scarce as the moa" (Skene 1989: 51). This did not happen. In 1891, the Government took a step that ensured their continual involvement in the horserace gambling market by introducing a totalisator tax to fund election promises. As Costello and Finnegan note, "the men in treasury soon realised that the totalisator could be a golden goose which could be taxed in perpetuity" (Costello and Finnegan 1988:84). With the realisation of the potential revenue if bookmakers were excluded from the gambling market, the focus changed to removing them by legal means. This was framed in terms of the Government wanting to 'look after' the betting public, but I as Syme (1992) suggests that it was principally a financial decision (1992:266).

The 1907 Gaming and Lotteries Amendment Act restricted bookmakers to operate only from racecourses and required that they applied to racing clubs for licences

[7] The Colonial Secretary is equivalent to the current position of the Minister of Internal Affairs (Costello and Finnegan 1988: 139).

(Grant 2001: 23). This Act did not ban bookmakers from operating because the smaller racing clubs were still reliant on the services of the bookmakers to draw crowds to their race meetings. This compromise appeased rural communities who at this time were politically important (Syme 1992: 268). The 1907 Act also stated that clubs could not charge more than £20 for a licence but for the bookmakers operating from a small course this cost made their operations economically unviable (Skene 1989: 38). Skene (1989) and Syme (1992) state that most of the racing clubs chose to charge the maximum fee allowable, thereby assisting in the removal of bookmakers. It therefore appears that with the universal adoption of totalisators the rural racing clubs no longer required the services of the bookmakers. The passing of the 1910 Gaming Act then made it illegal for bookmakers to operate on racecourses, in licensed premises, and in public places, with heavy fines ranging from £20 to £100 for first offences. For subsequent offences, a prison term of three months also applied (Grant 1994: 89). The 1910 Act did not actually state that the business of bookmaking was per se  illegal but it was now impossible for bookmakers to legally carry out their business operations. The last time any bookmakers legally appeared in New Zealand was on 30th January 1911 at the Takapuna races. By 1920 with the passing of the Gaming Amendment Act, the business of bookmaking was finally illegal.

## Enrolment and Mobilisation

Enrolment, as defined by Callon, leads to the establishment of what appears to be a stable networks of alliances and requires "more than just one set of actors imposing their will on others; it also requires others to yield" (Singleton & Michael cited in Tatnall and Davey 2005: 775). Within the legal gambling market, it appeared that there was a stable alliance as all of the racing clubs were utilising the totalisator. However, the racing clubs were not a unified group. By 1897, The New Zealand Racing Conference had formed, with the New Zealand Trotting Association forming in 1899, in order to protect the interests of their respective racing codes with neither agreeing about the way forward for the racing industry (Syme 1992: 361). However, within thirty years after the introduction of the totalisator, the smaller racing clubs had aligned themselves with the metropolitan clubs, the Government and the totalisator.

In the mobilisation phase of translation, we see the emergence of representatives that have placed themselves in the position of official spokespersons. Callon explains that the formation of new alliances, or using his terms "chains of intermediaries," render "propositions credible and indisputable" by "acting as a unit of force" (Callon 1986: 216). Framing this in terms of the New Zealand gambling market, by 1920 the racing conferences and the Government had emerged as the official 'spokespersons' and their message was clear: bookmakers could not be trusted whereas the totalisator could.

Latour (1991) argues that statements made by official spokespersons are not enough to ensure that actors follow their directions as the "path depends on what the successive listeners do with the statement (Latour 1991: 104). The implementation of legislation to remove bookmakers from the gambling market was another device employed by the Government. While there was not an explicit statement such as, "you must use the totalisator," it was implied in the implementation of legislation. The 'successive listeners' in this instance did utilise the totalisator as in the period 1894 through to 1920, punters' investments via the totalisator increased from £232,491 to £ 3,091,479 (Henry 1931:64). However, punters continued to use the betting services of the bookmakers. The process of translation was incomplete because not all of the required actors were enrolled by the legal market .

By 1920, a legal gambling market existed with horserace gambling restricted to on-course meetings. An illegal market now also existed that provided the only available off-course betting services. In the next section, I describe the construction of legal actor-networks from 1920 through to 1946.

## *The illegal gambling market*

The 1946 Royal Commission of Inquiry was convened to discuss gaming and racing issues with the Commission's findings released in 1949. One aspect of the Inquiry was to appraise the situation of off-course betting, with the matters under discussion being whether bookmakers should be licensed to operate: or alternatively if the Government should provide off-course betting, under the control of the two racing conferences (Gaming and Racing Report 1948: 26). The Government initially called

for a Royal Commission of Inquiry into the activities of illegal bookmaking in the late 1930s but the advent of the Second World War delayed this inquiry. Following the media attention surrounding court cases such as Arthur Albertson in 1944, [8] the Government reconvened the Commission of Inquiry. The New Zealand Racing Conference, the New Zealand Trotting Conference, the Dominion Sportsmen's Association and an Association of Churches made submissions to the Inquiry. In addition, members of the public and other interested parties provided written submissions, in the form of a letter or report, for consideration.

This Commission of Inquiry was a pivotal moment in the history of bookmaking in New Zealand because it not only discussed and finally vetoed re-introducing bookmaking, but also opted for the implementation of a legal form of off-course betting. The Commission operated as an exceptional forum, which provided a wealth of information about how the business of illegal bookmaking operated. Information that assisted in the creation of the new centralised national Totalisator Agency Board (TAB) in 1951. By using the transcripts and the final report of the Commission, it is possible to view the construction of these heterogeneous actor-networks.

By 1946, the estimated on-course totalisator turnover was £20 million. The DSA advised the Commission that the estimated turnover of illegal off-course betting via their bookmaker members was approximately £24 million (Gaming and Racing Commission Report 1948: 25). Evidence given in the inquiry suggests that the turnover of the illegal market could be well in excess of this figure. In the following excerpt, Mr Marshall interviews Albertson to gauge the profitability of the illegal market. Marshall begins by asking Albertson how many customers used the services of the Christchurch bookmakers:

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[8] Arthur Albertson, one of Christchurch's key bookmakers, received a sentence of 12 months imprisonment for bookmaking in 1944 (Dunstall 1999: 419). This was not his first conviction as he had been fined four times between 1933 and 1944 but this was to date the harshest sentence handed down to an illegal bookmaker (Grant 1994: 124). Following the sentencing there was a huge public outcry about the harshness of the sentencing with several petitions lodged with the Petitions Committee. As a result, the Petitions Committee added their voice to the call for a Royal Commission of Inquiry into gambling activity (Dunstall 1999: 419).

*Excerpt A*

>Albertson: I would say there would be 10,000 off-course bettors in Christchurch, if not more.
>
>Marshall: How many bookmakers?
>
>Albertson: I could not tell you. I only know that I was operating, and perhaps six others that were on the same level as I was.

Cross – examination by Mr Heenan:

>Heenan: About how many people to one bookmaker? What proportion of bookmakers per population? Say you had a city of 100,000 like Christchurch, how many bookmakers do you think should be licensed to cater for that population?
>
>Albertson: Somewhere about 1 to every 4,000
>
>Heenan: That would be 25 to 100,000
>
>Albertson: Yes.
>
>Heenan: On your own figures you told us that your turnover was £4,000 a week
>
>Albertson: That is so
>
>Heenan: Multiple that by 52 and you get an annual turnover of £208,000
>
>Albertson: £200,000 I estimated.
>
>Heenan: Multiple that by 6 and you get £1,248,000 per annum as a turnover of you and five others
>
>Albertson: Yes
>
>Heenan: There are one or two things to be deduced from that, that either Christchurch bookmakers operate on a bigger scale than anywhere else in New Zealand, or that Mr Leicester's figure of £24,000,000 is a real under-statement.
>
>Albertson: It is possible that it could be under-stated.
>
>(Gaming and Racing Commission of Inquiry submissions 8C-3, 8c-5: 905-907).[9]

The police report to the Commission stated that there were approximately 763 bookmakers[10] operating throughout New Zealand at this time (Gaming and Racing Commission Report, 1948: 25). If the figure of 763 bookmakers is correct, even though they may not have been in the league of Albertson, then it is conceivable as Heenan highlights that the total turnover of illegal bookmaking was well in excess of £24,000,000.

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[9] Joseph William Allan Heenan was the Under-Secretary for Internal Affairs and was one of three Government- appointed Inquiry officials. Leicester appeared on behalf of the DSA.

[10] Prior to the advent of the Royal Commission, the DSA represented in excess of 500 bookmakers (Grant 2001:29).

## The Dominion Sportsmen's Association

The Dominion Sportsmen's Association (DSA) came into existence in 1921,[11] following the introduction of the totalisator and the subsequent creation of an illegal gambling market. The development of this national centralised organisation aided the illegal bookmaking networks as they developed business networks, distributed racing information, established guidelines of acceptable methods of operation, and actively campaigned on behalf of their members to return bookmaking to a position of legality. The DSA proposed a system where they would transact their business "behind closed doors through the medium of the telegraph, the telephone and the mails" and bookmakers would pay a license fee based on the number of telephones operated (Gaming and Racing Report 1948: 27). In their submission to the Commission of Inquiry, the DSA argued that their established systems provided the best alternative for an off-course betting operation:

> The fundamental claim of the Association is that no sufficiently comprehensive or sufficiently efficacious system of off-course betting can be devised which will render a service comparable to the service that the bookmaker can render. It was contended that every alternative scheme for handling off-course betting is at a nebulous stage, whilst the bookmakers, if licensed, can immediately and without delay or expense divert from an illegal to a legal system and provide a complete service competent to deal with the whole off-course betting of the country (Gaming and Racing Report 1948: 27).

Their campaign efforts were unsuccessful with the DSA disbanding in 1948 following the decision to introduce a legal off-course betting service (Grant 2001: 29). However, the legacies of the DSA for the illegal market were established business practices and networks. The DSA also left an important legacy for the legal market by providing a successful business model for off-course betting services because the Government implemented a system with a centralised head office based in Wellington and legal betting services provided via the telephone and by post. The major difference being that the DSA operation was a nationally organised information service for their members rather than a betting service.

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[11] Illegal bookmakers also formed an association in the south of England in 1921. By 1932, the southern and northern associations had formed into the national Bookmakers Protection Association (BPA). This association campaigned, as did the DSA, for off-course bookmaking to be legalised before the Commissions of Inquiries into gambling (Chinn 2004: 169).

Even though the DSA was an illegal organisation, it did not operate in a clandestine manner with offices visible in Auckland,[12] Christchurch and New Plymouth. Their Wellington head office was located only a few streets from the Central Police station (Dunstall1999: 111). The Head Office consisted of two departments, "a tote department and a doubles department," (Gaming and Racing Commission of Inquiry submissions 2D-6:153 and 2J-I: 183). The DSA employed one fulltime staff member, Harry Hartley Clegg, approximately thirty part-time employees and field agents located at various racecourses throughout New Zealand (Gaming and Racing Commission of Inquiry submissions 2D-6:153 and 2J-I:183).

 The role of the field agents was to ring racing information through to the DSA as soon as races finished with this information then being passed on to radio stations. Dunstall (1999) remarks on the ability and speed of the DSA to collect and forward racing information:

> The Association's offices were nerve centres in the rapid distribution by telephone of vital information from racecourses to bookmakers about scratching, results, and dividends.[13] Results from Trentham (for example) could be telephoned through to Christchurch in five to twenty minutes, depending on how busy the toll lines were (1999: 177).

The significance of this is that the DSA was able to convey racing information to a number of radio stations before the stations received the official results from the racecourse ( Gaming and Racing Commission of Inquiry submissions 2J-1: 183). The Commission queried why the DSA offices in Wellington and Christchurch had phones installed by the Radio Broadcasting Department. Clegg commented that staff from the radio station , 2ZB had instigated this service but that the radio stations "do not pay for this 'privilege" (Gaming and Racing Commission of Inquiry submissions 2J-4: 186).

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[12] Robyn Hyde, the journalist, described the Auckland branch as premises that were "quite sumptuous" (Boddy and Matthews cited in Dunstall, 1999: p416).
[13] Grant notes that the DSA during the Second World War were able to supply "race dividends to troops serving overseas through the Post and Telegraph Department" (Grant, 2001:35).

## The Post and Telegraph Department and Telephones

The hearings of the Royal Commission highlighted that telephones were the key media for assembling the illegal gambling market, a fact recognised by those opposing the re-introduction of bookmaking:

> The use of a telephone or telephones is essential to the maintenance of an illegal system of betting. It is mainly through that medium that business is done. It is through that medium that information necessary or desirable for the efficient conduct of the business as a whole throughout the country is disseminated (Royal Commission on Gaming and Racing 1948: 26).

In the following excerpt, Mr Mazengarb[14] interviews Harry Clegg from the DSA about their relationship with the Post and Telegraph Department:

***Excerpt B:***

> Mazengarb: Do you think any individual could do what you do, collect the information from the courses where races are being run and have it distributed over the broadcasting network as quickly as you do it?
> Clegg: It is just a matter of routine now.
> Mazengarb: Do you have an arrangement with Post and Telegraph officials to have a line connected up before the race is run so that there will be no delay in giving you the information?
> Clegg: No
> Mazengarb: Do you say that in all cases the request for the line is not made until after the race has been run and the information available?
> Clegg: That is so. If we have a telephone in the vicinity of the racecourse a call might be put in when the race has just started in order to obviate any delay (Gaming and Racing Commission of Inquiry submissions 2J-4 and 2J-5: 186).

Mazengarb indicates that the authorities were well aware of the involvement of The Post and Telegraph Department. Clegg denies this involvement but this was most probably about trying not to get any employees of the Post and Telegraph Department into any trouble; after all this was an illegal activity. In the media coverage of Arthur Albertson's conviction in 1944, *The Press* also raised concerns about the involvement of the Post and Telegraph Department:

> An important department of State, the Post and Telegraph Department had assisted the criminal business and the intercourse with those 570

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[14] Mr Mazengarb was the counsel for the Associated Churches.

lawbreakers who did business with Albertson… The evidence showed that the business was done not person-to-person but through the Post Office. The Post and Telegraph Department allowed the accused for his criminal purposes: three telephones, two post office boxes, and a telegraph code address. It handled all his very large postal, telephonic, and telegraphic traffic. It must have been known that it was a bookmaking business and that it was actively assisting in it by serving as the go-between of Albertson and his customers (*The Press* November 7 1944 :6).

The interview of Albertson also dispels any doubt that the illegal gambling market utilised the services of the Post and Telegraph Department. Heenan, asked Albertson about the number of phones he had. Albertson replied that he "had various numbers at various times." When asked by Heenan to "average them out" he replied "three" (Gaming and Racing Commission of Inquiry submissions 8C-6: 908). Albertson referred to these as "hunting facilities" meaning that if, "you dial one number of three phones of the same number, and that line is engaged, it goes to the next and to the next" Gaming and Racing Commission of Inquiry submissions 8C-6: 908). This meant that Albertson's clients were always able to get in contact with him to place their bets.

Under Telephone Regulation 73, the Post and Telegraph Department could legally disconnect the phones of convicted bookmakers. Albertson's account reveals that even though he had several convictions for illegal bookmaking, he was never without a phone. In fact, he possessed three unlisted phones. In the following excerpt, Heenan asks Albertson if his telephones were ever disconnected:

**Excerpt C:**
.        Albertson: Yes
        Heenan: And how long did you continue without a telephone?
        Albertson: I have not got any answer to make
         Heenan: I think a smile was the answer. How long were you without a telephone?
        Albertson:  I was never without a telephone.
        (Gaming and Racing Commission of Inquiry submissions 8C-3: 905)

These transcripts and media reports  highlight that the Post and Telegraph Department assisted the illegal gambling market by providing bookmakers with telephones ( some with unlisted numbers),  post office boxes and telegraph code addresses. This is not to

suggest that all employees of the Post and Telegraph Department aided and abetted the illegal bookmakers. However, for the business of bookmaking to continue in the manner that it did, it is fair to suggest that a substantial number of people actively participated in assisting bookmakers. This was not specific to the New Zealand illegal gambling market as Dixon (1996) notes that employees of the Postmaster General Department greatly assisted the Australian illegal networks by installing telephones and connecting lines (1996: 88). McCoy (1981) also comments that during the 1920s and 1930s in Australia the illegal bookmaking market boomed due to improvements and availability of radios sets and telephones (1981: 39). Improvements within the telecommunications infrastructure in New Zealand from the early 1900s also assisted the illegal market. In addition, the transcripts indicate that the relationship between the DSA and the National Broadcasting Service was constituted through agreements to broadcast information through the medium of the telephone and the radio.

The legal market with the introduction of the legal off-course gambling operation, the TAB, disrupted these relationships and replaced them with the introduction of a legal phone betting service as part of its off-course betting service. However, this development did not destroy the link with the illegal market as bookmakers continued to provide telephone-betting services.

## The New Zealand Police

Dixon (1996), in discussing Australian illegal networks notes "Illegal bookmaking was tolerated as long as public order was maintained (that is betting was done discretely), and business was conducted responsibly (that is primarily with adult males)" (1996:91). Clapson (1991) and Chinn (2004) also highlight police tolerance of British illegal bookmakers. The same practice of tolerance existed within New Zealand but this did not apply in all of the local gambling markets as bookmaker's accounts and statistics reveal uneven patterns of prosecutions. However, it is obvious from Albertson's account that the local police were very aware of the activities of illegal bookmakers. In this cross-examination, Marshall asks Albertson about police knowledge of the practice of illegal bookmaking.

*Excerpt D*

>Marshall: Do the Police, as far as you know, know what bookmakers are operating?
>Albertson: They know bookmakers operate.
>Marshall: Do they know who these bookmakers are?
>Albertson: I would not like to say.
>Marshall: They were well aware that you were operating?
>Albertson: They must have been. They pinched me too often.
>Marshall: They came along and pinched you at regular intervals?
>Albertson : They did.
>(Gaming and Racing Commission of Inquiry submissions 8B-6: p 902)

Albertson refers here to the fact that he was more prone to being 'pinched' or in other words, being caught by the police than other bookmakers operating in Christchurch. A prominent Auckland ex-bookmaker Mr H Sallery, also remarked on this in his submission:

>In parts of New Zealand it is notorious that Bookmakers operate freely without interference from the Police while in other parts the Bookmaker is continually and continuously harassed and interfered with and sentenced to terms of imprisonment. Yet in other parts he is always subject to a fine, which goes to show the reluctance of some of the Police to take action and how some Policemen will administer the law irrespective of the penalty. This also applies to Magistrates (Gaming and Racing Commission of Inquiry submission 29- H Sallery).

Sallery's and Albertson's statements highlight that in different locations even within the same cities throughout New Zealand police officers took different stances to the operations of the illegal bookmakers.

Another significant point is that even when bookmakers were caught most were charged with the offence of "keeping a common gaming house" which incurred a lesser penalty than that of bookmaking (Dunstall, 1999: 179).[15] Dunstall (1999) highlights that in the period 1925 to 1950, "95 per cent of the people that were

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[15] Bookmakers received a fine of between £20 and £100 for their first offence under the 1910 Gaming Act. For a second or subsequent offence, the act stipulated that bookmakers received three months in prison (Grant 1994, 89). The 1953 Gaming Amendment Act increased the fines to " £500 or a month's prison for the first offence, a three-month term for the second offence and 12 months' imprisonment for the third" ( Grant 2001: 40).

brought before the courts on bookmaking or gambling offences were convicted but only received minimal fines – far less that the nominated fines" (1999: 179). Most of the bookmakers pleaded guilty and paid the minimal fine, which most considered a license fee for operating as a bookmaker (Dunstall 1999: 179). Albertson in the next excerpt confirms that previous fines did not deter his activities and that it was not until he received a prison sentence in 1944 that he decided to retire from the business of bookmaking.

*Excerpt E*

> Thomas: Have you carried out bookmaking since then?
> Albertson: I have not
> Thomas: So that as far as you are concerned, a fine did not stop you, but gaol did?
> Albertson: That is exactly right.
> Thomas: So that gaol was a deterrent to you as a bookmaker, but a fine wasn't?
> Albertson: That is correct
> (Gaming and Racing Commission of Inquiry submissions 8B-6: p 902).

During the 1944 court case of Albertson, Justice Northcroft spoke of the ineffectiveness of the system of imposing fines:

> Having regard to the extent and the profitable nature of your business it is not hard to understand why the fines imposed upon you have proved no deterrent. To fine a bookmaker even the maximum amount of £500 is to do no more than take a small proportion of his illicit earnings by way of tribute. Punishment must prevent, or at least deter. Fines for bookmakers are inept and futile. One might as well fire a child's pop-gun at a pack of wolves. To those disposed to engage in this unlawful but highly profitable business imprisonment is the only deterrent (Justice Northcroft in sentencing Arthur Albertson, reported in The *Press,* November 7, 1944: 6).[16]

Even though Justice Northcroft highlighted the futility of the fines system, very few bookmakers received prison sentences. The tolerance of their presence by the vast majority of police officers throughout New Zealand combined with a legal system that

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[16] Information concerning this case can be located in Dunstall, K (1999) "Policing Gambling" in, *The History of Policing in New Zealand. Volume 4: A Policeman's Paradise?* After making contact with Mr K Dunstall about the Scrapbook no.7 of J.B Young mentioned in his book I was provided with a copy of media reports about bookmakers during the 1920s through to 1940s. This act led me to making the decision to travel to the National Archives in Wellington to research the transcripts from the Royal Commission of Inquiry. I am sincerely grateful for Mr Dunstall's assistance in this matter.

did not impose maximum penalties for the crime of bookmaking reveals that many did not consider bookmaking a serious crime at this time.

## *Summary*

In this chapter, I have described how the introduction of the totalisator extended both the legal gambling market and assisted in the creation of an illegal market. I have also shown how the illegal market reassembled, developed heterogeneous actor-networks and transformed their services in order to operate successful off-course betting operations to meet the demands of their punters. In addition, I have argued that police tolerance of the presence of the bookmakers was extremely beneficial to the illegal market. I introduced the concepts of the four moments of translation to reveal how the racing clubs gained the support of the Government and then in a newly formed alliance sought to remove illegal bookmakers from the gambling market. Their mutual aims were unsuccessful because at this stage, not all of the required actors were enrolled with the legal market. Therefore, the process of translation remained incomplete. In the next chapter, I expand on my argument that the illegal gambling market enrolled more actors thereby creating actor-networks to a far larger extent than the legal market by focusing on how the introduction of the technology of the totalisator changed the business practices of the illegal bookmaker.
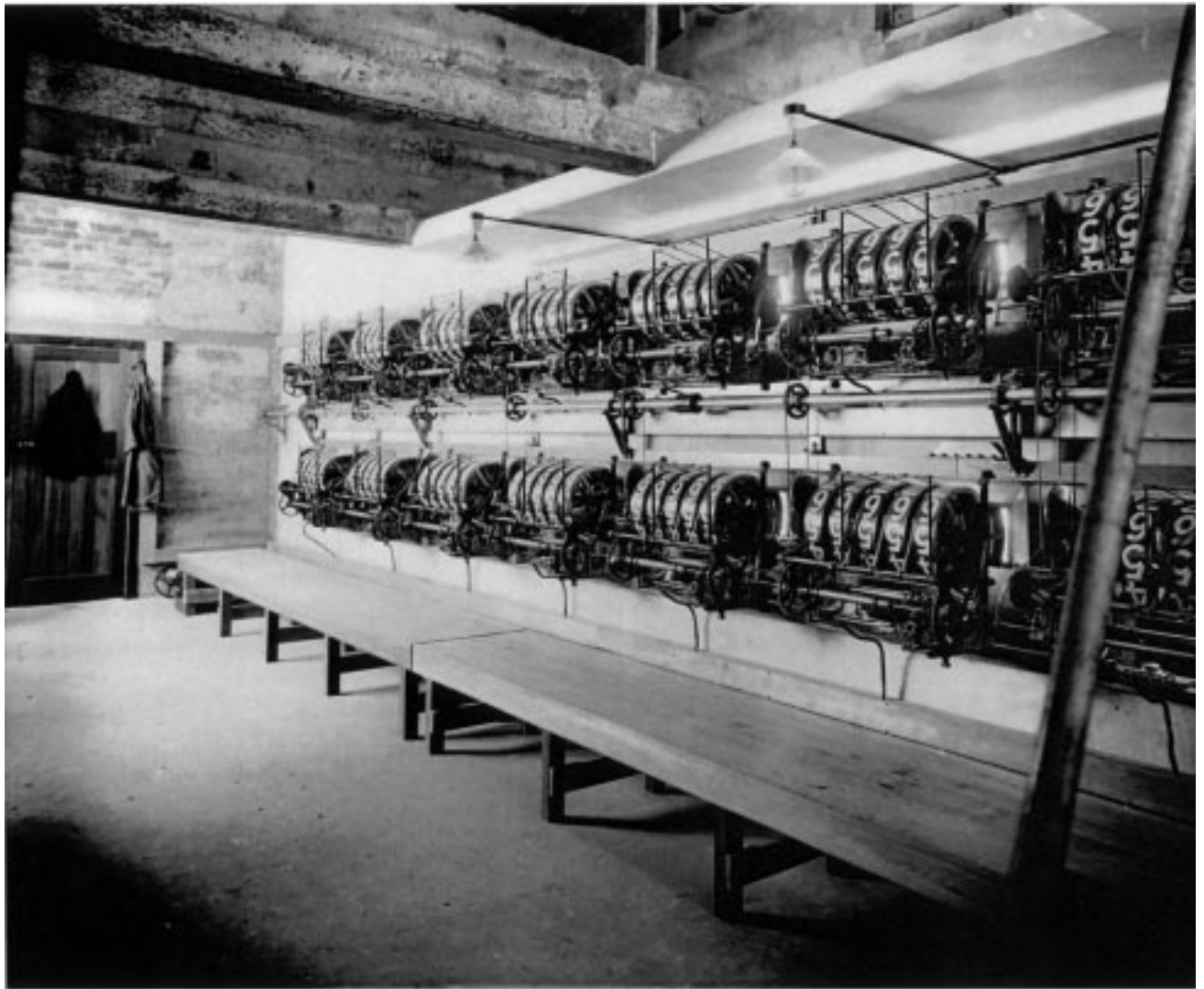
**Figure 5 "View of the works of totalisator machines at an unidentified race course, probably in the Canterbury region". Estimated date sometime during the 1920s. This picture highlights the share size of the totalisator machinery, as does Figure 6. (The Press (Christchurch) Collection, G-8669-1/1).**
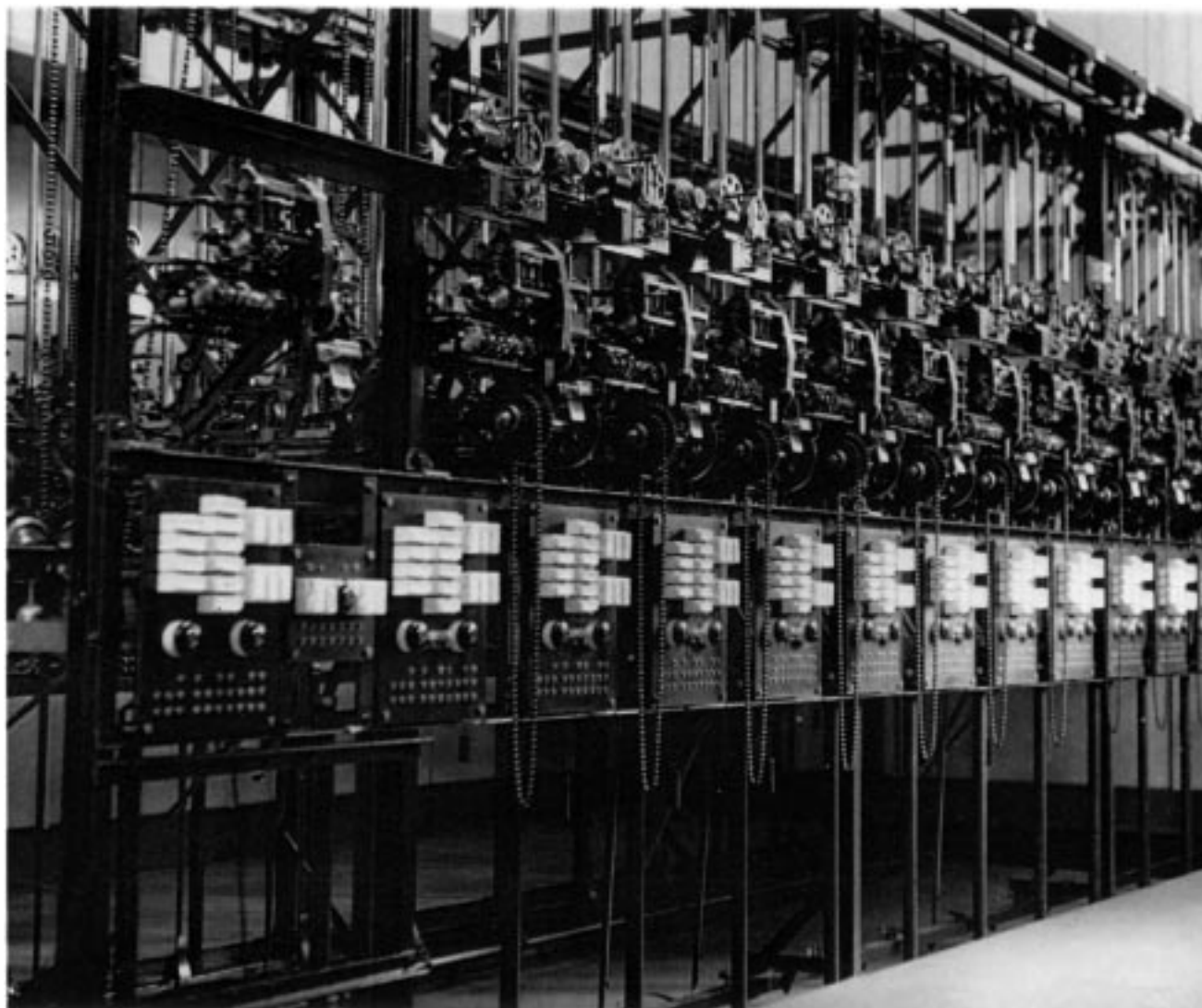
**Figure 6.** ( 1940) "Original 'Making New Zealand' caption reads: Part of the intricate machinery of a modern totalisator which is operated by electricity", Making New Zealand Collection, Alexander Turnbull Library F-2364-1/2-MNZ.

**Figure 7. ( 1940) "Crowd in front of the totalisator at the Trentham Race Course, Upper Hutt. I have mentioned in this thesis that race clubs had to build new buildings to house the totalisator. Figure 7 and 8 depict these totalisator buildings. (Making New Zealand Collection, Alexander Turnbull Library, F-2366-1/2-MNZ)**

**Figure 8. (1920) "Crowd outside totalisator at the races". Location not identified . ( J R Wall Collection, Alexander Turnbull Library, G -17879-1/2).**

**Figure 9. (1912) "Men queuing to place bets on horses, at the Trentham Racecourse"**
**(S C Collection, Alexander Turnbull Library G-45487-1/2).**

## Chapter Three

## Sites, Services and Scams: Describing the illegal gambling market

> He was a very colourful character [Clarrie] …A great big towering guy
> now he was. You know if you wanted to say what did a bookmaker
> look like in real life, he looked like one. He used to wear a great big,
> always wore great big lovely glen check suits, and a big silver grey hat
> and in those days a flash American gangster tie – you know (laughing).
> He was such a happy good-natured guy… and he would walk down
> the street and say, "Gidday there how are you Peter". He would talk to
> everyone up and down and everybody said what a great guy… he
> would be one of the bookmakers that was a character (Peter re: an
> illegal bookmaker operating late 1940s).

### *Introduction*

Following the introduction of the technology of the totalisator illegal bookmakers
('great guys' in the eye of the betting public), supplied a demand for off-course
betting services. In this chapter, I describe *how* their business practices, sites of
operation and actor-networks develop after the introduction of totalisators and expand
on my explanation of *why* the illegal gambling market survived. Whilst the legal
gambling market assembled around localised totalisators, i.e. was restricted to the
fixed location of racecourses, this was not the case with the illegal market. I argue that
the use of telephones facilitated the option of credit betting and provided bookmakers
with the ability to operate from multiple sites. In addition, bookmakers adapted their
business practices by providing odds based on the dividends offered via the totalisator
i.e. tote odds, limit betting, as well as selling tote tickets. Therefore bookmakers
provided a system of betting that was easily accessible and more flexible than the
service provided by the legal market.

Using information drawn, principally from my informants and from the transcripts of
the Royal Commission of Inquiry, I will describe the activities of some of the illegal
bookmakers operating in New Zealand. I will also draw on previous historical and
sociological accounts as resources for a discussion of the survival of the illegal

bookmaking market. Existing explanations attribute the success of bookmakers to the fact that, prior to the introduction of the TAB, they provided off-course betting, credit, fixed odds, and doubles betting (Grant 1994, 2000, 2001; Syme 1985, 1992). I agree that bookmakers provided some of these betting services but these accounts fail to account for how and why bookmakers developed these particular businesses practices. I will argue that it was the mediation of telephones and totalisators that enabled the provision and the transformation of these services.

In this chapter, I also discuss the relationship between some bookmakers and their punters. Even though there was a demand for the services of the bookmakers, some punters instigated cunning scams that involved forming nationwide syndicates and manipulating totalisators. Punters, just as the bookmakers did, used the technology of the totalisator and telephone to facilitate their attempts to 'beat the bookie' and in some cases, actually 'break the bookie'. As a result, a number of bookmakers left the illegal gambling market. This act reveals that the intended pathway of the introduction of a new technology is never predictable. Therefore, the Government and racing club's aims of removing the bookmakers from the market by introducing the technology of the totalisator was, in some cases, aided by the very people that demanded and utilised the services of the off-course bookmakers.

## *Multiple Sites*

 In this section, I will draw on Neal's (2005) comparative study of two main sites of betting to highlight the significance of the off-course betting facilities using his term, 'remote' gambling sites. This approach provides a very boundary-specific analysis and therefore seems at odds with actor-network theory. However, it is a useful heuristic device because it allows me to discuss the significance of gambling sites. The relative positions of these alter, following the transformation of gambling markets, by the introduction of key technologies. Gambling markets come to combine localised sites, national sites, and trans-national sites before finally becoming global. At each point of translation, the gambling market becomes harder to control from a single point. Neal provides a useful set of analytical distinctions between two main sites of betting: the 'proximal,' - the racecourse, and the 'remote,' - the betting shop. I

will use the term 'proximal', as Neal does, to describe the racecourse, and extend the term ''remote' to describe all of the off-course illegal gambling sites.

In addition, I draw on Syme's (1985) account of the New Zealand bookmaker to describe how bookmakers operated from multiple remote sites. Syme's three levels of classification include the phone bookmaker, the 'stand-up' or pub bookmaker, and the work-site bookmaker who operated in male-dominated business such as the freezing works etc. This classification relates to bookmakers that operated during the 1970s and 1980s and is relevant for the period prior to the introduction of the TAB. Syme's classification is based on a hierarchal order of the bookmakers: from the "small fry," - the pub bookmaker, to the "big guns," i.e. the telephone bookmaker (1985: p10). In framing my discussion, I discuss bookmakers in terms of 'remote' locations. The remote sites of gambling are: (a) mobile sites, i.e. the telephone bookmakers (b) hotels, (c) workplaces, which I extend to include retail locations, and (d) sports facilities. Some bookmakers did still operate from the racetrack, albeit on a small-scale. and I use Neal's term 'proximal' to refer to this site.

My key informants, two men now in their eighties, enjoyed horseracing and the occasional bet and it is through their eyes, that we see the performance of bookmaking at remote and proximal gambling sites prior to the introduction of the TAB. Peter worked in a retail shop located in Christchurch's central business district, during the mid to late 1940s. His employer was a keen gambler who bet with a number of illegal bookmakers. Paul, also a keen gambler often bet with a number of bookmakers on the West Coast. Their descriptions of the activities of the bookmakers reveal that some bookmakers did not fit into a classification system based on Syme's hierarchy because both large and small bookmakers worked from the hotels, while other bookmakers operated from hotels as well as via the telephone. I am also using a system of classification, but I use the category "remote" to highlight the different work sites of bookmakers and argue that bookmakers could work from within these different sites, thereby providing a more flexible overview of these bookmaker's activities.

**Mobile sites of gambling**

Dunstall (1999) speaking of Wellington bookmakers during the 1940s notes that following the introduction of harsher penalties, especially the possibility of jail sentences, most of the telephone bookmakers developed a more mobile system of operation and tended to operate from a variety of locations that changed each week leading up to Saturday race days (1999: 175-183). The bookmakers were able to operate this type of system because the majority of race days were at this time still on a Saturday. These larger bookmakers, the "big guns," established temporary work sites both in business or residential premises, installed numerous telephones[17], and employed networks of agents to procure business on their behalf. William Vivian Whitta, another infamous Christchurch bookmaker who operated during the 1920s, even had an additional phone located in his hedge. When questioned about this by a judge in his court case he stated that he kept the phone in this location because he was a keen gardener. To which the judge replied "presumably in case someone rang and wanted a bath" (McCarthy 2004:99).

Telephones provided bookmakers with the means to obtain information from the racecourse, to collect bets from punters and agents, as well as to lay off bets[18] with other bookmakers. The phone bookmakers were also in the position of being able to take bets from their punters at any stage prior to race day. Peter commented that his boss would often ring through a bet to his bookmaker if a customer had provided him with a 'hot tip'. Peter recalled one event when his employer rang through a bet in his presence. A famous jockey, who was just leaving their shop, asked Peter to ring a taxi for him and before he left he said:

> "I think I'm going to ride the winner of the last race" and it was a horse
> – I can always remember it – it was called Pierre. The taxi arrived and
> well old Patty, he nearly broke a leg trying to get to the telephone to
> ring the bookie and he put a lot of money on Pierre. Sure enough, he
> had the radio on at work. You could only listen to them in those days.
> Pierre romped in and paid good money and old Patty won a packet of
> money off it and that's where the bookmakers used to get hammered.

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[17] Newspaper coverage of the trials of bookmakers often mentioned that bookmakers had more than one phone. For example, Arthur Yeo, a Napier bookie, convicted in 1930 possessed two phones (*The New Zealand Truth*, April 10th 1930:5). In Dunedin, the Donaldson brothers had three phones in their home (*Otago Daily Times*, January 1937).

[18] This act of 'laying off' bets meant that if bookmakers were financially exposed because they had taken to many bets or had accepted a larger bet than they would normally than they would 'lay off' some of these bets with other bookmakers. Once the totalisator and the TAB are introduced the bookmakers were able to use the legal services as well as that of other bookmakers to reduce their risk.

By this comment, Peter highlights that informal gossip could be detrimental to bookmakers as in this instance, the bookmaker may not have been privy to this information. This meant that he might have taken a larger bet than he would have if he had been aware of the 'tip' that Pierre was likely to win.

Peter advised that bookmakers also used to travel around town setting debts or paying out winnings following the Saturday race meetings. I asked Peter how this system worked:

> Peter: Generally during the week. Now the bookmaker [Cyril] who my boss bet with. Always on a Monday or a Tuesday, he would come in with a satchel under his arm and you would swear he was a commercial traveller or a businessman walking down the street. And he'd wander in, us young fellas there were about three of us working at the shop, your eyes would boggle when old Cyril would open up the lid of the suitcase and we would look in and there would be £10 notes all bundled up and £5 notes all bundled up (laughing). If the boss had won £100, he'd just peel off a bundle. And we used to think what a great life that must be – you know (laughing).
> Raewyn: So he just walked around town paying people out. Would he collect at the same time?
> Peter: He would be around to collect if it was on the collect side.
> Raewyn: When would he collect?
> Peter: Monday or Tuesday. You see that's the difference today, the races were only on Saturday and lets face it I don't know how many races there are in New Zealand here now. If there are 1500, but in those days they would be lucky if there were 500 a year. They race them 6 day a week, race meetings all over the place and Australia but in those days, there was only racing on Saturday other than a trotting cup or something like that.

In this account, Cyril collected payments on a Monday or Tuesday. Other accounts suggest that bookmakers or agents collected debts on a Thursday, which was the payday for most men in New Zealand at this time. This indicates that some bookmakers operated a slightly different system of collection. Peter's account also highlights the mobility and openness of the illegal bookmakers' operations and that this system of operation worked because the majority of race meetings at this time were held on a Saturday.

Peter also described one of the prosperous telephone bookmakers who came into his shop:

> Yes, well there was one bookmaker [Jack] and he was a very nice guy and he used to come into the shop that I worked for because my boss used to have a bet with him. He was a very nice character and around about at the end of the war or after the war he pulled up one day at the shop in this car. One of my boys in the shop said "Gosh look at this car" and it was a lovely American Buick, you'd call it a gangster car I suppose in those days and any rate when he came into the shop I stood at the doorway and said what a beautiful car. He said, "Go have a look at it Peter." And of course he hadn't locked it and I went and sat behind the steering wheel. He came out a few minutes later and said would you like to take it around the block…I tell you did I feel great driving this beautiful big American Buick.

The reason why I have included this quotation, apart from the fact that I can still picture the joy on Peter's face as he described the car, is that this not only indicates that Jack was a successful bookmaker but that he was able to overtly display this prosperity in public. Grant (2002) adds to this account in his description of post- war bookmakers who"flaunted their wealth with palatial homes in Remuera and Fendalton, late-model American cars, pin-stripe suits, and Havana cigars (2002:82). Jack operated as a phone bookmaker but he also worked from one of the local hotels close to Peter's work.

## The Hotel

It was widely acknowledged that most hotels throughout New Zealand had at least one bookmaker operating from their premises. Hotels, at this time, were male-dominated leisure spaces. As Phillips writes, "Men found leisure enjoyments within a male culture that existed quite separate from the world of women. At its heart was the classic troika of rugby, racing and beer" (Phillips 1999: 215). Pub bookmakers, also known as 'rat bookies' and 'stand up bookies', were in most cases either small-time bookmakers or agents of the phone bookmakers. In some cases, hotel owners, or barmen also operated as bookmakers in their own right or as agents.

The retail shop that Peter worked in was within walking distance of a number of local hotels. His employer would often go to the nearest hotel on a Friday night for a quick

drink and a bet with Jack for the Saturday races before the bar closed at 6 o'clock.[19] I asked Peter how you knew who the bookmaker was when you entered a hotel, as I had this stereotypical image of a man sitting in the bar with a race book and a radio:

> He would – well that would give it away. If you were a regular of that hotel which, I would say, most men were of a particular pub you would soon get to know who the bookie was. But if you were a stranger and you wanted to have a bet probably you'd only have to ask the barmen or the publican, "Is there any chance I'd like to have a bet? "Do you have anybody round here?" They'd say, "See that fella in the cap down the end of the bar", but you never quite openly walked over. You would just quietly say, "Would you take a bet on this horse?" [He would say] "Where's your money?" and I'd give him a pound note and he would take your ten bob each way – that's how it was in those days. They would instinctually know whether a chap is a cop or not, it's an amazing thing.

Peter's account points to the male setting of the hotel, as a place of 'regulars'. He also indicates that strangers wanting to place a bet utilised a particular known form of address to place a bet with a bookmaker. In this way, the bookmaker's presence was both acknowledged and regulated according to customary practices. In addition to hotel sites bookmakers also operated from work places and retail sites that like hotels during the 1940s and 1950s, were male dominated sites.

## Retail and Workplace sites of gambling

A number of retail shops throughout New Zealand operated hybrid businesses combining legally operated businesses such as male hairdressing or tobacconists as well as being bookmakers. Some retail operators acted as agents for bookmakers as a means to supplement their income whilst others operated on a larger scale.[20] These retail outlets had a client base, predominately men, that regularly required both of their services. It was therefore possible to operate a successful joint business. Clarrie, the bookmaker mentioned in my opening quotation, owned a hairdresser's shop in Christchurch's central business district. As Peter said, "I mean you could go in there for a hair cut and you get it cut and could have a bet at the same time – 'cause Clarrie

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[19] Note that at this time all hotels closed at 6 o'clock.
[20] Two of Wellington's larger bookmakers during the 1920s, Thomas Curran and W.T. Osmond, operated from their tobacconists shops (Dunstall 1999: 175-176). One of Christchurch's largest bookmakers during the same period, William Whitta, was also a tobacconist (Grant 1994:92).

would look after you." Paul, also spoke of a bookmaker who owned a local menswear shop on the West Coast,

> I know when I started to work, at 16 shillings a week, I would go down and put 5 shillings on a horse to my mother's annoyance, because she had not long been widowed and she was running a pub on her own. Hearing about me giving about 30 percent of my salary to the bookmaker didn't make her happy.

Following the introduction of totalisators a number of bookmakers set up 'tote shops' in different off-course locations throughout New Zealand (Grant 1994: 62).[21] The 1907 Gaming Amendment Act banned the operation of these 'tote shops' (Skene 1989:31). Once this ban was in a place a number of shops set up these hybrid businesses. This system of illegal off-course betting shops is not confined to the New Zealand gambling market: McCoy (1981) states that the Australian 1906 Gaming Act forced the closure of most of Sydney's tote shops (1981: 40). Chinn (2004) also comments that a number of British bookmakers either operated from general stores or set up shops as a front for illegal bookmaking (2004: 139). In addition, to these retail sites of gambling bookmakers also operated from male dominated work sites throughout New Zealand. The DSA, in their submission to the Commission of Inquiry, stated that their members or their appointed agents, travelled regularly to work sites such as freezing works, wool stores and the waterfront to collects bets. The DSA argued this was a service demanded by 'working men' because they were unable to travel to racecourses due to their work commitments (Gaming and Racing Report 1948: 41).

These accounts of mobile, pub, work, and hybrid bookmakers clearly indicate that New Zealand bookmakers were extremely visible and blatant about their illegal activities. This was the same situation at sporting grounds and sporting halls as well as some of the racecourses throughout New Zealand.

## Sporting facilities and Racecourses

Since the 1860s bookmakers had taken bets on sporting pursuits such as: pigeon-shooting, cycling, cricket etc (Grant 1994:39). By the late 1940s, bookmakers were still involved in sports betting with Paul advising that bookmakers were very active at

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[21] "Tote shops" were betting shops established to provide illegal off-course betting services to punters.

rugby league games on the West Coast. He recalled a story of driving a league player to a game between Marist and Runanga. When he arrived, he was told by the local coach to go over to the local bookmaker and put some money on Marist to cover his transport costs with the coach telling him that, "you'd get a bet on Marist against Runanga any time." Paul also mentioned that you could get a bet on any of the local rugby games but the rugby bookmakers "weren't bookmakers in the real sense as far as racing is concerned." By this, Paul is indicating that bookmakers at this time, were predominately associated with horseracing gambling.

Sports and horseracing gambling also occurred at sporting halls such as billiard and snooker halls, which were popular male sporting activities. Phillips (1996) comments that in the early 1900s, billiard halls were extremely popular with men as these facilities had no designated closing time (1996:67). The Wellington Billiard Room Proprietors Association submitted a request to obtain off-course betting licences to the Royal Commission of Inquiry, so it appears that bookmakers were still operating from these premises in the late 1940s. An informant also advised me that one of Christchurch's notorious bookmakers during the 1960s and 1970s operated from the local snooker hall. Every Friday night when there was a big game on, people would come to watch and bet on the game as well as on the horses. Bart, one of the illegal bookmakers that I spoke to said he developed his interest in gambling while attending snooker halls during the 1960s. From these accounts, it appears that sports betting occurred but that horseracing was still the most dominant form of betting. They also highlight that a connection between sports and horserace betting has existed since the 1860s.

It was illegal for bookmakers to operate from any of these sites but the riskiest place to conduct business was the proximal site of the racecourse. Section 4 of the 1910 Gaming Act made it the responsibility of the racing clubs to ensure that bookmakers did not operate from their race courses (Redwood 2000: 92). And yet, as Peter confirmed bookmakers were still working from the Addington racecourse during the 1940s:

> Another great place for the bookmakers, they used to call it Scotsman Grandstand at the back. It has all changed now but in those days at the back of Addington racecourse right on the back straight there was this

big area and anybody that didn't want to pay admission money to go into Addington could go there. They [the punters] would be standing on little steps and boxes peering over the fence at the races and there were always bookmakers operating over there. The punters did not have to come on to the totalisator. You could have your 5 shillings each way. One thing with the bookmakers, the little guys, they would take anything ½ crown each way or 5 shillings when the betting unit on the totalisator was 10 shillings …

In this section, I have expanded on Syme's categories of pub, telephone, and workplace bookmakers to highlight that bookmakers clearly operated in multiple, sometime overlapping locations, according to demand – remote and proximal. Unlike the legal form of gambling, they were not restricted to operating from a fixed location. By operating from multiple sites, the bookmakers were conveniently accessible to their predominately-male clientele. The practice of illegal gambling during the 1920s through to the late 1940s, was conducted not 'underground' but blatantly and proudly 'aboveground'. The introduction of the technology of the totalisator and the subsequent legislation that removed bookmakers from racecourses provided the impetus, albeit unintentionally, for the establishment of an off-course betting service. In the next section, I argue that by enrolling the technology of totalisators and the distributive technology of telephones and radios the illegal bookmakers were able to provide multiple services and flexible payment options

## *Multiple services*

## Doubles betting

Initially totalisator betting was only available for a win only bet. By 1906, the totalisator was adapted to provide doubles betting.[22] This was only a short-lived service within the legal market as the 1907 Gaming and Lotteries Amendment Act banned the doubles totalisator following media attention of a large payout, where a punter received £2061, 18s for a one-pound investment. This gained the attention of the anti-gambling campaigners and the Government in an attempt to appease the movement agreed to ban the doubles totalisator (Skene 1989:26). The bookmakers

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[22] Doubles betting is a form of betting where a person picks the winning horses in two designated races at a race meeting.

swooped on the opportunity to provide this service to their clients until its reintroduction into the legal market in 1949. To facilitate this form of gambling, bookmakers printed their own double cards that displayed their own distinctive symbols rather than their names. Charles Belton, an ex-policeman, writes that these symbols might be, "a square or a butterfly or some similar object in one corner" (Belton 1939: 24). The cards also listed the name of horses and the odds offered and were either hand delivered to punters at the hotel, at their place of work or posted out. The punter then completed the chart and returned it to the bookmaker prior to the race meeting (Belton 1939: 24).

Another form of doubles betting described to me by Paul was "rat doubles." This was a form of doubles betting available during the 1940s through to the 1950s. As Paul describes them:

> They were called 'rat doubles' and they were very prominent ... in fact. I used to run one in the army. It was a good way to make some money. If it wasn't struck you got the whole pool if you were the bookie and if it was struck you would pay out. They used to set a prize, say £20 depending on how many horses were in the race, might cost 5 shillings. If nobody picked the winner which often happened, if an outsider came in and nobody had taken it then the White Butterfly would get the lot.

"The White Butterfly" was a local bookmaker who used to flit from one work place to another on his bike delivering and collecting these cards. Rat doubles are more like a sweepstake in that there was a set prize for the person who picked the winning horse's number. As Paul stated "for instance, if there was £50 prize, well he'd make sure that he had £50 worth of bets and he'd hope like hell that no one would pick it so he'd get the lot." This form of gambling depended on horse races but was not influenced by the totalisator. However, a number of bookmakers utilised the totalisator to develop 'tote' tickets.

## 'Tote' tickets

'Tote' tickets were also known as 'pick tickets' or, as Norman describes them, a form of "poor man's lotto":

> Well, the bookies had their own clients and the tickets cost 2 shillings … and they were just little printed cards. They had a number on them,

three numbers from 0-400 I think, something like that. And, you paid your two bob every week. You got a card, and then to get the result you waited until the paper came out on Monday morning and the last three numbers of the turnover from the totalisator was the winning number. Say the total was 27,250, well then 250 was the winning number.

Norman advised that these tickets were "printed by printing companies, they didn't mind where the job came from as it was money for them. No, they weren't [handwritten] – they were done by a publishing firm." Another informant advised me that his father, who owned a grocery store, would purchase tote tickets from a bookmaker who delivered them to him once a week. He described them as sealed tickets and his father would tear off one side to reveal the three numbers printed on the inside. This form of betting was still available during the 1980s with Bart mentioning that a bookmaker he knew sold 1000 tickets per week. The tickets sold for $1 with the bookmaker paying out a prize of between $250 and $350 for first prize. There were also prize payouts for being one number either above or below the totalisator turnover. The totalisator was therefore instrumental to the illegal bookmaker's ability to offer doubles betting, tote tickets and to calculate the odds they offered.

## Fixed odds, limit betting and tote odds

Grant (1994, 2000, 2001) and Syme (1985, 1992) argue that one reason for the success of the illegal bookmakers was that they offered fixed odds betting. Grant in discussing this issue comments that most bookmakers "laid fixed odds with limits of £15 or £20" (Grant 2000:184). The term fixed odds is misleading and I instead use the term limit betting, where the bookmaker's odds were calculated using the starting price of totalisator and then limits were applied. Following the introduction of the totalisator the majority of bookmakers changed their system from offering fixed odds to offering either tote odds or tote odds with limits. However, Albertson in his testimony to the Commission of Inquiry indicated that he believed it was possible to offer tote odds and fixed odds:

> Heenan: Do you think, Mr Albertson, that bookmaking should be conducted as purely starting-price operations with limits, or should it be bookmaking as bookmaking is understood?

Albertson: I think it would be quite easy to combine the two. You could pay tote odds to a certain amount, and for big bettors you should be in a position to quote them odds about their different horses (Gaming and Racing Commission of Inquiry submissions 8D- 1 :910).

Nevertheless, in their submission to the Inquiry the DSA proposed a system where all of their members would offer "odds determined by the amount of the dividend ultimately paid out by the totalisator" (Gaming and Racing Commission of Inquiry submissions: 28). In other words, tote odds. To clarify this point, I will provide examples of what this difference actually means using an example of a horse called 'Racing Romeo'.

### Example A:  Fixed odds

In this example, if a bookmaker offered fixed odds of £25 - £1 on 'Racing Romeo' then the price is fixed at the placement of the bet. If 'Racing Romeo' won and the punter had bet £10 then the punter knew at the placement of the bet, that he would receive £250. With the fixed odds option, the price can also alter from opening price to the start of the race but the punter is paid the fixed price that he took the bet at.

### Example B: Totalisator odds –'Tote odds'

With 'tote odds' the punter does not know the price the horse pays until the race begins, as the price payable under a totalisator system depends on the amount of money invested. Therefore, in the totalisator system it is possible that the opening price of a horse at £25 could reduce to £10 by the time the race started. If this occurred then a £10 investment would return £100.

### Example C: Limit betting

In this scenario, the price paid out by the bookmaker is influenced by the totalisator in that they offered 'tote odds' but applied limits. Most New Zealand bookmakers operated on a system where they applied a maximum limit of between £15 to £20 for a win and £5 for a place. (Gaming and Racing Commission of Inquiry submissions 20-5: 146).

If the opening price of Racing Romeo was £25- £1, this reduced by the start of the race to £22 and the bookmaker's maximum limit was £20 then for a £10, investment

based on limited odds of £20 ,the return is £200. Conversely if the price remained at £25- £1 or even increased, the maximum amount the bookmaker would pay would be the limit of £20. It is therefore possible that a punter could receive a smaller payout from the bookmaker than they would have received if they had placed the bet via the totalisator. If the price of Racing Romeo dropped to £15 - £1 then the bookmaker would pay out based on the tote odds of £15. The punter would receive £150 for a £10 investment.

The TAB (1958) referred to these odds as "cramped odds":

> The Bookmaker competed against the totalisator in so far as he paid out tote dividends with "limits," so that a bettor wagering with a bookmaker had in many cases to be satisfied with cramped odds. This gave rise to a certain amount of public antagonism towards bookmakers (TAB 1958:10).

The TAB is correct in stating that bookmakers did apply limits but from discussions with a number of my informants, this was not a major issue at this time because most horses never paid more than £20 for a win.

The following account from Peter indicates that bookmakers offered limits but if they sensed that a punter was looking to walk away without placing a bet they would offer tote odds:

> The one thing that the bookmakers did have was limits. If you were a follower of rank outsiders, you would be far better to go to Riccarton or Addington and have your bet on the tote because the bookmaker would often fix some horse, say a rank outsider to £20:1. But you could put your 10 shillings each way on it at the Riccarton and it could come in and pay £50 but the bookmakers would only pay to the £20 – that's what they called limits. .. It didn't happen often but sometimes the bookies would give you tote odds if you were weakening or a bit reluctant. It wasn't as if you had any choice unless you wanted to hop into a car and drive out to the racecourse to have a bet you couldn't have a bet – so you had to either accept the bookie's bet.

These accounts indicate that most bookmakers provided limit betting but that some were flexible with their betting options. However, bookmakers could only provide tote odds or limit betting because of the introduction of totalisators. I argue that the reason why the bookmakers were successful was not that they offered fixed odds but because the totalisator provided bookmakers with a faster method of calculating their

odds. Another factor often mentioned in the explanation of the survival and the success of the illegal market was that bookmakers offered credit betting Grant (1994, 2000, 2001) and Syme (1985, 1992).

## Credit betting

Prior to the introduction of the totalisator bookmakers did not provide credit betting. Like bookmakers operating in Australia and Britain,[23] their practice was ready-money betting, meaning that money exchanged hands on the placement of the bet. The decision to offer credit to the New Zealand betting public arose because off-course illegal bookmakers no longer worked the fixed site of the racecourse. As bookmakers developed their off-course betting services, they enrolled telephones into their networks to provide an accessible service to their clientele. This meant that bookmakers had to develop new systems of settling debts. Once the telephone bookmakers provided the option of credit betting, this became the norm for most of the other bookmakers except for those operating on a small-scale within hotels or agents who may have still operated on a cash only basis.

The DSA and Albertson argued that credit betting was a service demanded by 'working men' (Gaming and Racing Commission of Inquiry submissions:  41). In his evidence, Albertson stated that credit was one of the main reasons why punters used his services, "I think it is what every punter wants" (Gaming and Racing Commission of Inquiry submissions 8B-5: 897). The DSA proposed that if their bid to gain legal status was approved their members would continue to offer this service. However, for those opposed to gambling, credit betting increased the potential for excessive betting. The  final recommendation of  the Commission with regard to  the legal off-course betting service,  was that they were not prepared to recommend credit betting, instead opting for "ready-money betting" (Royal Commissions on Gaming and Racing  1948: 28).

The above accounts of illegal bookmakers reveal that bookmakers provided multiple betting options whilst operating from multiple male-dominated work sites. The

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[23] The illegal bookmakers operating in Australia also provided credit options to their clientele. However, Dixon notes that the illegal bookmakers operating in Britain were not prepared to offer credit to "working-class punters" (1996: 88).

punters could place a bet with a variety of bookmakers, either within their workplace or, within walking distance to the nearest hotel or retail site. This is in sharp contrast to the legal market where punters had to travel, in some cases quite a distance, to a racecourse to place their bets. Based on the volume of business of the illegal bookmakers, the punters obviously wanted the services that the bookmakers provided. Yet, some punters formed syndicates to manipulate totalisators in attempts to cheat the bookmakers and in some cases to destroy them.

## Scams

The most common scam instigated by syndicates of punters involved manipulating the totalisator. Hobbs (1959) provides a description of how this worked at a horse race meeting in the North Island. In one race, there was a small field of horses, with one horse standing out as the favourite. The syndicate sent a person to the racecourse to place large sums of money on all of the other horses in that race thereby inflating the price that the favourite was paying. The rest of the syndicate then rang and placed bets on the favourite with as many bookmakers as they could throughout New Zealand. Bookmakers, unaware of the dramatic increase in price, took the bets. If the horse won Hobbs states:

> Several bookmakers were ruined. No one was sympathetic, and nothing could be done. The action was perfectly legal. Thereafter bookmakers kept their own agents available with money ready to back on the course any future horse against whom such a coup seemed likely, but the harm was done (Hobbs 1959: 34).

The Royal Commission of Inquiry highlighted two further cases. In the infamous 'Malacca case' a Mr Slater, acting on the behalf of another party, manipulated the price the totalisator was paying for a horse called Malacca. In this instance "the principal thus won from bookmakers a much greater sum than the normal odds would have secured for him" (Royal Commission on Gaming and Racing 1948: 29). Another scam involved a large syndicate bribing jockeys to lose races with the syndicate selecting several horses and paying jockeys to make sure the horses lost a few races, before the horses' forms dramatically improved. Syndicate members based throughout New Zealand would then wait for a telephone call advising them which horse to bet on before placing large bets with as many bookmakers as they could. The syndicate

would also place money on other horses in the race to ensure that the bookmakers did not become aware of their scam (Gambling and Racing Commission of Inquiry submission by Rev E O Blamires).

The act of manipulating the totalisator is not specific to the period prior to the introduction of the TAB. Bob described a similar scam involving a horse called Broomfield Thunder, racing in a small field in Ruakaka in the late 1970s or early 1980s. In this example, syndicates placed bets as large as $1000 each way with as many bookmakers as they could throughout New Zealand. Bob stated that this act "put something like 1000 business men under, 'cause everyone [the bookmakers] thought it was just going to pay $2 or $3 dollars so if it wins taking a $1000 on it was no big deal." Manipulating the totalisator also occurs in greyhound racing which tends to have smaller fields. What these examples highlight is that even though there was a demand for off-course betting some groups of punters developed schemes in attempts to gain financially from manipulating the totalisator or bribing jockeys. The result was that some bookmakers left the gambling market financially destroyed.

This is not particular to New Zealand as Chinn (2004) comments that it was an acceptable practice for English punters "to try and get one over the layers," meaning it was acceptable to attempt to beat the bookmaker (2004: 215). However, it was not acceptable for the bookmakers to reciprocate as this was considered a "heinous sin" (2004: 215). Zola's (1967) ethnography of gambling in a New England pub revealed that punters referred to the bookmaker as the "undertaker," and alluded to how they would "like to bury him… in an avalanche of losses" (1967: 25). In this account  the bookmaker was seen a representative of "the system" and Zola argued that  even though there was a constant demand for the services of the bookmaker, he was also an outlet for the anger and frustration that these working-class men felt about their place in society (Zola 1967:25). In New Zealand there may have been some animosity because bookmakers offered 'cramped odds' as suggested by the TAB (1958) however, the concern here is not about attempting to explain why this animosity occurs. Instead, I argue that the ability to operate scams indicates that punters  by manipulating the totalisator, or using the phrase "shaping the innovation" reveals that

punters "are actors, not just clients, and everyone involved translates, or shapes the innovation according to their own needs" ( Tatnall and Gilding 1999: 961).

The existence of competitive gambling markets provided punters with options. They could bet with the bookmaker and the totalisator; use the totalisator as a means to place bets; or attempt to manipulate the totalisator. By removing bookmakers from racecourses, this provided punters with the space to organise their own betting syndicates to the detriment of some bookmakers. This indicates that the intended pathway of the introduction of a new technology is often unpredictable. These punters' actions confirm, as Latour suggests, "the movement of an innovation through time and space is in the hands of people each of whom may react to it in different ways. They may modify it, deflect it, betray it, add to it, appropriate it, or let it drop" (Latour cited in Tatnall and Gilding 1999: 960).

By introducing the technology of the totalisator, the Government and Racing Clubs intend to enrol as many actors as possible within the legal network, thereby removing the necessity for people to bet with bookmakers. They did not consider the possibility that the bookmakers would utilise the totalisator for their own business purposes nor could they have known that punters would use the totalisator to exploit the services of and in some cases destroy bookmakers. The actions of these punters did assist the Government and the Racing Clubs but their acts were about attempting to gain a financial advantage rather than supporting the aim of removing illegal bookmakers from the gambling market

## Summary

To summarise, by the late 1940s the illegal gambling market was still operating successfully. In this chapter, I have shown how bookmakers developed their particular services and systems of operation by enrolling the technology of the totalisator and telephones within the illegal market. By offering a number of betting products, working from various locations and even in some cases travelling to work sites to collect bets and settle debts , the illegal bookmakers were far more accessible than the system operated by the legal market. This chapter also reveals that betting with bookmakers was a predominately-male activity.

In the following chapter, I consider what happens within the legal and illegal gambling markets with the introduction of the Government-approved legal off-course betting service – the TAB. This was another device implemented to destroy the illegal bookmakers and I show why this new device was again unsuccessful in this aim.
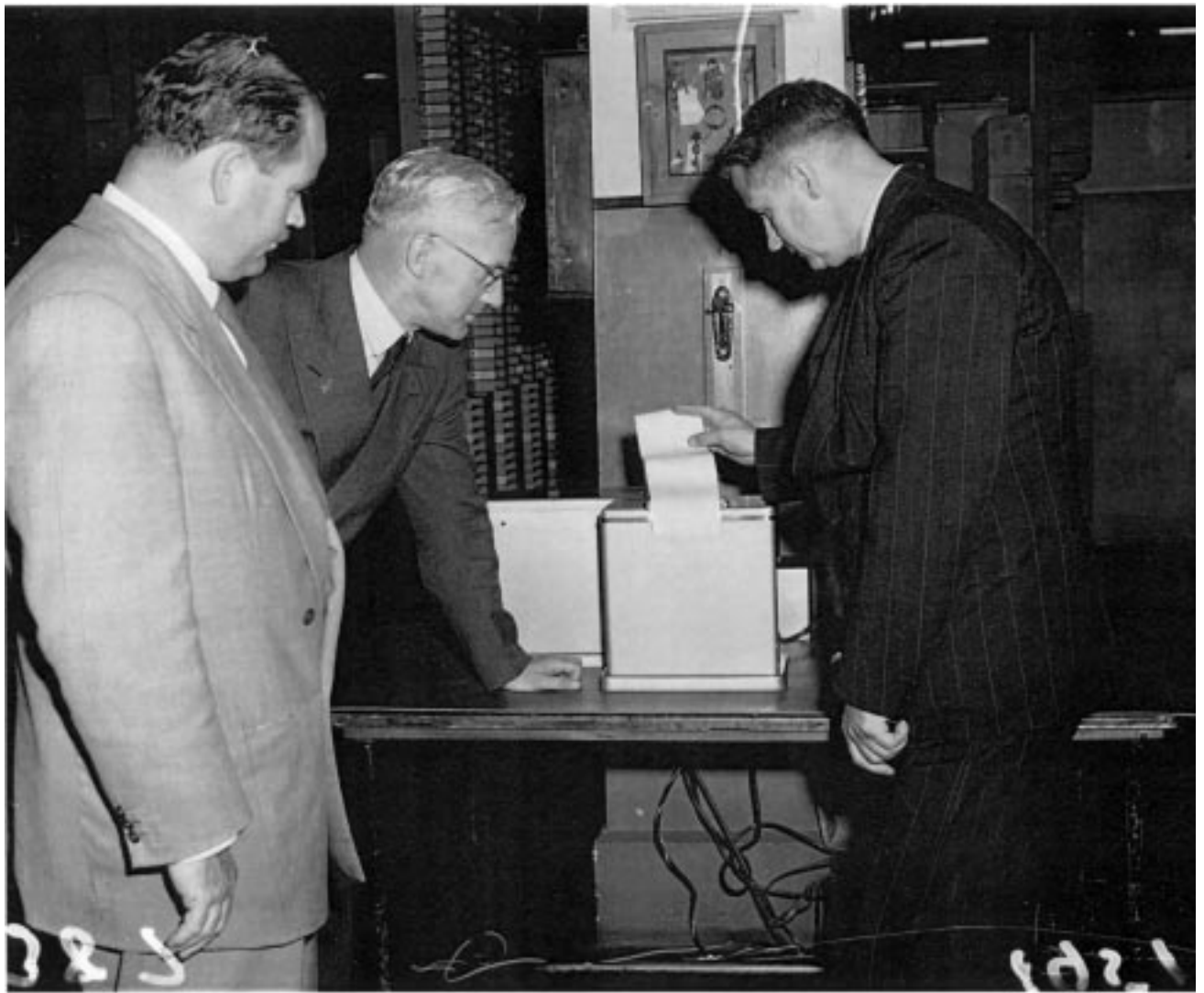


**Figure 10 ( 5 April 1951) "Three men and machine for off-course betting". I am assuming that this is a picture taken from the TAB's Fielding Office, which was one of the "Guinea Pig Braches established by the TAB. (Evening Post Collection, Alexander Turnbull Library, 114/274/02).**

**Figure 11. ( 5<sup>th</sup> April 1951) "Man in off-course betting shop in Fielding".** In this picture an employee of the TAB is sorting out betting tickets. You will see that each compartment is number 1-24 that relates to the number of horses in a race. There appears to be eight sections in the sorting compartments. This relates to the number of races held at a particular race meeting. (Evening Post Collection, Alexander Turnbull Library, 114/277/04).

**Figure 12 " Two women at their desks in an off-course betting shop in Fielding" [ca 5 April 1951]**
**( Evening Post Collection, Alexander Turnbull Library, 114/277/05).**

# Chapter Four

# Co-existing remote gambling sites

> The introduction of the Totalisator Agency Board (TAB), an organisation, a spreading octopus, a betting system that was to shape the development of racing in the second half of the century as much as the adoption of all-totalisator betting had shaped New Zealand racing in the half-century from the first appearance of the totalisator in 1880 (Costello and Finnegan 1988: 287).

## *Introduction*

The 1946 Royal Commission of Inquiry vetoed re-introducing bookmaking, instead recommending the implementation of legal off-course betting facilities in New Zealand. With the introduction of the National Totalisator Agency Board (TAB) in 1951, the legal gambling market combined the centralising technology of the totalisator with the distributive technology of the telephone, to create an off-course betting service. Information disclosed at the 1946 Royal Commission of Inquiry revealed how the illegal bookmakers operated and in an attempt to remove them, the Government approved a system that replicated the illegal market. The introduction of this organisation, the first of its type in the world,[24] provided a new field of gambling, where legal and illegal off- course sites of gambling occurred for the first time in the "same social space" (Austrin 1997:12). From 1951 through to 1971, totalisators remained located at racecourses throughout New Zealand connected to off-course betting activity via telephones. It is by following the totalisators as they were enrolled into an organisational form (TAB) that I found links to new actor-networks and discovered the instability of the new legal agent as it attempted to remove the illegal bookmaker from the market.

In the initial problematisation phase of translation the racing clubs defined the problem as how to get people to use the totalisator. Their attempts to enrol the Government within the legal market were successful, but there remained the problem

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[24] As noted in Chapter 1, New Zealand was also the first country in the world to introduce the mechanical totalisator, in 1913 at the Ellerslie racecourse.

of how to get all of the punters to use the legal services. The solution was to offer an off-course betting service in a further attempt to become indispensable within the gambling market. The aim of this chapter is to consider what happens within the legal and illegal gambling markets following the introduction of the TAB. Does the introduction of this new device gain the interests of the punters? Does it "kill the poor old bookie"?

This chapter consists of two sections. In the first section, I describe the operations of the TAB from its introduction in 1951 through to 1971. From 1971 onwards, the legal gambling market transforms with the introduction of computerised totalisators. In this first section, I discuss the services and products offered by the TAB in an attempt to gain the interest of actors and enrol them within the legal gambling market. I draw on official accounts, either issued or supported by the TAB, and a personal account of their operations obtained from a punter called Percy. With the introduction of off-course betting the TAB did meet some of the demands of the punters as they provided doubles betting, phone and postal betting services, and introduced betting on Australian races; all in an attempt to destroy their illegal competitor.[25] However, because the TAB had to operate within the confines of gambling legislation, the bureaucratic and hierarchical operational structures in place at this time meant that even though they introduced the distributing technology of the telephone, the assemblage and distribution of information by the TAB was a slow and time-consuming process. I argue that the legal market was partially successful in enrolling new actors but because its coverage remained incomplete, it was unable to establish itself as the single 'obligatory passage point'.

In the second section, I provide a description of the operations of Bert, a pub bookmaker who worked from a rural pub from the late 1950s through to the 1970s. His account highlights the co-existence of legal and illegal remote gambling sites. I argue that illegal bookmakers offered what I consider the crucial service required by the betting public, accessibility and speed. Whilst the TAB tentacles spread throughout New Zealand with the opening of more outlets, the illegal bookmakers continued to operate in hotels. These male-dominated leisure spaces provided an

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[25] The only service that the TAB would not provide that illegal bookmakers did was credit betting.

arena where it was appropriate for men to congregate, to drink, and to gamble. In addition, mobile bookmakers developed efficient telephone betting systems. Speed was another crucial factor as the illegal bookmaking system allowed for the placement of bets right up to the start of the race with the betting transaction itself only taking a few minutes. I argue that these two factors are crucial in understanding the continued success of illegal bookmaking networks in New Zealand.

## The Government and the Racing Clubs

The TAB is a quasi-government agency. This type of agency occurs when private companies are unable or not prepared to become involved in a particular industry. It also occurs when a Government decides it is in the best interest of the population for the government to provide these services. The New Zealand Government, in approving the establishment of the TAB, aimed to control gambling activity by providing an additional legitimate space for gambling to occur and thus remove the illegal bookmaker from the gambling market. An additional aim was increased revenue. The Government did not state explicitly that there was a goal of increased gambling revenue generation, but its decision to introduce off-course betting was an attempt to divert revenue from illegal bookmakers to the legal market. Therefore, its actions ensured increased gambling and tax revenue.

I also argue that with the passing of the 1949 Gaming Amendment Act and the establishment of the TAB, the Government ensured the survival of most of the racing clubs in New Zealand due to the additional revenue allocated to clubs. Prior to the introduction of the TAB racing clubs only received revenue from their race meetings. With the introduction of off-course betting, all clubs received a percentage, less expenses of the national off-course totalisator betting. It was this decision that assisted in the transformation of racing from a localised leisure activity to a prominent national industry. Ironically, this decision also created tension between the galloping and harness racing codes as they fought to defend their interests. Within these racing codes conflict also arose as smaller, predominately rural clubs, became dissatisfied with the new regime. With the introduction of the TAB, new actor-networks formed in an attempt to either protect their interests within the racing networks, or campaign, as in the case of the Greyhound Association, to incorporate the totalisator into their

networks. These multiple legal actors were to co-exist with the multiple illegal actors following the establishment of the TAB.

Miers (1996) argues that problems arise when governments, with the dual goals of revenue generation and social control, become involved in gambling markets. In his view, these are "mutually incompatible objectives" because governments are, on the one hand attempting to create a demand for gambling, which will then provide increased revenue (1996: 296). But on the other, they are attempting to control gambling (as in the New Zealand example) by providing an additional approved gambling site whilst also trying to remove illegal operators from the gambling market. As Miers states, "no regime can consistently seek both to stimulate and to contain existing demand" (1996: 296). By focusing on the destruction of the illegal operators, the Government failed to address what Miers considers the key issue: how was the Government to meet the demands of the punters and remove illegal operations? Reframing the issue in ANT terms, the questions becomes: are all of the actors now enrolled within the legal market? Is the process of translation now complete? In Miers account, the aims of the Government can only be realised when the demands of the punters are met.

There is however, one essential aspect missing from Miers' account of the regulation and control of gambling, and that is how governments actually attempt to control gambling. I argue that in the New Zealand example it was through the introduction of the totalisator and the TAB, which on the surface appear to control the gambling market, but in practice reconfigures both the legal and illegal markets. In the following section, I describe the implementation of the TAB, the services provided, the relationship between women and the TAB, and some of the improvements within the legal gambling market.

## Remote betting outlets

The introduction of TAB outlets into city centres and towns through out New Zealand created new actor- networks and assisted in the removal of hybrid retail sites from the illegal market. The original TAB outlets were established in strict accordance with legislation which required that outlets were not allowed on main streets,[26] that there was no signage, and that the outlets were very sparsely furnished, with only standing room provided for the punters, so as not to encourage loitering (Grant 2000: 82). Ann Amies, an employee who worked in a TAB outlet in Auckland, commented that the shops, "couldn't be anywhere near a church. I remember we used to have white paint on the windows so you couldn't see in" (Reid 2000). The first TAB betting shops opened in Fielding and Dannevirke in 1951. These "guinea pig branches" were set up with the purpose of establishing if these sites were economically viable, what level of staff was required, and to resolve any teething problems before setting up other branches and agencies (TAB 1958: 18). Later that year, the TAB established the first of its agencies.[27] The business model consisted of a head office in Wellington in which the management, administration, accounting, operations division and the central collating service were located. Branches were located in the main city centres and employed permanent staff. Some of these branches were also sub-collating centres.

In contrast, agencies tended to be located in smaller towns or at the periphery of the main centres (Grant 2000:26). These agencies were either full-time or part-time agencies under the supervision of a local branch. In 1956, 48 of the 262 agencies were operated by full-time agents. The remaining 214 consisted of people such as "accountants, shopkeepers, businessmen, housewives, clerks and land and estate agents" (Brown, 1961: 48). By 1958, the TAB had 278 agencies throughout New Zealand handling 64 percent of the annual turnover, with the remaining 36 per cent handled by branches. The majority of the branches also took bets from the public as well as being centres for the collection of betting information from the agencies that

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[26] In an interview with a punter, he told me that when the TAB opened an outlet in his small rural town the only available buildings were on the main street. However, he did confirm that there was no signage.

[27] These agencies were in Sanson, Kimbolton, Norsewood and later in Marton and were under the control of the Dannevirke and Fielding branches (Brown 1961:46).

was, in turn, supplied to the head office-collating centre (Brown, 1961: 52). In addition, separate branches in Wellington and Auckland handled only telephone betting in their areas (TAB 1958).

Agents received a fee from the TAB head office based on the number of tickets sold. Percy described a cunning way that his local TAB increased their fees:

> They used to get a commission not wages … they used to get thruppence a ticket printed that was their commission. And ah cause there was no one much in the shop and say for instance, if I went in and wanted a £10 on a horse and if they weren't busy , he'd write out ten tickets for me or the lady whoever , didn't matter who it was. They would always write out ten tickets rather than one. They would write out ten one pound tickets so that they could get ten times thruppence .

Peter and Paul advised that once TAB outlets were introduced into their regions the bookmakers disappeared from the city centres. Therefore, it appears that by establishing agencies and enlisting sub-agents the TAB replaced the hybrid retail sites that previously had been a dominant site of the illegal market. It is reasonable to assume that not all of these hybrid businesses ceased trading but that when enough did, it appeared that bookmakers were no longer operating from these premises.

## The betting process

Within the TAB premises, race lists detailed the name and number of the horses, the race meeting and race number. The punters queued before reciting to the TAB operators the details of their bets.[28] Based on these instructions the operators then supplied the punter with a handwritten ticket. The ticket consisted of three copies, with the original ticket handed to the bettor, one copy kept by the selling office for their internal audit purposes, and one copy collected for collation purposes (TAB 1958: 22-25). Percy, a punter, described his betting experience: "in those days, the tickets were not punched out with computers or anything. It was just a little bit of handwriting on a little bit of yellow paper and the number of the horse and what the bet was". Ann Amies, talking about her work experience noted:

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[28] The TAB provided bets on win or place bets. If a doubles bet was required, the punters had to advise the operator of the horse number required for the first and second leg of the doubles.

When it [TAB] started, it was hard work because we wrote the tickets by hand and had to collate them. They were long days….You weren't paid out on the same day, weren't allowed to have the radio on, weren't even allowed to give out results" (Reid 2000).

The betting process was also extremely time-consuming as win and place bets had to be placed 90 minutes prior to the start of the race. In the case of a doubles bet, placement was 120 minutes prior to race start. The collation of racing information occurred at the agencies and branches and was then telephoned through to the head office-collating centre. At the Head Office, national totals were compiled for each race then forwarded to the TAB representative at the racecourse, who then passed the information to the totalisator officials. These officials then added the off-course betting turnover to the on-course totalisator (TAB 1958: 30).

At the completion of the race, the TAB representative at the course telephoned the Head Office the details of scratchings, results and dividends, with the information being supplied to The New Zealand Broadcasting Service who had a studio within the TAB head office. Prior to the establishment of the TAB, a relationship existed between the DSA and some radio stations for access to race information. The establishment of this studio breaks the link with the illegal market, the New Zealand Broadcasting Service now becoming an integral ally within the legal market. The Broadcasting Service would then broadcast the race results every fifteen minutes using a frequency that meant that only the branches and agencies, with their special receivers, could access this information (Brown 1961: 56- 57).

On receipt of the race information, the branches and agencies calculated the winning payouts to their customers. Percy informed me that most of the race results broadcasted to the public only provided details of the winning and second placed horse unless it was a larger race meeting, then they sometimes did hear the dividends. Otherwise, they had to wait until the TAB opened before they knew for certain what their winnings were. The customer was then required to turn up at the agency or branch (of purchase with their race ticket) on the following Monday as regulations excluded same day payouts.[29]

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[29] This issue was rectified with the passing of the 1971 Racing Act.

Percy's local TAB opened in 1958 when a shop owner obtained the rights to operate an agency. The shop owner operated two shops in the town and turned one of them into a TAB. As Percy describes it:

> The TAB used to open, well no more than twice a week anyway, usually only on a Saturday. The guy who ran it used to work in the local store and run the TAB for a little while on his own and then they had two ladies take turns. When the big store got busy, he went back in the store full time and he got the two ladies to work in the TAB. Both had young families and they used to take turns working when it suited and that's how it worked for several years as far as I can remember.

When the TAB first opened, sixty percent of race meetings were held on a Saturday. Meetings held during the week were mostly on public holidays or regional anniversary days. During the week branches were required to open from 8.30am to 3.30pm and from 10am to 8pm on a Friday. Branches closed on a Wednesday, unless there was a midweek race meeting. Agencies closed on Tuesday, Wednesday and Thursday unless there were midweek races when they were required to be open from 8.30 to 3pm on their days of trading (TAB 1958: 22). Percy noted that his local TAB was only open a couple of days a week and Bert, who operated as a bookmaker in this town, also advised that the local TAB closed at 1pm. Therefore, it is possible that a number of agencies in smaller towns operated slightly differently than the official hours. In addition to face-to-face betting services the TAB also introduced telephone betting, a service that the illegal bookmakers had been providing for the previous fifty years, and postal betting.

## Telephone and postal betting

In an effort to reduce the problems of queuing, the TAB introduced phone betting and postal betting. People wanting to use the phone betting service completed an application form and deposited a minimum of *£2* at their local branch or agency. They were given an account number and selected a four-figure code number[30] (TAB, 1958: 27). Once the account was established and funds deposited into the account, the bettor was able to ring his bets through to the telephonist. The phone bet totals were added to

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[30] The four-figure code numbers were a means of ensuring that the person who was placing the bets on the account was the actual account holder (TAB 1958: 28).

the cash betting tickets before being forwarded to the Head Office. Each individual betting transaction was recorded on a separate account form that detailed the name of the bettor, the account number and details of the bet. On Monday, the TAB posted a copy of the account to the clients that utilised the phone service so that they could check their betting details. Accounts and winnings were also sent out to their postal clients (TAB 1958: 28-30). The postal betting system began operating on the 24th May 1951 and ceased in 1988 when it was considered no longer economically viable (Grant 2000: 32-33). Neil Cochrane an employee of the TAB describes the operation:

> Each letter was numbered and the money enclosed checked against the total of the bets requested by the customer. The bets were then coded on to slips which recorded the letter number, meeting code, race, horse number and bet. These slips were passed on to 'girls' who punched each card for each bet including the customer's letter number. The cards went to the sorting machines where they were divided into meeting, race and horse categories before being transferred to the tabulator machines, which printed all the tickets on each race, and supplied a total for each horse. This was the final collation which was phoned through to the course (Cochrane cited in TAB 1976:  19-22).

The above accounts indicate how time consuming and labour intensive the process of TAB betting were . In addition, they also highlight the emergent role of women within the legal gambling market. By the late 1950s, the TAB had also amassed a large labour force in which women significantly featured.

## Women and the TAB

Initially women entered the legal gambling market as bettors following the introduction of the totalisator. Skene (1989) comments that most bookmakers did not accept bets from women but that the "totalisator took no such segregated stance" (1989: 17). A survey undertaken by the TAB in 1954 (based solely on observing people entering three TAB outlets in Wellington) reported that women represented approximately thirty percent of the bettors that frequented these premises (Grant 2000: 29). By 1991, women accounted for thirty five percent of the TAB's gambling clientele (*New Zealand Herald* 1991, 28th January). A further survey undertaken in 1997 revealed that the number of women gambling on horses had reduced to thirty percent (Grant 2000: 385). This is in contrast to Australia where by 1971, following the introduction of the TAB, women accounted for over fifty percent of their betting

clientele (McCoy 1981: 59). However, with the introduction of the TAB outlets into city centres, more women were in the position to place bets. I can recall as a child in the early 1970s walking down to the local TAB with my mother and waiting whilst she popped in and placed a small bet. Another informant advised that each Saturday her grandmother would collect her and her mother to travel to the local town for groceries and for a bet at the TAB. As Curtis and Wilson (2001) note that as gambling has become sanitised it has become more attractive to women (2001: 213). While women tend to gamble on other available gambling products the introduction of the TAB opened horserace gambling to a new female clientele.

The TAB also created new employment opportunities for women. Of the 214 agents operating in 1956, 16 were women (Brown 1962: 48). There were a few female bookmakers in the illegal gambling market but most media accounts of court cases indicate that they operated on a small scale, were agents or were helping their bookmaking husbands.[31] From 1951 more women entered the gambling market as agents and employees of the TAB. Over the next fifty years, the number of women employed as telephone- call operators and casual staff on race days to process bets increased dramatically. By 1971, in the Australian TAB women accounted for approximately ninety-five percent of the TAB employees (McCoy 1981: 59). It is my contention that this would be very similar to the situation in New Zealand.

However, it was still predominately men that bet with the TAB. Demands by these male punters for improved betting services, in particular an increase in the speed of the betting process and the removal of the restriction on same-day payouts meant that there were attempts by the TAB to improve their services.

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[31] In 1930, Dorothy Devonport White was caught bookmaking. She had been caught previously and both times was "charged with assisting in the management of a common gaming-house" as the court suggested that she was working for her employer not as a bookmaker in her own right (*NZ Truth,* 1930, 1st May: 3). The Wanganui police also raided a private home in 1947 expecting to find Mr Caird , a known bookmaker working. Instead, they caught Elsie Caird taking bets. She received a fine of £50, as this was her first offence. The record seized showed that she had taken "135 bets that day, representing £149" (*NZ Truth* 1947, 29th Jan :8).

## Improvements in the legal betting service

In its first twenty years of operation the TAB did make some slight improvements to its betting service. In 1967 the TAB introduced betting on the Melbourne Cup, a service that the illegal bookmakers had been providing for a number of years (Grant 2000: 67). The decision to provide this transnational betting service was, as Austrin ( 2002 ) argues, an example of how the legal gambling market followed the punters actions, "this pattern of inclusion was negotiated, or rather improvised, again by following choices made by punters" ( 2002: 128). For the first time New Zealand punters were able to bet legally within a transnational betting market. By 1969 improvements within the TAB internal systems meant the time for the placement of a win and place bet reduced from 90 minutes prior to a race starting to 70 minutes. Punters were aware that the New Zealand off-course betting system was far slower than the service provided within the Australian gambling market. Even though Victoria [32]introduced the TAB in 1961 their electronic systems allowed the punters to bet far closer to race times start (Grant 2000:223). [33] The TAB had slightly improved their services but punters were still unhappy with the TAB operations. They were not the only dissatisfied group. Others voiced their concerns about the organisational structure and administration of the TAB and the financial returns to racing clubs.

## *Alignment and Disalignment*

The Government's intention of enrolling more actors into the legal market by introducing off-course betting was partially successful. However, for translation to be successful, there must be a "shared space, equivalence, and commensurability…if there is not then the network is unaligned" (Callon 1991: 145). In this scenario, actors are unable to communicate and it is "through a process of *disalignment* they reconfigure themselves in separate spaces with no common measure" (Callon 1991: 145). This "disalignment" or instability of networks allows the "entry of new actors, desertion of existing actors or changes in alliances" (Tatnall & Gilding 1999: 958).

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[32] Victoria was the first Australian State to introduce the TAB in 1961.
[33] The TAB had tested this equipment but argued that it did not suit New Zealand conditions because "the turnover was much lower" (Grant, 2000: 223).

The Broadcasting Corporation and a large labour force including employees and agents were now aligned with the legal market. Punters were clearly utilising the services of the TAB as their turnover increased from £3,560,187 in 1952 to £21,908,943 in 1957 (TAB 1958: 35). The Government also received £9, 158,238 in taxes from gambling revenue in the period 1951 to 1957 (Costello and Finnegan 1988: 15). In addition, the Post and Telegraph Department were now providing services to the legal market. However, punters were also still betting with illegal bookmakers and the Post and Telegraph Department were still providing services to the illegal market. Therefore, some actors were not aligned in the legal market. The telephone was now an essential actor within the legal market aiding the assembling and transportation of racing information, but the framework that the TAB operated within constrained their use of the distributive technology of the telephone. In addition, new actor-networks emerged within the legal market as a direct consequence of the establishment of the TAB.

## Emergence of new actor-networks

Miller states that as the number of actors increase, the networks expand and it is within this expansion that "other interests and goals appear" (Miller 1997: 359). By the late 1960s, new actor- networks had emerged within the legal gambling market with multiple and diverse interests. In 1956, The TAB Board increased to eight members, four each from the racing and trotting conferences. However, the representatives still tended to be from the larger racing clubs. Grant (2000) states that there was considerable tension between the trotting and racing conference members, as they sought to protect their own racing code's interests. In 1958, the TAB turnover dropped for the first time since its introduction resulting in reduced revenues for all racing clubs. Smaller clubs, feeling the effects of this reduction and concerned about their survival, called for changes to the business structure of the TAB. The TAB feeling the financial pressure of reduced turnover, considered for the first time the possibility of closure of "55 of 82 uneconomic agencies" (Grant 2000: 70-71). This

led to the newly formed TAB Agents Association arguing that closure of agencies would ensure the survival of the illegal bookmakers ( Grant 2000: 71-80).[34]

By the late 1960s, a number of new actor-networks also voiced their concerns about the TAB in efforts to protect their interests. Representatives from: "The New Zealand Racing Owners' and Trainers' Federation, the New Zealand Trotting Owners', Trainers' and Breeders' Association, the New Zealand Jockeys' Association, and the New Zealand Trotting Horsemen's and Trainers Association" added their concerns about the TAB operations and called for an enquiry (Grant 2000: 70). The Greyhound Association continued to lobby the Government to be included in the revenue generation of the TAB.

Prior to the introduction of the TAB, the Government and racing clubs were aligned with the common goals of removing illegal bookmakers from the gambling market. By the late 1960s, this was no longer the case as the Government and racing clubs entered into disputes over the distribution of the revenue generated by the TAB. In addition, there was no longer a unified body speaking for the racing clubs. Because of the number of complaints about the service provided by the TAB in 1968, the Government convened a Commission of Inquiry to consider whether any changes were required to the existing racing laws and legislation. The need for an official investigation into the operations of the TAB 'speaks' to the emergent disorder of the legal gambling market.

## 1971 Racing Act

Austrin ( 2002)  notes that one of the mechanisms utilised by the Government in an attempt to "(re) establish control over punters" is the introduction of reviews to ascertain, and eliminate if possible, any issues or actors that may stand in the way of controlling markets (2002: 120). Reviews or Commissions of Inquiry are utilised as extremely effective official fact-finding missions. The implementation of the 1971 Racing Act reconfigured the legal market and provided, for a period, a stabilised network in that it met the needs of a number of actors involved in the legal market.

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[34] The Agents Association was also dissatisfied with the conditions and remunerations of its employment contracts with the TAB. This was not an issue considered by the 1968 Commission of Inquiry as it  was considered an employment issue (Grant 2000: 71-80).

The 1971 Racing Act established a new National Racing Authority based on a proposal put forward by David Seth, the Internal Affairs Minister. Seth's proposal for this new statutory authority allowed the Government to become more involved within the market by stating that the Chairperson of the Board was government appointed and that the Secretary of the Department of Internal Affairs was automatically on the Board. A person with business and administrative skills was also to be appointed. In addition, "two nominees from the Racing and Trotting Conferences; a member nominated jointly by the Racing Owners' and Trainers' Federation and the Thoroughbred Breeders' Association; another joint nominee from the Trotting Owner's', Trainers' and Breeding Association" were appointed (Grant 2000: 82).

In addition to the administrative restructuring of the TAB, the Commission approved a number of changes to the gambling market requested by the TAB following demands by the betting public. In particular, the Commission agreed to the introduction of same day payouts, the availability of more racing information, and increased accessibility of the TAB outlets (Grant 2000: 79). However, the Commission did not agree with the request of the removal of section 11 of the 1953 Gaming Act, which the TAB wanted in their attempt to close down uneconomic agencies. The Commission, in making this decision, agreed with the Government, "that TABs were not only a business in a community but also a social service" and, "that its existence in a community acted as a disincentive to the evil of bookmaking" (Grant 2000: 79). The Greyhound Association obtained part of their request with greyhound racing legally sanctioned but they still could not utilise the totalisator (Grant, 2000: 84).

With the implementation of the 1971 Racing Act the Government became directly involved in the legal gambling market. The Racing Owners' and Trainers' Federation, the Thoroughbred Breeders' Association and the Trotting Owners', Trainers' and Breeding Association were now protected within the new infrastructure; and the Greyhound Association was included on the periphery of the legal market. The implementation of the 1971 Racing Act also enhanced services to the punters. During the twenty years of its existence, the TAB had undergone major restructuring but it still was not able to provide as fast a betting service as the illegal bookmakers. I argue

this is a major factor in the continuing survival of the illegal bookmakers. In the next section, I describe the illegal market after the introduction of the TAB.

## Illegal remote gambling sites

From 1950s onwards the landscape of inner cities and towns throughout New Zealand changed as more women entered the work force, especially in work sites previously dominated by men. Men, therefore, no longer dominated the commercial business district of most New Zealand towns and cities to the same extent as prior to 1950. Bookmaking continued at male dominated work sites such as the freezing works and at sporting venues but I argue that following the introduction of the TAB there were two principal sites for illegal bookmaking. The first was the hotel, which was still a male dominated leisure space. Phone bookmakers who developed extensive telephone networks and employed agents to avoid detection from the authorities operated the second site.

Grant (2000) argues that following the introduction of the TAB the number of illegal bookmakers operating reduced resulting in a dramatic decrease in the turnover of the illegal market (2000: 184-185). Yet by the 1970s the police estimated that "bookmakers were turning over up to $100 million annually with the TAB and the government losing, the latter by way of some $20 million in tax" (Grant 2000: 189). Grant attributes the increased turnover to the introduction of night racing in 1958 combined with the removal of 6 o'clock closing in 1967. This meant that hotels could stay open until 10 o'clock, providing pub bookmakers with extended trading hours. However, it is extremely hard to establish the number of illegal bookmakers operating and their turnover after the introduction of the TAB. The 1948 Royal Commission was the last time that bookmakers actually provided an insight into their activities, albeit a sanitised version of events. Nevertheless, regardless of the number of bookmakers operating and their turnover, the Government obviously still felt that they were a threat as the Gaming Amendment Act 1953 increased the fine for operating as a bookmaker to £500 for a first offence. A second offence meant an imprisonment of three months with a third offence increasing this to 12 months imprisonment. In 1953 the Government also established special gaming squads to counteract illegal gambling

activity. [35] The aim of this section is to provide a description of the activities of an illegal bookmaker using information obtained from Bert, a pub bookmaker and Percy who was one of his regular punters.

## *Bert: a pub bookmaker*

Bert worked as a part-time bookmaker from a small rural pub on a Saturday from the late 1950s through to the 1970s. Bert was not a betting man himself, telling me, "I didn't use to back horses 'cause you can't make money backing horses". He did however manage to make "decent pocket money" from his weekend trade. I began by asking how he got started as a bookmaker.

> Bert : Yes. Well I knew the publican and we were talking one day, and the TAB used to close at 1 o'clock. He said we need a bookmaker you know, I said "I'll start tomorrow."
> Raewyn: Did your punters also bet with the TAB?
> Bert: Sometimes they would. I used to work in a country pub you see and um the TAB there used to close at 1 o'clock – sounds silly – but it was 1 o'clock yeah. So the guys there would put on their doubles and trebles you know and then come back to the pub and bet with me all day. It suited me.
> Raewyn: What about the TAB agent in your town – did he not mind that you were operating?
> Bert: No as long as you didn't sit on their toes you know. They had rules and regulations you see. They had to get their bets on early to put it in to head office so um they didn't mind. I always brought him a beer mind you when he came over to the pub for a drink.
> Raewyn: There was a bit of risk associated with being a pub bookie. How did you get on with the local policeman?
> Bert: Well put in this way well, where I was the policeman knew I was bookmaking and uh they knew it. If they came in to have a beer on their day off you didn't blatantly carry on regardless. You respected them and they respected you.[36]
> Raewyn: Did you offer credit?
> Bert: Yeah – the odd credit. Guys used to run a tab and they would come in and give me a list what they wanted for the day and I would put that in my pocket and I'd check it out the next morning and um pay them the next time I saw them or visa versa.
> Raewyn: With your other punters, how did you record their bets?

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[35] The 1971 Racing Act and the 1977 Gaming and Lotteries Act reinforced the illegality of bookmaking. (Grant 2002: 83).

[36] I did ask Bert if he had been involved in a police raid but because this was a small rural town, this was not an issue.

Bert: I would write it down. They would come up and say meeting so and so, race no 6 and horse number so and so . And then the dollar value. I used to write them down in a little notebook – yeah.

Raewyn: Did you know what the horses were paying when you took the bet

Bert: No , You got the results , you'd get the results on the radio and then you would pay out but you didn't know what the odds were for the race.

Raewyn: Did you offer tote odds - limits? I have heard that some bookies offered limits of say £ 15 or £20 for a win.

Bert: Yeah – I had a maximum [Bert could not remember the exact amount of the limits].

Bert's account reveals some significant aspects of the illegal gambling market. In this instance, Bert provided a service required not only by the punters within the hotel but by the publican as well. Bert offered only credit betting to a few clients, preferring to offer cash betting – the same method of betting as the legal market. The major difference was that Bert paid his punters their winnings on confirmation of the race results and dividends. This meant that it was possible for punters to reinvest their winnings. This is in contrast to the TAB cash betting service at this time when winnings were not paid out until the following Monday. The 1971 Racing Act rectified this issue and is another example of the TAB replicating the services provided by the illegal bookmakers. Bert also provided limit betting which adds credence to my argument that most bookmakers offered this form of betting as opposed to fixed odds. The local TAB agent and police officers tolerated Bert's presence as long as he did not cause any trouble

In addition, punters used his services as well as the TAB betting services. Percy said that he and his mates used to meet at the local pub to listen to the races and put a few bets on with Bert and the TAB:

Well in those days, the pubs were nearly always pretty full and most of them used to play cards to fill in time and have a few bets. There was always a runner that would run up to the TAB, which was 100 yards away, and put the money on for six or so people who wanted a bet and then come back and finish his beer and have a game of cards or whatever. The next race then another guy would go over.

Percy stated that most people were not keen to use the TAB in the beginning. "Yeah well it was hard to get them started on the TAB because they were so used to over the years, old traits, hard to change so they used to stick to the bookie." Percy's and Bert's accounts reveal that heterogeneous networks assembled in and through hotels creating an environment where men assembled: to play cards, place bets with the TAB and the bookmaker, listen and chat about the races, and have a few drinks at the same time. In contrast, the design of the TAB outlets did not encourage people to mingle, as they were required to place their bets and leave the premises as quickly as possible. By working from the hotel Bert and other bookmakers were also able to take bets right up until the start of the race. They did not have to operate under the time restrictions imposed by the TAB.

I also asked Bert about the money involved in bookmaking and the issue of tax:

> Raewyn: Where did you keep your money?
> Bert: I used a safe at the hotel.
> Raewyn: If you don't mind me asking, what sort of money could you make as a bookie? I have heard that some of the phone bookies could have a turnover of $50,000 per week in the 1980s.
> Bert:  No I never got anything like that. But there would be some but they would have a lot of agents working for them. They couldn't do that on their own. There was one guy, a big guy, and he had about 5 or 6 guys working for him, see he would have had a big turnover[37]. It is possible but you would have had to have some big punters and plenty of them. Cause the average bloke backing horses with a bookie is only ten each way or twenty each way or whatever – they're not $ 25,000 on a horse. Remember during 50s and 60s there wasn't big money around those days.
> Raewyn: Did you pay tax on your earnings?
> Bert: No but big bookies paid tax. If they were in it in a big way taking thousands and thousands yeah they would have to because they would  be liable for telephone numbers if they are caught but if they are paying taxes all they can do is prosecute you for bookmaking.

 Bert's comment that bookmakers would be liable for "telephone numbers" indicates that the back taxes and fines for not paying taxes could be extremely large. Cyril,  an ex- police officer  talking about his time in the police force during the 1960s, stated that most bookmakers were more scared of the Inland Revenue Department that the courts. According to Cyril most convicted bookmakers would hear from the Inland

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[37] This bookmaker operated from the nearest city.

Revenue Department, so they tended to downplay their turnover when appearing before the courts. Bookmakers caught in a massive police raid in Dunedin in 1974 informed a journalist that paying tax was "a form of insurance." One of the bookmakers interviewed stated :

> If he did not declare his earnings and some day was caught, back taxes and tax evasion penalties would cripple him…. So he states he is a bookmaker, pays the maximum tax – and hopes nobody in the Inland Revenue does a bit of private "potting" to the police (Chateris 1974:19).

Some of the larger phone bookmakers therefore did pay tax. This is of interest because the dominant discourse of the Government was that the bookmakers were parasites, as they did not pay tax. Grant (2000) writes that in 1956, S.T. Barnett, the Controller-General of Police, raised concerns about the problem of the complicity of government departments with illegal bookmakers. Barnett "called for a more active partnership between the police and the Post and Telegraph Department to catch perpetrators through their telephone activities, and the Inland Revenue to check on bookies' tax returns" (Grant 2000: 186). It therefore appears that a number of government departments and the Government were aware that some bookmakers did pay tax.[38]

I asked Bert why he gave up bookmaking:

> Bert: Couldn't tell ya when but the reason I gave it up was that the new TAB man came in and they made different hours. Earlier on they used to close at 1 o'clock but then this new guy came in and opened it right up you see and he let it be known that he didn't want a bookmaker in the pub right across the street, which is fair enough. Well would you believe it was the local policeman that came and told me – the policeman's wife actually – she rang me one day and said "Bob I think its about time you gave it up" . I said why? Told me that this new guy did not want a bookmaker operating in the pub across the road from the TAB. You do the right thing don't upset them. I just gave in then.

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[38] In the archival information located at the National Archives, I located a bookmaker's receipt dated 1947. This printed receipt provided the bookmaker's name, J W Smith, who was a licensed bookmaker so I am assuming he was a registered member of the Dominion Sportsmen's Association. The receipt also allowed for betting details and clearly shows that tax was deducted (Gaming and Racing Commision of Inquiries, evidence, IA 118/8). Please refer to figure 13.

Bert retired from bookmaking once the new TAB manager opposed his presence in the local hotel, which he thought was in the early 1970s. This seems to fit in with the changes made to the TAB after the introduction of the 1971 Racing Act; with the extension of operational hours and the increased visibility of TAB outlets. This account also reveals the shifting positions of actors as publicans and the police sanctioning of this illegal practice was disrupted by changes to the organisation of the TAB. These changes shift the police from a position of 'supporting' the publican to that of supporting the new manager of the TAB. The result was the closure of Bert's operation. This situation would have been repeated across gambling settings throughout New Zealand. However, Bert and Percy also spoke of the larger phone bookmakers that operated in their area whose business practices were not affected to the same extent as Bert's operations.

## A Phone Bookmaker

The local police officer used to bet with Bert as well as having a relationship with one of the larger phone bookmakers, who operated in the area,

> Well when I first started there were policeman who used to have a few bets with the bookie, you know he didn't go skiting about it or do it to much in public but he did used to bet with the bookie. And then he used to drive one of the big bookies around our coast, he used to drive him all around on his day off as he paid out. That was the local cop. As long as they behaved themselves, they got away with it all right.

Percy informed me that there were also couple of phone bookmakers that operated from the next town. Percy managed to answer one of my unsolved questions. If the larger phone bookmakers operated a mobile bookmaker service, in that they moved from different locations to avoid detection, how did the punters know how to get hold of them?

> Percy: They used to come around usually one day I think it used to be a Thursday and they used to come in [to the pub] and they had a list of who owed what. They would pay out or whatever and collect debts. Well they usually gave you a number then or in the morning of the race to well anyone that wanted to bet … Yeah usually they let you know, well the good customers anyway, and word soon got around if you were in the game. But they had secret phones a lot of them weren't in the phone books.

I asked Percy about how the system of credit and debt collection worked with the larger bookmakers.

> Raewyn: You wouldn't have been talking about huge amounts of money?
>
> Percy : Not in thousands no.
>
> Raewyn: So when the bookie came to collect was he collecting say £100 from people?
>
> Percy: Not very often, that it would be more than that. Some who knew the bookie very well here, a lot of us guys here, just left our money in until we owed him £50 or he kept the money until he had more than £50 of ours whatever.
>
> Raewyn: So you trusted him?
>
> Percy: Yeah he trusted us and we trusted him. Would even up after a month or two or whatever.
>
> Raewyn: Did anything happen to people who didn't clear their debts?
>
> Percy: Oh there were a few of them but you couldn't do very much about it. But there was a nasty feeling and they weren't liked by anyone afterwards sort of thing, well anyone who had bets because they were mongrels as far as we were concerned. Cause they were trying to do the bookie, they knew that the bookie could not do anything about it, couldn't run to the police. The only thing that they could do was to get someone to give them a hiding.
>
> Raewyn: Do you think that happened very often?
>
> Percy: Not a lot I don't think but it did happen – yeah.

Larger phone bookmakers therefore had systems in place that ensured that their punters knew how to get hold of them. They also offered credit, but in this instance, it did not involve large sums of money. A relationship existed between the bookmakers and the punters based on trust. In Percy's account if a punter did not settle his debts, he was ostracised by his fellow punters as well as risking a potential beating. This is in sharp contrast to the punter- instigated scams mentioned in the previous chapter. This account also highlights that there was a self-regulatory system in place that ensured that the business of bookmaking continued as long as the punters were happy with the service and that the relationships between the police and publicans were aligned to favour the illegal bookmakers.

## *Summary*

The aim of this chapter was to establish whether the introduction of the TAB destroyed the illegal gambling market. This overview of developments within the legal market after the introduction of the TAB reveals that this was not the case. Bookmakers during the period 1951 through to 1971 provided faster and more accessible systems of operation. In contrast, even though the TAB had replicated some of the practices of the bookmakers and had opened outlets throughout New Zealand their services were slow and operated only within set business hours. By the early 1970s the illegal bookmakers were still providing a service demanded by punters, aided by proprietors and owners of hotels, with the police still tolerating their presence. The legal gambling market had successfully enrolled actors creating new actor- networks. However, the market was unaligned and struggled to satisfy the demands of these new actors as well as the punters. The Government and the racing clubs while not united in the way forward for the racing industry were still unanimous in their aim of destroying the illegal market. Nevertheless, twenty years after the introduction of the TAB, illegal bookmakers were still operating. It would not be for another thirty years that their aims would be realised. In the next chapter, I focus on the accounts of two bookmakers who operated at different stages in the 1970s through to the late 1990s to ascertain if anything occurs within the illegal market that can account for the demise of the bookmakers.

**Figure 13. This is a copy of a bookmaker's receipt located at National Archives of New Zealand. I am assuming that J W Smith was a member of the Dominion Sportsmen's Association. This receipt clearly indicates that tax was deducted but it was not possible to confirm that this amount was paid to the Inland Revenue Department. I would also like to comment that I doubt that the Bob Hope was in New Zealand in 1947**

# Chapter Five

# Heterogeneous networks of the social

## Illegal bookmaking 1970-2000

> If human beings form a social network it is not because they interact with other human beings. It is because they interact with human beings and endless other materials too. And, just as human beings have their preferences – they prefer to interact in certain ways rather than in others – so too do the other materials that make up the heterogeneous networks of the social… if the materials were to disappear then so would what we sometimes call the social order ( Law 1992(b) : 3).

## Introduction

The introduction of the TAB was a further attempt to divert betting revenue from illegal to legal activities with the ultimate goal being the removal of the bookmakers' gambling market. As detailed in the previous chapter, this was unsuccessful as illegal bookmakers were still operating and continued to trade until the late 1990s. In this chapter I focus on the activities of illegal bookmakers in the period 1970 through to the 1990s to ascertain if there are any changes within the illegal gambling market that can account for the demise of the bookmakers. I begin by introducing Bob and Bart, two of the bookmakers I interviewed. Using information from their interviews, from punters, ex-policemen, and Syme's (1985) profile of bookmakers Mike and Dave,[39] I will describe how the business of bookmaking operated during this period. These accounts reveal an illegal gambling market based on standardised systems of operation with bookmakers offering similar services such as tote odds with limits and credit betting. Unwritten codes of conduct also existed between the bookmakers and their punters which guaranteed settlement of debts, and between the bookmakers ensuring that they could establish their business sites without fear of encroachment by other bookmakers. A central reason for the survival of bookmakers was that there was still a demand for their services. However, even though there was a demand, during this period bookmakers failed to offer any new services or innovative products in order to draw new clients into the illegal gambling market. The result was that the

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[39] Part of Syme's (1985) paper "Parasite and Nuisance: The New Zealand Bookie" was based on information obtained from an article in the *Wellington Cosmo* Sep/Oct 1984 edition 'Bookmaking – the Invisible Industry' by journalists Robin Arthur and Julie O'Brien. I also draw on this article.

client base of the illegal bookmakers remained at a constant level. This lack of innovation coupled with competition from the TAB are factors in their eventual demise.

Relationships between the bookmakers, punters and the police are another factor in the survival of the illegal gambling market. I explore this issue further in the second section of this chapter, using Law's (1992) concept of heterogeneous networks of the social. Paying attention to the materials used by bookmakers I show how the personal networks of police and bookmakers was "mediated through objects" (Law 1992(b) :3). I argue, following Syme (1985), that the illegal bookmakers were able to trade because the police tolerated their presence, but that this tolerance was exercised through the handling of materials. These relationships of tolerance existed prior to the introduction and during what I refer to as the development phase of the TAB (1951 to 1971).

From 1971 this relationship changed as the Government and the racing industry placed more pressure on the police to stop this illegal activity. At the same time, bookmakers developed methods to avoid police detection, which meant the process of nabbing a bookmaker was far more time-consuming than previously. In addition, according to police accounts, a number of bookmakers diversified into other illegal activities, or in other words, created new actor-networks outside the gambling market. This is not to suggest that all bookmakers participated in other illegal activities but enough did to cause concern to the police. This diversification into criminal activities, perceived or real, changed the dynamics of their relationship and is another significant factor in the disappearance of illegal bookmakers.

## *Introducing the bookmakers*

Bob's family was interested in horse racing and his father often bet with the local bookmaker. By the time he was twenty, he was a 'regular' in a local pub and after watching a number of his friends making money working as bookmakers he decided that he too could make a 'decent living' as a bookmaker. After an initial stint as a pub bookmaker in the 1970s he realised that phone bookmaking was more lucrative. He worked full time as a bookmaker for nearly twenty years saying that he "did alright

out of it." Bob was convicted several times: "for the first few times I just pleaded guilty, didn't worry too much about it. But the law changed and once you were convicted of bookmaking twice you had to go to jail." He operated as an independent bookmaker but occasionally joined forces with another bookmaker to set up specific phone bookmaking operations. He was also part of a network of bookmakers who relied on each other to 'lay off' or place bets. Several of the police officers that I spoke to knew of Bob's illegal activities and believed that he was part of a larger syndicate of bookmakers whose other members participated in other illegal activities. Whether or not Bob was part of the syndicate, his involvement with these other bookmakers meant that he was associated with other illegal activities. The development of syndicates is also of interest because the bookmakers I mention in previous chapters all appear to operate as individuals although some were part of larger networks. The difference between networks and syndicates is that in networks bookmakers are in a position to 'lay off' bets with other bookmakers but they derive their income from their own activities. In contrast, syndicates are bookmakers that join forces to increase their potential turnover, expand their business networks and avoid police detection.

Bart also started working as a bookmaker in the early 1970s. His father and grandfather had been bookmakers and bettors, and most of his friends were interested in horse racing. He began taking bets in his late teens from his mates at the local snooker hall before setting up as a part-time bookmaker in two local pubs. In the absence of bookmakers working these hotels, it was quite easy for him to set up his 'patch' because he knew the publicans. All he needed, according to Bart, was a bit of cash, a notebook, and an interest in the horses and then "Bob's your uncle" (meaning that you were ready to go). Bart also said that once he had set up his business no other bookmaker would work his site, as "that was the way it was." Bookmakers therefore operated within a system of mutual agreement, which precluded competition with other bookmakers if they had established their patches within a particular hotel. His account also highlights that in the 1970s publicans were still sanctioning this illegal activity. Bart evaded police prosecution and he retired from working as bookmaker in the 1980s due to family commitments but he returned to the market in the early 1990s as a sub-agent for a larger phone bookmaker.

Syme (1985) provides a profile of Dave and Mike, two Wellington bookmakers. Dave worked as a part-time pub bookmaker taking bets only from a group of regulars and for him being a bookmaker "carries a bit of an aura, I get quite a lot of respect as a bookie" (Syme 1985: 11-12). Mike, another pub bookmaker, said that he was offering a service required by the punters and that he prided "himself on adherence to what he termed 'a strict code of rules' " (Syme 1985: 12). Syme does not expand on this comment but I take this to mean that he operated a system with unwritten rules about the appropriate way that a bookmaking business should operate. Mike also said that he took bets from police officers and that some of his bookmaker friends had taken bets from Members of Parliament. Bob had also mentioned that a prominent Member of Parliament used to bet with one of his bookmaker mates in Wellington. According to Bob, the MP placed money and his betting requests in a specific location and each week the bookmaker would collect the money and information.

## *Networks of relations*

The bookmakers' method of operations and the involvement of actors within the illegal market assist in providing an understanding of how ANT accounts for social relationships. Callon (1997) argued that Granovetter's concept of "social networks", was limited because it provided an over-socialised account of networks (1997: 4). In contrast, actor-network theorists are interested in links between humans and non-humans as they construct and develop actor-networks. Law (1992) argues that the "social is nothing other than patterned networks of heterogeneous materials" ( 1992 (a): 2) to highlight that networks consist " not only of people, but also machines, animals, texts, money, architectures – any material that you care to mention" ( Law 1992(b):2). Callon's (1998) concept 'networks of relations' enables me to expand my discussion by noting that within these networks there is "a flow of intermediaries which circulate, link and reconstitute identities"( 1998:17). An ANT analysis does not deny that there are social relationships but allows for objects that create links and establish network of relations to be included in an analysis.

The bookmakers profiled in this chapter have a lot in common with the bookmakers that operated in previous eras as they all, excluding Mike (Syme 1985), offered tote odds ( although the amount of the limits different),  they  provided credit betting and

the methods of debt collection was similar. In this section, I describe the services provided by the bookmakers and the systems in place to record betting transactions and collect outstanding debts to highlight that within the period 1970s, through to the late 1990s, the illegal market did not develop any new products or offer any new services to their betting clientele. In addition, hotels and mobile telephone operations remained as the principal sites of gambling.

## Tote Odds

Bob, in commenting on his operation recalled that:

> We just paid the TAB odds. We didn't have to do any brain work. We'd just pay them the dividend that the TAB was paying – and that was it. The most we would pay was $15 on the win and $ 5 on the place.

According to Bob, offering limit betting was not an issue because during the 1970s and 1980s most of the winning horses never paid more than $10 for a win. In his view this meant that in most cases they were not offering lesser odds than the TAB. Bob mentioned that he was aware of other bookmakers operating outside his area that offered maximum win limits of $20. Bart operated a similar system but offered tote odds with limits of $25 for a win and $5 for a place. In Syme's (1985) account Mike stated that he "unlike others does not restrict them to $10 or $20 payout limit," meaning that he paid out the price the tote was paying (1985: 12). These accounts indicate that there was some variety in the levels of limits applied and that some bookmakers did offer tote odds.

Both Bob and Bart said that they did not know the price a horse was paying when they took the bets but they had enough knowledge about horse racing to make an informed guess. As Bob said:

> A lot of the time you didn't know, but you had a fair, rough idea of what they would pay by studying the form. But a lot of the time you never knew cause they didn't have teletext in those days. See now if you rang me up and said I wanted to bet on horse, had a big tip, I'd know roughly within a dollar or two what it's going to pay cause I'd slip on the teletext.

Bob's comment draws attention to the importance of racing publications and the improved availability of racing information.[40] With the introduction in the 1980s through to the 1990s of the telecasting of live race meetings, teletext, the racing channel 'Trackside' and internet betting, information about the form of a horse is now obtainable within a few seconds. Bob and Bart said that even with more awareness of the actual dividends, it did not change their practice of offering limits. All of the bookmakers also offered credit and had similar systems of collecting debts.

## Credit and the collection of debts

The bookmakers' self-regulated system of operation was designed to ensure the settlement of debts. The bookmakers I interviewed and those profiled by Syme (1985), all offered credit except for Bart, who only offered credit betting to a select few preferring ready- money betting. [41] For those he did offer credit betting to he arranged for the settlement of the debts the following Thursday at the hotel in which he operated. In contrast, Bob ran a phone bookmaking operation and offered credit to all of his clients, travelling on Thursday to a number of pubs to settle debts or pay out winnings. If the punters were "good clients," then he might allow them to settle the following week or pay off the debt because, as he said, "at least I was getting something." If there were any problems with paying then the punters were not "allowed on" the following week, meaning that they could not place a bet with him.

Dave, referred to in Arthur and O'Brien (1984), said that various punters owed him a total of $15,000, with one client paying weekly contributions to pay off a $3000 debt. In his view "if a bookie can get 70% of what is owed to him he is doing well" (Arthur and O'Brien cited in Syme 1985: 11). However, Bob and Bart stated that in most cases, they did not experience any problems collecting debts: [42]

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[40] Racing publications such as *Turf Digest* provided punters with information about the racing history of a particular horse (known as a horses form), details of the owners and trainers, as well as details of jockeys or drivers .

[41] As did Bert, mentioned in the previous chapter.

[42] Bob recalled a humorous story about one unpaid debt. One of Bob's clients was a retired bookie and he asked Bob to bring his account to his house, as he was not feeling well. When Bob arrived, the elderly man said, "Look I just had a heart attack, if I don't die next week I'll fix you up next Thursday – if I die you won't get your money." Unfortunately, the client did die and Bob was never paid.

> Ninety percent of the time I got paid…I mean the only time that I got nasty or upset was if I had paid them and the next week they lost and they didn't want to pay. But ninety to ninety-nine percent of people always wanted to pay but they can't. You got the odd sneaky person that was in it to just try and be smart and clever and then we would have a few run- ins with people like that.

Bob was not keen to talk about what happened to people who did not settle their debts. However, one story recalled by a person who was in a pub when Bob entered to collect an outstanding debt said he poured a jug of beer over a tardy punter's head. The aim, according to my informant, was to embarrass the punter in front of his mates so that he would think twice about not settling his debts. In the previous chapter, Percy called  people who did not settle their debts  "mongrels" in his and his fellow punters' eyes. Most of the people that I spoke to suggested that some punters might have received the occasional 'hiding' if they reneged on their debts but the violence was minimal. As Dave informed Arthur and O'Brien in his 1984 interview:

> Strong arm tactics are seldom used to collect debts…It's not a mercenary business. It's like a club, there's no animosity" …. No bookie is going to chase bad debts in New Zealand. It's not like Australia. In Aussie, you'd be shot (Arthur and O'Brien 1984: 68).

These accounts suggest that punters were well aware of the unwritten rules of betting with bookmakers. They knew that if they did not settle their debts they could possibly be ostracised from the network or at worst receive a hiding. From the accounts of my informants, none of these bookmakers reneged on their bets. This is not to say that all bookmakers were trustworthy but the majority must have operated within the self-regulatory system in order for illegal bookmaking to survive for as long as it did.

## Notebooks

Another area of similarity in their business operations was the way in which betting information was recorded. The notebooks, in their different forms, were essential to the operations of the illegal bookmakers. Within the description of bookmakers' notebooks, I include exercise books, ledgers, pieces of paper, raffle tickets or racing publications such as *'Turf Digest'*, as they were all a means of recording betting transactions. The recording of a bet, in Latour's terms, is an inscription, which he defines as a "term that refers to all the types of transformations through which an

entity becomes materialized into a sign, an archive, a document, a piece of paper, a trace" (Latour 1999: 306-307). The act of recording the bet changes the bet from a 'thing' into a sign. In a Latourian analysis, it therefore transforms and translates. In using the term translation Latour is not using it in a linguistic sense of changing from one vocabulary to another. Latour uses translation to mean, "displacement, drift, invention, mediation, the creation of a link that did not exist before and that some degree modifies the original two" (Latour 1999: 179). With regard to the illegal gambling market , the punters and  bookmakers only become punters and bookmakers because of the other actors i.e. the notebook and the bet , that are  also part of  betting transactions. The act of placing the bet is relational and defines these actors by their interaction. To highlight this further I will draw on the bookmakers' accounts of how they recorded their betting transactions.

  Bart and Dave, as pub bookmakers, used a system of recording where it was possible to hide or destroy their information in the advent of a police raid. These notebooks were of particular interest to the police as they provided confirmation of illegal activity. Bart used a system where he recorded the name of the punter (no alias was used) and the details of the bet. If the police raided the hotel, he placed the book into his pockets. This simple method enabled him to avoid capture during a number of police raids. Bart said  that sometimes there was a "bit of aggro" when some punters said that they had placed a winning bet with him when they had not, but for Bart, "If it wasn't in the book then it wasn't true" . Once the book was full, he then destroyed it.

By contrast, Dave used a "raffle ticket method" which provided punters with a section of a ticket that confirmed the details of their bets. After the race, they would match and then destroy the tickets (Syme 1985: 11). Carl, an ex-policeman, claimed that some of the bookmakers were extremely cunning:

> They were keeping coded records or they would tuck them up under the bar or else the book would disappear and so sometimes you would only get a race book which they would argue is only their hieroglyphics and they were betting legitimately.

Carl's account reveals that a number of bookmakers had their own codes for recording bets. This form of (mis) representation meant that the police could not actually prove

that the bookmaker was taking bets from punters, as the bookmakers defence was that it was simply a record of their own betting.[43]

 Bob's phone bookmaking recording system was also a temporary system but he had to keep his records until the settlement of debts. Bob used several sheets of A4 paper ruled into columns to record his bets. In one column, he would write the name of the punter, usually using an alias.[44] In the next column, he wrote the details of the bet, then the "divvies," meaning the dividends that the horse paid. On settlement of the account, Bob destroyed any records relating to the transaction. Bob describes his recording process:

> Say the first bloke is Bill wants $20 on Mr Zed and then the next person Dave is $10 on Wing Wong and I would put the divvies in the other column. If it got nowhere I would just put a dash. Then on a Sunday when I had a bit of spare time, I would do all my accounts. I would do an individual account for each person… so there are all Bill's bets and would add them all up put all collects, all divvies, [ Bill] spent $500 got back  $380 owes me $120 and then I'd go around and say "Here's your account Bill." On a good day, I could write up 20 pages of bets.

These descriptions of their recording process highlight that bookmakers utilised a method of recording betting transactions that was temporary and easily destroyed. This is in contrast to the legal market where information concerning a bet is permanent and therefore traceable. These accounts also reflect the ongoing connections between the actors in the illegal gambling market. The diverse methods of placing and recording bets link the bookmakers, the publicans and the punters networks of illegal gambling.

## Laying Off Bets

Within the illegal gambling market, bookmakers were "entangled in a web of relations and connections" (Callon 1998:7-8) mediated through the laying of bets. Central to

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[43] A copy of a bookmaker's betting slip located at National Archives shows a small piece of paper with a code consisting of what appears to be random letters and numbers. No one apart from the bookmakers would have been able to decipher this code (Department of Internal Affairs archives AAAC 7536, National Archives of New Zealand) Please refer to figure 14.
Another informant told a story of a local bookmaker who had magnets attached to his notebook and when he saw the police coming, he just placed the book underneath the table.
[44] In our discussion Bob commented that he knew most of his punters even if it was on a casual basis but that they preferred to use an alias just in case he was ever raided.

this relationship was the distributive technology of telephones that enabled bookmakers to contact other bookmakers and the TAB, thereby reducing their exposure to risk. One of the aims of the introduction of the TAB was to divert betting revenue from illegal to legal activities and to some extent this was successful ,but the failure to establish the TAB as an 'obligatory passage point' was clear. The Government and the racing industry had not predicted that bookmakers would utilise and benefit from the introduction of the TAB, just as they had with the on-course totalisator.

The TAB provided bookmakers with a system for their own personal betting and a mechanism to "lay off" high risk bets. Bob and Bart had telephone betting accounts and could not recall how much of their business they placed with the TAB, but both acknowledged that they were themselves big punters. Another informant within the racing industry said that most of the bookmakers that he knew during the 1970s and 1980s were "really punters that offered credit" with most of them being big punters. By big, he meant that they tended to bet in minimum amounts of $100. He also mentioned that if a punter rang with a bet based on a "hot tip" these bookmakers would use this information to place their own bets. Syme (1985) argues that the TAB had "no idea of how much money" was invested by illegal bookmakers and highlights that even if the TAB suspected that a client was bookmaker they could only reveal this information to the police if a search warrant was provided (1985: 12). However, McCarthy, a racing journalist, suggests that some TAB administrators were well aware they had bookmakers for clients as he writes, "bookmakers are quite free to have TAB accounts, through which large sums of money are transferred annually. Nod, nod, wink, wink" (McCarthy 1984). Paradoxically the very actors that were detrimental to the running of the TAB also aided their business.

Bookmakers also utilised the services of other bookmakers to reduce their potential risk:

> We had a network of people all over New Zealand. I had bookmakers in Wellington, in Hamilton, Greymouth, Auckland, and we could all bet with each other as well… a lot of the bookmakers used to bet with the other bookmakers. Say you [the punter] wanted to put $500 each way on a horse, then I'd think God if that wins that will cost me a fortune so I would ring one of the bookmakers in Hamilton and put

$ 100 each way with him, $100 each way with the guy in Auckland and perhaps $100 with the one on the coast. That's what they used to call laying off.

He continues,

I would have a bet with a couple of bookies and they would have a bet with me. So we would all bet and square each other up so of course they would have laid bets off with me and vice versa and then if I wanted to have a bet myself I would just put it on with another bookmaker.

Bob's accounts indicate that he had relationships based on trust with a number of bookmakers located throughout New Zealand, which were mediated through the placement of bets and the use of telephones.

## The Punters

Bob advised that he had approximately forty to fifty clients that he dealt with personally and he believed he had a good relationship with most of his clients:

We were really mates. We used to give them Christmas presents. You know overall obviously we were there to make money, so like at the end of the year we used to buy bottles of whiskey. We used to have a bookies shout, shout for them all, that sort of thing you know. Put drinks on because at the end of the day, like, you don't want to lose a good customer – in any situation do you? .

Bob's account reveals that he had developed a system, similar to legal sales- based businesses, whereby clients received a token of thanks at Christmas in exchange for their business throughout the year. Throughout our interview Bob often mentioned the good working relationship he had with his clients and his commission agents. In contrast, Bart was adamant that while some of his punters were mates the majority were just people he was doing business with: "I was running a business. I didn't give a toss whether people liked me or not, social graces are for someone else. I was there for the quid". These accounts indicate that while Bob and Bart operated different systems their main gaol was to operate successful and profitable businesses.

Media accounts suggest that by 1991 the turnover of the illegal bookmakers was estimated at between "200 to 300 million" dollars (Taylor 1991). I made the point earlier that it was impossible to calculate the actual turnover but even if it was fifty

per cent of this figure, it indicates that there was still a considerable demand for the services of the illegal bookmakers. Yet as Chris, an ex-police officer, recalled, one of the main sources of complaints about the illegal bookmakers came from"disgruntled customers". On receipt of a complaint, the police had no option but to act. Fred Pine, an ex-police officer talking about his time in the Christchurch Police Force,  said that he had received several anonymous letters that  were all " beautifully written and were signed good luck" that provided lists of  "alleged bookmakers" (Chateris, 1974). Syme (1985) also indicates that a large police raid in New Plymouth in 1977 was due to complaints by a group of wives fed up with their husbands' gambling. These women sent a letter to the police detailing the names and locations of several of the bookmakers. This action managed to shut down the bookmakers' operations for several weeks before they resurfaced (1985: p14). This account indicates that punters were not a unified group supporting the bookmakers. Some obviously used their services but if problems arose then one potential avenue used to address the issue was to enlist the help of the police. The relationships between the bookmakers and their commission agents were not as volatile as they were linked within informal business arrangements.

## Commission Agents

The term commission agents refers to actors who received payments for being part of the illegal networks such as agents within pubs, telephone agents, and also hotel owners or proprietors. Bob employed between ten and fifteen commission agents and he describes how his system worked:

> I paid them a percentage of the turnover. They would ring through the bets to me, they would be in the pubs and would be on the phone somewhere and I would give them say ten per cent. Say they put through $2000 worth of bets I would pay them $200. That was how they made their money win, lose or draw as long as they gave me the bets… which wasn't bad money for them.

In addition, Bob advised that by the mid 1980s he had also employed a couple of women on commission to answer his phones. In this instance the bookmakers' operations replicated the legal phone system of operation as the TAB has since the late 1950s employed women as telephone betting operators.

Bart, as a pub bookmaker, paid a 'kick back' of ten percent of his betting turnover to publicans as unofficial rent for running his business within two hotels. He told me that he was aware that some bookmakers paid publicans a flat rate. Bookmakers obviously operated within hotels with publicans being fully aware of their operations but the payment of commission provides a stronger link to the illegal activity. I argue in the following chapter that damage occurs to this link when the TAB enters into commercial relationships with hotels in the mid 1980s, but I make the point that it took a number of years before the link was actually broken. During the late 1980s, Bart returned to the bookmaking market, working as a sub agent for an agent of a large phone bookmaker. The agent received 7.5 percent commission based on betting turnover and paid Bart a flat fee of $150. Bart remained at home and typically took between twenty to thirty calls during a Saturday afternoon and evening. He said that he took a number of bets from members of the Chinese community who tended to bet far larger amounts than Pakeha or Maori bettors, sometimes as much as $500 per bet. The agent set maximum bet limits and Bart would ring through the bets taken after the completion of all of the races to ensure that his phone line was available to punters wanting to place bets. According to Bart if a punter could not get through to him they had a list of numbers of other sub- agents. He normally received his fee the following Thursday night at the local hotel.

These accounts provide an indication of the significant turnover involved in the illegal market. Bob was able to employ ten to fifteen agents, and the bookmaker Bart worked for was able to support agents and sub-agents. This expansion of illegal actor-networks by employing commission agents was facilitated by the enrolment of the distributive technology of the telephones. In addition, the expansion of networks also enabled the larger phone bookmakers to avoid the risk of police capture. This is not to say that the police did not catch larger bookmakers, but that it was far easier to catch pub bookmakers or agents. As Carl said, the pub bookmakers were easy targets; it was just like "like shooting ducks on the water." In the next section, I provide accounts of raids as described by my informants and information obtained from newspaper accounts before moving on to discuss the issue of the changing relationship between bookmakers and the police.

## *Bookmakers and the Police*

Cyril, speaking of his time in the police force during the 1960s, said that most of the bookmakers he dealt with were "decent fellas" who never caused any trouble when caught. One bookmaker who he had many dealings with used to open the door, when he and another police officer went to arrest him, and would say, "Gidday Cyril, I'll just get my coat". With regard to police raids on hotels, it was possible to send a couple of police officers to just "tap the shoulder" of the bookmaker and arrest him, again without any trouble. Cyril states that by the 1970s a new younger class of bookmaker emerged. These bookmakers were, in his view, involved in other criminal activities and not as gracious about capture as the older style bookmakers. It was no longer possible to just knock on the bookmakers' doors or tap them on the shoulder. McCoy (1981) also suggests that a new breed of Australian bookmakers emerged during the 1970s when "SP bookmaking came under increasing organised crime control during the 1970s, providing a quick source of quick profits and ready cash for a variety of illegal activities"( 1981: 59). [45]

My informants' accounts highlight the changing structure of police raids within New Zealand. The main surveillance system employed by the New Zealand police was still to put undercover police into hotels to obtain information about bookmakers' networks.[46] However, vast numbers of police officers and months of planning were now involved in these raids. Bookmakers also had systems in place aided by their punters that enhanced their ability to avoid police detection. These systems meant that the police were either unable to catch the bookmaker in the act of bookmaking or obtain records of their betting activities. Without this proof of betting, it was extremely hard to convict a bookmaker.

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[45] "SP Bookmaking refers to the starting price odds of racehorses set by on-course bookmakers. In Australia, the meaning of SP has been extended by usage to signify the activity of off-course illegal bookmaking in general" (Dixon 1996:97).

[46] The system of placing undercover cops into hotels had been in place at least from the 1930s. Charles Belton, an ex-police officer, wrote about his experiences in the police force during the 1920s and 1930s in *Outside the Law in New Zealand*. He was involved in a number of these operations where he travelled to pubs and placed bets with bookmakers using a marked one-pound note. This note was then used as evidence that an illegal activity had occurred.

## Hotel raids

Bob and Bart were both very aware that the main police surveillance system was placing undercover officers in hotels. Bart stated that he always got "a feeling if things were not quite right". Bob, in speaking of the undercover police said:

> Every town is a small town. Everyone knows the bookmaker, I mean if the punter could find you obviously the police could find you too. They knew every pub had a bookmaker and they used to send someone in, always plain- clothes. They used to think they were real Starsky and Hutch. They would come around in jeans and gym shoes on, kicking doors and all that.

Bob continues:

> They [the police] sent a snowy-headed cheeky young fella who I knew as a policeman, 'cause a couple of other policemen used to come and have a few beers and I said that bloke's a cop and they said yeah. Once you're at the pub they would come up and try and have a bet with you and I'd say no I don't take any bets. You have to be playing their silly game.

Bob's recollection of this experience highlights that he had a good relationship with some of the local police officers.

One of the largest police raids in New Zealand occurred in Dunedin in 1974. Several of my informants told me that police from outside Dunedin went undercover in a number of local pubs for several months prior to the raid, compiling information about pub and phone bookmakers. According to a newspaper account, the operation managed to capture twenty-one alleged bookmakers at various locations. The article reports ," The raids were carried out at 2 p.m in true ' Elliott Ness' style, not even the police staff involved knew why they were being called back to work at the weekend" (Chateris 1974). This newspaper account also reveals that a "trade network" existed where illegal bookmakers were rung and advised that a raid was in progress, "by 3 p.m that day – just an hour after the first victims were caught – it is said that not one bookies telephone was on the hook"(Chateris 1974).

Carl advised that another way that punters protected the bookmakers was by forming a "ring of steel" around the bookmakers:

> Sometimes we used to go and catch the pub bookies, you know, you would find a ring of steel around them, as soon as you come in the door there would be people…and the books would disappear.

"A ring of steel," was when bookmakers placed punters near the entrance and exits of the hotel as lookouts. When the police entered the premises, the punter would convey with a sign to the bookmaker that there was a raid. A group of punters would then attempt to block the pathway to the bookmaker hoping to give him enough time to get rid of his records or possibly leave the hotel. Carl was involved in one raid when this "warning system failed" and he managed to confront the bookmaker. In his words, "I grabbed his race book and his radio that he had up to his ear and he was absolutely stunned, it was like a scud missile landing." These accounts reveal that it was reasonably easy to locate the pub bookmakers but there were difficulties in some cases of actually establishing that they were acting illegally It was also possible to catch bookmakers who operated from their private homes as the following account reveals.

## Telephone bookmaker raids

The police did raid the private homes of larger phone bookmakers. A couple now in their eighties recounted a story of a police raid on their neighbour's premises. They had an agreement with the bookmaker and his wife that if the police ever raided their home then Ngaire and Norman would try to get the bookmakers' books before the police. In Ngaire's words:

> Well the front door was open and they [the neighbours and the police] were all down in the kitchen talking and you could see right down and they [the police] could see me if I walked in that front door and into their bedroom… So two neighbours stood on my side of the fence and I climbed over the fence and I went through the Venetian blinds, Jesus they rattled, tried to be very quiet with them [laughing]. She had told me where to find them, I found them and I quietly came out, hopped over, threw them over the fence, and hopped down again… They were just books, just notebooks.

Ngaire and Norman clearly did not consider that the neighbour was doing anything wrong and that it was their duty as friends to help him out in the advent of a police

raid. Ngaire mentioned that the police would even check under the children's beds looking for the notebooks, which she considered an outrage. From Ngaire's account, other neighbours also assisted in protecting the local bookmaker. Just like the hotel scenario, members of the public assisted the bookmakers in avoiding police capture. Without the bookmakers' notebook the police again had no evidence of illegal activity. The phone bookmakers who established temporary gambling sites were even harder to convict.

All of the ex-police officers interviewed advised that it was extremely hard to convict telephone bookmakers, as they tended to change location on a regular basis and had systems in place to destroy evidence. Cyril said bookmakers would rent premises for a week or two, install new phones, and then move on. Search warrants were for a specified address and by the time, the police arrived with their warrants the bookmaker and his team had disappeared. Carl told me about a specific raid :

> We caught them with a whole heap of pick tickets[47] and that showed a systematic course of conduct, you know. Or we caught them with their book making records but it was far better if they, as far as we were concerned, to actually catch them on the phone with a number of calls.

Carl said that when the police raided premises the first thing the bookmakers would do is to "try and tear the phones out of the wall, but we used to reconnect them and the phones would be going and going… and of course that would become evidence". Bob's account of a police raid also highlights the significance of telephones:

> What the police would do is if they found out you were bookmaking in a certain place they would do a raid on a Saturday afternoon. They would come charging around and smash the doors down, about five of them, and try to get the phones… try to take them as evidence. What they would do , they would answer the phone , say  such and such  has "just gone to the toilet  I'll take the bet", and they would do things like that.

Bob also provides an account of a phone operation established with another bookmaker in which they used a vault located within an old bank building to avoid police detection. They used multiple telephones with switches that, in the event of a police raid, they could effectively stop the telephones from ringing. With the ability to

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[47] By pick tickets Carl is referring to tickets that were also known as tote tickets that were mentioned in Chapter three.

turn off the phones quickly, it was even harder for the police to catch them in the act of taking a phone bet. In addition to ripping out the phone lines, Carl also said that the bookmakers:

> Had open fires or flash buckets in the premises to set fire to their records. Some even used white boards to note down their details of the bets and if the police raided, they would just wipe down the board with methylated spirits.

These accounts highlight that some employees of the telephone department were still involved within the illegal market, as bookmakers could not have operated their mobile type of business without the assistance of people who could install new phone lines. They also indicate the difficulties faced by the police when attempting raids with Chris and Carl both mentioning that raids were extremely frustrating because for all of the time and effort put into them there sometimes was very little return. In the next section, I discuss the impact of this frustration on the relationship between the bookmakers and the police.

## Changing Relationships

From the 1970s, as the Government became more involved in the legal gambling market, more pressure was placed on the police to rectify the problem of illegal bookmakers. Chris, an ex-police officer, advised that the major reason for police raids was because of a directive from the Government to crack down on the illegal bookmakers. In Bob and Bart's view, police raids were all about tax. As Bob states, "All we were doing was avoiding tax, which upset some people, and racing clubs used to say that it was money not coming into their books". Bart supported this argument as in his view all of the police raids during the late 1970s through to the 1980s were because "the police were pushed by the government, the tax man. It was all about the government getting their hands on the tax". As mentioned in the previous chapter some bookmakers did pay tax. However, these may have been in the minority.

Chris and Carl said that during the 1970s and 1980s their workload and the type of crimes being committed were different from previous eras. Increases in crimes considered more serious meant they did not have as much time and resources available as their predecessors did to fight bookmakers. A letter by L.M. Stevens, the

Assistant Police Commissioner, as part of the New Zealand Police submission to the 1990 Review Committee of gambling in New Zealand highlights these issues:

> Workloads have increased with a major focus on individual crime, usually of a very serious, mainly violent nature. Increasingly left to one side had been the routine surveillance of individual criminals and also those industries which are typically susceptible to criminal activity, for example hotels and the hotel bookmaker that we have spoken about (L.M.Stevens to the 1990 Review Committee of gambling in New Zealand, 11 July 1990, Internal Affairs Department Archives, AAAC 7536, National Archives of New Zealand).

This letter highlights that the police no longer had the resources to place undercover cops in hotels. In addition, as Cyril mentioned, the police view was that some bookmakers operating from the 1970s onwards had diversified into other illegal activities. As Stevens' (1990) states , "We believe that illegal gambling, including bookmaking continues today and we have no reason to doubt that those involved in illegal gambling continue to indulge in other criminal activity"(1990 Review Committee of gambling in New Zealand, 11July 1990, Internal Affairs Department Archives, AAAC 7536, National Archives of New Zealand). Stevens also notes that there was "information to link bookmaking and other gambling activity with major crime. A sophisticated telephone betting system in operation was connected with a recent homicide" (1990, Review Committee of gambling in New Zealand, 11 July 1990, Internal Affairs Department Archives, AAAC 7536, National Archives of New Zealand). Media accounts had also suggested that a number of younger bookmakers were involved with "drugs, prostitution and sauna parlours" (Symes 1985: 18). An informant within the racing industry, discussing the changing relationship between the police and the bookmakers said, "In the early days the police were quite ambivalent but once bookies started to use their money to buy drugs the police started to set in to shut them down. There was also a lot of pressure being placed on them by the racing industry."

Stevens' letter also draws attention to the fact that bookmakers were still working in hotels in the 1990s. As he states, "It is apparent that despite the efforts of the Totalisator Agency Board to position outlets in hotels, the "hotel bookie" thrives with the sanction of hotel management" (1990 Review Committee of gambling in New Zealand, 11July 1990, Internal Affairs Department Archives, AAAC 7536, National

Archives of New Zealand)). Grant argues that with the introduction of the TAB outlets into hotels in the 1980s most punters transferred their allegiance to "the terminals in the foyer" rather than the "bookies in the back bar" (Grant 2000: 153-154). However, this was not entirely the case, as Bob said that he was still operating in the mid to late 1990s but finally retired when he became tired of "being pinched". He maintained that a number of his colleagues were still in the business at this time but that by the end of the 1990s had moved into other business operations; he did not say whether these were legal or illegal. Bart retired for the second time also in the mid 1990s when he no longer was interested in working as a sub agent.

## *Summary*

In this chapter, I have highlighted that while the official stance of the New Zealand Police Force had always been that bookmakers were committing a criminal act, unofficially large numbers of the police tolerated the presence of bookmakers. This tolerant relationship was a key factor in the continued presence of illegal bookmakers. However, I argue there was unofficial proviso that this only applied whilst public order was maintained. The belief that a number of bookmakers were involved in crimes that were more serious meant that this proviso no longer existed. Pressure from the Government, the TAB and increasingly from members of the public meant that the police had no option but to intensify their attempts to catch and prosecute bookmakers. This intensified pressure meant that some bookmakers did leave the gambling market. Bob was one of those who chose to retire from bookmaking because he became sick and tired of being "pinched". The changing relationship between the police and the bookmakers is therefore a factor in the demise of illegal bookmaking.

I have also shown how illegal bookmaking operated through the mobilisation of telephones, radios, notebooks, and the technology of the totalisator. In addition, I have shown how these bookmakers' business systems were not that different from bookmakers operating in previous eras and their services and products remained stagnant. However, this was not the case with the legal market. In the next chapter, I highlight how the TAB during the same period became more customer focused as they provided a faster, more efficient, and easily accessible betting system. I argue

that the transformation of the totalisator, improved TAB services and the entry of new actors within legal market are more threads to understanding the disappearance of the majority of the bookmakers. The introduction of the TAB, as did the totalisator previously, reassembled both the illegal and legal markets. The major difference being that for the first time in nearly fifty years, the legal market begins to strengthen its position within the horserace gambling market.
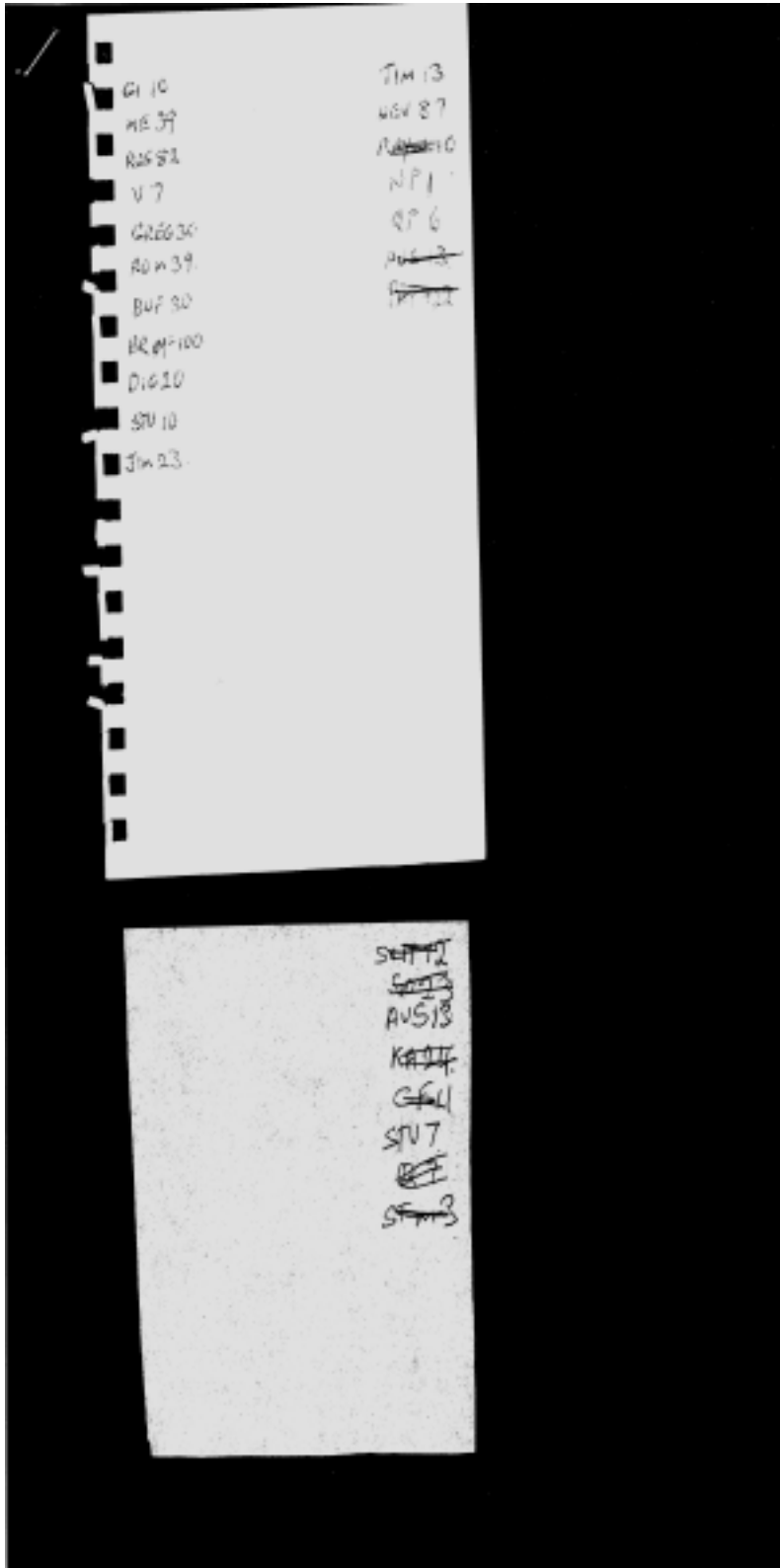
**Figure 14. This is a copy of a bookmaker's betting records that were seized in a police raid of a Napier Hotel on the 8th November 1988. This highlights how difficult it was for the police to prove that a bookmaker was taking illegal bets. Other items seized in the raid included $257, a radio and two copies of** *turf digest* **(National Archives of New Zealand: AAAC 8536 )**

# Chapter Six

## *The demise of the illegal bookmaker*

> There is too much variety and facilities on the TAB and you can get a bet right up to the time with the TAB now and they will pay out straight away. There was one time when they didn't – when they started you couldn't get paid until the next day. Now you collect it the same day. The TAB have improved their methods. I don't reckon bookmakers are as prominent as they used to be. Although there is always a 'boy's town'[48] in the corner of some country pub taking bets (Bert, explaining the demise of the majority of bookmakers).

## *Introduction*

At each stage in the transformation of the scale and operation of the totalisator punters gradually began to use the services provided by the legal market. However, some continued to bet with illegal bookmakers. In the previous chapter I argued that a factor in the demise of the illegal bookmakers was that in the period 1970s through to the mid 1990s their services and sites of operation remained stagnant. In contrast, in the same period, the legal market provided multiple products and a faster and more accessible betting service than that of the illegal market. The transformation of the totalisator into its computerised form sped up the betting process and facilitated the expansion of the legal actor-networks by enrolling media providers, breweries and the Hotel Association. In addition, it extended legal gambling sites to include the punters' homes and hotels. By the mid 1990s the only remaining advantage that illegal bookmakers' possessed was that they still offered credit but this was no longer enough for punters to continue using their services.

In this chapter, I describe the transformation of the totalisator into its computerised form and the expansion of gambling markets from 1971 through to 1996. I then comment on the request by punters and racing clubs, some of the very clubs that were instrumental in making the practice of bookmaking illegal, to return bookmakers to the racecourse, before I describe the return of the bookmaker to the horserace gambling market. In Latour's (1991) account of the shifting networks reassembled by

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[48] By the phrase 'boy's town' Bert is alluding that some bookmakers may still operate but on a smaller scale than previously.

the hotel room key, he describes how the hotel management's official requests and attempts to get their customers to return their keys fail. The final attempt is to produce a hybrid key by attaching a cumbersome device. Once this action was taken then sufficient numbers of actors complied with the official request, or, in Latour's, terms had moved from anti-program to the program. Within the New Zealand horseracing gambling market the Government and the racing clubs had introduced several devices to move from anti-program (the illegal market) to the program (the legal market). They finally achieve their aim, not by attaching a cumbersome device, but by reconfiguring networks of actors and opening up access to legal gambling services. The achievement of this was, however, not without irony as I will show the Government is not only interested in controlling the horserace gambling market but also in expanding and controlling markets for sports betting, lotteries and casino gambling.

## The introduction of computerised totalisators

The major complaint voiced by punters about the service provided by the TAB was in relation to the time involved in placing a bet, the time they had to place a bet prior to race start, and delays faced in receiving winnings. Because of the time constraints involved it was also impossible for winnings to be re-invested on the same day. The TAB had taken steps to rectify these issues before the 1970 Royal Commission of Inquiry, and by 1974 had implemented the first step in the transformation of the totalisator with the introduction of computerised off-course betting. Grant (2000) describes the new Control Data (Australia)[49] system:

> Control Data's on-line system was linked by a Post Office communications network to a central computer complex in Wellington, with a low-speed section linking cash betting and phone betting (Telebetting) terminals in Auckland and Christchurch, and on-line offices to a regional centre in each city. A high-speed system linked the Auckland and Christchurch regional centres to the Wellington computer complex at Head Office (2000: 225-226).

This system, which combined the distributive technology of telephones with computers, transformed legal telephone betting. The TAB's manual system of operation had not utilised telephones to their maximum potential as by 1973, the last

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[49] Control Data (Australia) did have experience in this area, as they were the systems provider for TAB Victoria.

year of the manual system, telephone betting accounted for less than eight per cent of off-course turnover. By 1976, this figure had nearly doubled. This phase of computerisation also slightly improved the time involved in the betting process as punters could place bets 30 minutes before the race, later reduced to 20 minutes for win-and-place bets (Grant 2000: 226). As mentioned previously under the manual system the time was 70 minutes. With regard to doubles betting, the time reduced from 120 minutes to 90 minutes.

The next significant phase in the transformation of the totalisators was the linking of the on-course and off-course totalisators, approved by the 1980 Racing Amendment Act. This innovation meant that punters could collect their winnings from any TAB outlet or racecourse. By 1981, Jetbet, a new customised betting system was implemented to meet the betting requirements of the New Zealand horserace gambling market. This computerised system integrated the off-course and on-course totalisators with the administrative and financial operations of the TAB. As Grant (2000) writes:

> [This system} could operate cash, deposit, and telephone betting; operate multi bet types for single multi-race pools ( most important in being able to accommodate newer, more complex exotic types of bets later on); calculate instant dividend figures; and be interfaced with the management information system… It was the first betting system in the world that allowed for intersystem payouts between on-course and off-course betting, and centralised race-day control and racelist printing ( the ability for operators throughout the country to read and print racelists through the system rather than having to have them travel manually as had been the situation) ( 2000:229).

By 1982 all on-course totalisators had converted to the Jetbet system, with most TAB outlets and racing clubs converted by 1986 (Grant 2000: 231- 232). A significant feature of this system was the introduction of computerised betting slips where the betting data contained on the slips was fed into the computer terminal and a ticket automatically issued. This shift to this Jetbet system is in sharp contrast to the manual system of operation that had required the TAB and racing clubs to employ large staff numbers to process bets. The computerisation of the totalisator also enabled the TAB

to expand on their range of gambling products with the introduction of products such as trifectas and pick-six to gain the interest of punters.[50]

In addition, computerised totalisators opened the window to the introduction of intertrack betting. Before the introduction of on-course computerised totalisators, it was only possible to place a bet on-course at the race meeting where the totalisator was sited. For example, if you attended a race meeting at the Addington Racecourse in Christchurch, you could only bet on those meetings races via the on-course totalisator. While intertrack betting was slow to start, it quickly gained momentum as by June 1987 the turnover had increased from $4.792 million to $8.3 million (Grant 2000: 223-235).This development also provided the impetus for the televised broadcasting of concurrent horserace meetings.

The ability of punters to watch races was opened up with the introduction of televised broadcasting of horserace meetings on regional television in the late 1960s. This coverage included feature horse races in Television One's Saturday sports coverage. However, the major development was the reconfiguring of media access in 1993 with the introduction of 'Trackside', a designated racing channel. Following this initiative TAB phone-betting turnover increased dramatically. In 1985 telephone betting accounted for 11 percent of the TAB's turnover, by 1992 this had increased to 25 percent and by 1994 to 30 percent:

> Trackside and telebetting grew hand-in-hand. More than 21 million telephone calls, handling some 40 million transactions, were made in the first year after Trackside was established … [telebetting was] more profitable than cash betting; it encouraged more reinvestment; it was more readily accessible (Grant 2000:249).

Grant's comments are significant because they draw attention to the volume of phone calls the TAB achieved through computerisation. Even though the illegal bookmakers' had developed extensive networks by enrolling the distributive technology of telephones they could never had achieved the same volume as the legal market without developing their own computerised telephone betting service. Grant also makes the point that telebetting provided punters with the ability to reinvest their

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[50] Trifectas are a betting product where punters must select three horses to place 1st, 2nd and 3rd in a specified race. Pick six requires punters to select six horses to win in six designated races at a particular race meeting.

winnings and was "readily accessible." The failure of the illegal bookmakers to invest in computerised technologies meant that the introduction of legal computerised totalisators removed several of the key advantages held by the illegal market.

A further challenge to the illegal bookmaker was the increase in the volume and range of legal horserace betting. This was enabled by the development of 'to the Jump' software programme in 1990 and the introduction of Sunday racing in 1990 followed by the introduction of more Australian races in 1994. The illegal bookmakers worked in an era when race meetings were mostly held on Saturdays and their manual systems were able to cope with this number of race meetings. With the proliferation of race meetings the illegal bookmakers' manual systems could not cope with the increased volume of business. The new computerised totalisator system ensured that on-course, off-course and intertrack bettors could bet right up until the start of the race. As Grant writes "for the first time in New Zealand betting history, every horse or dog-racing punter, no matter where they were, was now on an equal footing" (Grant 2000: 237). The Government considered this reconfiguration of gambling access a positive step in the removal of bookmakers as it eliminated one of their remaining advantages, which was the ability to take bets from punters right up to the start of the race. The only remaining advantage left was the ability to provide credit (Grant 2000: 228).

## The expansion of legal actor-networks

In the initial phase of the introduction of the technology of the totalisators, from the 1880s through to the late 1940s, the illegal market had constructed more actor-networks than the legal market. With the introduction of the TAB the legal market established gambling sites in domains previously occupied by the illegal market and developed alliances with actors such as the Post and Telegraph Department and the Broadcasting Corporation that had previously supported the illegal market. With the introduction of computerised totalisators the legal market formed new alliances with breweries and the Hotel Association. I have indicated throughout this thesis that the majority of hotel owners and managers had previously sanctioned illegal bookmaking. However, by the 1980s with large corporate breweries keen to participate in a joint gambling and alcohol market this position changed. In 1982 Lion Breweries submitted a request to the Licensing Control Commission for approval to introduce

TAB agencies into hotels. The Commission declined this request but the Breweries had the support of the National Government. Prime Minister Robert Muldoon stated "that the financial loss from bookmakers was 'unacceptable' and that the TAB should be looking for opportunities to provide facilities in pubs and clubs to counteract this illegality" (Muldoon cited in Grant 2000: 151).

Political lobbying by the Hotel Association and the TAB for the introduction of gambling outlets into hotels was successful, with legalisation passed in 1983 that allowed the TAB to establish sub-agencies that could be operated in conjunction with other businesses. Significantly, it allowed the TAB to operate outlets within hotels. In 1985 the TAB opened 'Pub tab's' in various locations and by 1991, 233 of the TAB's 258 sub agencies were located in hotels (Grant 2000 151-156). As Austrin (2002) argues:

> The ability of the TAB to colonise these locales, pubs and hotels, was the critical condition for the establishment of new legal venues offering both gambling opportunities and alcohol to all punters. As at the race track, sports gambling came to be embedded in the ritual of drinking beer (2002: 130).

This act replicated the hybrid business model adopted by the illegal market prior to 1951 where bookmakers' operated other businesses as well as their bookmaking operations. The ability, as Austrin acknowledges, to operate gambling sites within hotels was crucial to the success of the legal gambling market and detrimental to the illegal market.

The introduction of TAB outlets in hotels, the transformation of hotels in the 1980s, and the development of Easybet touch screens in the 1990s were also factors in the demise of bookmakers. Talking about Wellington in the 1980s illegal bookmakers said that inner city development had "removed many of the traditional pub bookie haunts…the old pubs are gradually being knocked down" (Arthur and O'Brien 1984:67). Arthur and O'Brien (1984) comment that "the new 'jetset boozers' encouraged a different sort of clientele than the old style pubs did" (1984: 67). Another development was the introduction of sports bars with multiple television screens, "new locales are media-saturated, local entertainment settings",that constantly displayed sports, horse racing, and betting information. (Austrin and Curtis

2002: 130). In 1996 the TAB introduced Easybet touch screen terminals into hotels, clubs and agencies that were designed to encourage new punters into the gambling market, especially the younger generation (Grant 2000: 237-238). Percy, one of the punters I interviewed, said that in his local hotel "they have got one of those modern sort of machines you serve yourself with. Its one of those ones where you press the glass, it's hard to explain really." I asked Percy if he ever used these types of machines and he said that he did not because he preferred betting with a person or using his telephone account. While the older clientele were familiar with the customary practices involved in dealing with bookmakers, the new generation of gamblers were more aware of the betting services provided by the TAB and developments with computerised gambling technologies.

Austrin and Curtis (2002),writing about the emergence of these new legal gambling sites, argue that "in the field of gambling government action is a response to developments within society – they follow rather than lead" (2002: 47). In locating totalisators at racecourses, the original intention of the Government was to provide legally sanctioned gambling sites. The introduction of the TAB replicated the illegal bookmaking system by providing off-course betting services but at designated gambling outlets. The movement into hotels, previously the sole domain of the illegal bookmakers, again followed the practices of the illegal market. From the 1980s the legal gambling market had expanded into key gambling sites, developed new gambling products, constructed extensive actor-networks, and provided a faster betting service in attempts to finally remove bookmakers from the gambling market. By the early 1990s their aims were close to becoming realised. However, at this time a call emerged from punters and racing clubs for the return of on-course bookmakers.

## The return of the bookmakers

By the 1980s, the TAB with the introduction and improvements of computerised totalisators had strengthened their control of the horserace gambling market. This control of a single gambling market was, however, to be compromised by the introduction and development of government approved national lottery(1961), Lotto (1987), and the introduction of Casinos (1994) into the gambling market. In 1962 horserace gambling accounted for "91.5% of the market. Of that 51.9% related to off-

course and 39.6% on- course" (McCarthy 2004:236). By 1987 this percentage had reduced to 87 per cent and by 1990 to 46.7 per cent (TAB 1991:7). By the mid 1990s the TAB's percentage of the gambling market had reduced to approximately 20 percent (McCarthy 2004: 236). As the racing industry struggled to compete in this expanding gambling market, a request came from punters and racing clubs for the return of the on-course bookmakers. It was argued this innovation would bring excitement and vibrancy back to horserace gambling.

Brian Guthrie, spokesperson for the Wellington Racing club, supported the return of the bookmakers to the racecourse. Guthrie argued that one of the major factors in the reduction of racecourse attendance was due to improvements in the services provided by the TAB, especially the introduction of the television channel Trackside. In his view, the televised coverage of race meetings combined with the telebetting meant that punters tended to stay at home and watch the races. A survey undertaken by the Wellington Club in 1991 revealed that of the 2300 punters surveyed 72% favoured the return of the bookmakers:

> We need a boost and we think bookies are a way to do it. First, they offer fixed odds and secondly they get the adrenalin running. They offer colour and excitement, and that's what is lacking on our courses on a race day (Guthrie cited in Taylor: 1991).

In 1991 the Government appointed John Fallon as the first Minister of Racing to assist with the restructuring of the racing industry (Grant 2000: 108). Horse racing is the only sport in New Zealand that has a designated Minister which indicates the extent of Government involvement in the horserace gambling market. Fallon was in favour of the return of the on-course bookmaker and in his first year in Parliament he appointed a Ministerial Committee to report on race betting systems. Their mandate included considering the reintroduction of bookmakers, in a similar manner to the Australian bookmakers, to the racetrack, the issue of fixed odds betting, and the possibility of introducing sports betting. The Commission received eighty-nine submissions regarding bookmakers with thirty-eight of those supporting their return.[51] Forty-two submissions supported the introduction of fixed odds betting. The Committee argued

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[51] It was not possible to gain access to the actual submissions. The National Archives did not have this information and a request to the Department of Internal Affairs was unsuccessful as the file could not be located. However, the Department of Internal Affairs did provide me with a copy of the TAB submission.

that the introduction of on-course bookmakers would be economically detrimental to racing clubs as they calculated "that on-course turnover would have to increase in the order of 200% to offset the reduced return to racing that bookmakers are prepared to offer (around 1.5%, compared to the totalisators 11.75%) (Ministerial Report on Race-betting Systems 1991: 21). The committee also commented that they suspected that at this time there were still a reasonable number of bookmakers operating and believed that the TAB by providing fixed odds betting  would  "provide a further disincentive to illegal bookmaking in this country" (Ministerial Report on Race-betting Systems 1991: 21).

The Committee also made recommendations aimed at rejuvenating the racing industry, including the reconfiguration of the racing and administrative bodies. In 1992 the New Zealand Racing Industry Board (RIB) emerged replacing the previous TAB board. Within these new changes the TAB came under the control of this new authority. Board members were reduced from ten to six, with three members acting on behalf of the galloping, trotting and greyhound racing codes. The Minister of Racing also appointed two members with the sixth member being a board approved General Manager (Grant 2000:109). This is significant because it highlights the shifting position of the Government  as they attempt to gain control of  the legal horserace gambling market.

A significant feature of the TAB submission to the Committee was its highlighting of the different interests of the TAB and the racing clubs. Previously racing clubs and the Government were aligned in the legal gambling market with mutual aims of increasing revenue via the totalisator and removing illegal bookmakers from the gambling market. However, by the 1990s it is clear that the TAB saw themselves as having a different role than the racing clubs:

> The TAB is in the betting business on a national scale; the Board's task is to provide the means, the information, the environment, and the stimulus to maximise off course betting for the ultimate financial benefit of the racing industry. To do this, the TAB must understand the various motivations which people have for betting and meet their needs as established by experience and market research… Clubs, on the other hand, are principally in the entertainment business on a local scale. They have the task of regularly selling to people in their catchment area the experience of a race meeting…Put another way,

> people go to the TAB largely for one reason- to bet. People go to the races for a mixture of reasons… (TAB submission to Ministerial Committee on   Race-betting Systems 1991: **8**).

With the initial introduction of totalisators racing clubs and the Government had emerged as official spokespersons for the legal horserace gambling market. Following the introduction of the TAB in 1951 tensions began to develop between the Government and the racing clubs that cumulated in the implementation of the 1971 Racing Act. At this point, it became apparent that the Government and the racing clubs took different stances about the advancement of the racing industry. By the 1990s the restructured TAB, became the new spokesperson for the legal horserace gambling market.

The Committee also considered the option of sports betting but at that time did not believe that it would produce major profits. Nevertheless, they agreed it was a way of "reaching people who would not otherwise have any involvement with racing" (Ministerial Report on Race-betting Systems 1991: 21). The Committee did recommend the implementation of fixed odds betting in relation to horse racing. This required changes to the current legislation, because it only provided for totalisator betting, and an upgrade to the Jetbet system. However, in 1995 the Government approved fixed odds betting in relation to sports betting with this new gambling product introduced into the gambling market in 1996. Of significance is that legal bookmakers, officially referred to at this time as 'risk managers', re-entered the gambling market with a focus on sports betting rather than on horse racing. The targeted audience of sports betting was a younger media savvy generation via principally the introduction of TAB's *Sports Café* and other television marketing promotions ( Tolich 2002:198).

 In 2004 legal horse racing bookmakers first appeared on-course in a trial operated by the TAB.[52]  Paul Lalley, the TAB appointed bookmaker is quoted as saying:

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[52] Infamous Australian bookmaker Robbie Waterhouse had appeared at the Waikato races in 2002 as part of promotion by the club. His services were promoted as a competition between the bookmaker and the totalisator but as Waterhouse pointed out it was really possible as " fixed odds can't compete with a totalisator because they do not offer the same thing" (*The  NZ Herald* 2002)

> The reintroduction of bookmakers, which were part of New Zealand racing earlier last century, is part of TAB plans to add colour and more atmosphere to race days (New *Zealand Herald* : 18 October 2004).

However, these on-course bookmakers only appear at specific, predominantly larger, race meetings throughout the year. They are not a feature of all race meetings as their illegal predecessors were.

## *The process of translation*

The TAB was established to provide off-course horse racing betting services to punters. With the introduction of computerised totalisators, the TAB expanded their services to include sports betting and fixed odds betting on horses. Consequently bookmakers were re-introduced into the expanded horse racing and sports gambling market. The next step in the TAB's programme of development was the introduction of internet betting in 1997, with the TAB initially offering betting on five sports with their computer system providing 60 betting options. By 2006, with improvements to their computerised system, the number of sports covered had increased to 30 with 500 betting options available. As a result, the turnover from sports betting has increased from $ 30 million in 1996 to $130 million in 2006 (*The Dominion Post*:  8 July 2006). However, horse racing betting remains the dominant form of betting as the total wagering turnover in the 2006/2007 year was $1.436 billion. The TAB currently takes bets on 780 race meetings a year and on 26 sporting codes (www.racingboard.co.nz).

Latour (1991) argues that the "'first principle' of any study of innovation in science and technology [is that] the fate of a statement is in the hands of others" (1991: 105). In his example of the door key, the hotel management attempted four times to achieve their goal of customers returning their keys. At each new attempt customers begin to return the keys, but it is not until the management added a heavy weight to the key that the majority of their customers comply with their request. During this process, new alliances formed between the hotel, the innovator and the manufacturer of the new device. In the horserace gambling market the Government and the racing clubs in their attempts to control the horserace gambling market, also introduced devices in four key phases. The first phase involved the introduction of on-course totalisators. The second phase was the introduction of the TAB to provide legal off-course betting.

The third phase was the development and implementation of computerised totalisators linking on-course and off-course betting. In the final phase, the TAB improved their computerised betting systems to provide internet betting. In each of these phases in the transformation of the totalisator new actor-networks were constructed that in some cases, replaced existing arrangements with the illegal bookmakers. More importantly, the punters only transferred their allegiance to the legal market when the technology of the totalisator was translated into a form that suited their needs.

For Latour, power is exercised once all of the required actors use the technology and move from the anti-program to the program, or, in the case of horse racing, from the illegal market to the legal market. With successive developments of the technology of the totalisator more and more actors enrolled in the legal market. By the late 1990s for the first time in nearly eighty years the legal market gained the balance of power within the horse race gambling market. However, the process of translation is not complete because tensions exist between the racing clubs, the TAB and the Government about how this expanded legal gambling market, now including sports betting, should develop. The legal gambling market has both expanded and is again unaligned at this point.

In addition, with the introduction of internet betting, there is now a proliferation of gambling products available via the internet. As McMillen (2000) notes the development of these new forms of global technology connect gamblers and providers throughout the world and blur "the distinction between gambling and non-gambling locations" (2000: 391). This expansion of the legal gambling market encourages the entry of new actors and produces further problems of translation and stabilisation of legal horserace gambling.

## *Who killed the bookie?*

So who killed the bookie? In one sense the simple answer is that no one killed the bookie as bookmakers re-emerged in a legalised form beginning in 1996. However, by the late 1990s the majority of illegal bookmakers had left the horserace gambling market. Jeff Lawrie (2006) from the Department of Internal Affairs, advised that they receive one, possibly two, complaints a year about the activities of the illegal

bookmakers. Informants have said that some bookmakers do still operate from rural hotels, bowling clubs and working mens' clubs but they are not on the same scale as the illegal bookmakers that operated previously. Illegal bookmakers are no longer the major concern with the Department of Internal Affairs, with their attention now focussed on illegal gambling dens, bingo and poker machines. Just as the legal market expanded its gambling products it appears that new operators have risen to organise new illegal markets.

Is the TAB responsible for the demise of the illegal bookmaker? To some extent, the answer is yes. In this thesis I have shown how the constant transformation of the totalisator reconfigured the legal and illegal horserace gambling markets. The introduction of TAB off-course betting services does provide competition to the illegal market and the expansion of the number of outlets throughout New Zealand did encroach on some of the illegal gambling sites. The development of computerised totalisators enabled the TAB to form alliances with media providers and hotels, and provided the ability to enter and take control of the gambling practices enacted in hotels. In this action, the legal market finally met the demands of the punters by providing a betting service that is faster and more accessible than that offered by the illegal market. Therefore, the expansion of legal networks of gambling through the transformation of the technology of the totalisator is key to the demise of illegal bookmakers. In addition, I have detailed in this chapter with the transformation of hotels and computerised betting a new generation of punters emerged and as highlighted in the previous chapter the police no longer tolerated the presence of bookmakers. It is the combination of these factors that finally 'killed the illegal bookie'.
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# Conclusion

The central aim of this thesis was to provide an account of the development and the eventual destruction of the illegal horserace gambling market in New Zealand. Using an ANT approach of following actors, in this instance totalisator networks, I have documented how the introduction and developments in the technology of the totalisator assembled and reassembled both the legal and illegal gambling markets. This multi-sited approach has allowed me to track the transformations of totalisators across times and places to provide a historical account of the development of these co-existing and overlapping gambling markets. It is by following the totalisator that I became aware of how these markets, or, complex hybrid assemblages of persons and things took the form of constantly shifting access and opportunities for legal agencies, illegal bookmakers and punters.

In chapter two and three I began by describing how totalisators reconfigured the legal gambling market from the 1870 through to 1920. I analysed how the new legal market was stabilised through alliances formed between racing clubs and the Government. The mutual aim of these actors was to remove bookmakers from the horserace gambling market by replacing their services with a pools based betting system, via the totalisator. However, by making the decision to restrict legal gambling to racecourses they not only dismissed the illegal bookmakers from the racecourses they also unintentionally left bookmakers with a monopoly on off-course betting. I then described how the illegal bookmakers in the period from the 1880 through to the late 1940s constructed actor-networks by enrolling the technology of the totalisator and telephones, and by forming their own alliances with telephone and broadcasting providers and hotels. This enabled illegal bookmakers to operate from multiple sites and provide multiple betting products. In addition, there was a demand for their services and the police, at this time, tolerated their presence. These were all factors in the ongoing survival of this illegal activity.

During the process of following the totalisator I also became aware that illegal bookmakers had translated it into a form that suited their needs using it as a means to simplify their calculation of betting odds. This revealed, as Callon (1986), argues that the directions of new technologies are never predictable. More importantly, the

bookmakers could not have constructed their illegal networks without allying themselves with first the totalisator and then the TAB.

In chapter four I highlighted how punters chose to use a combination of gambling services, following the introduction of the TAB in 1951, that resulted in the co-existence of legal and illegal markets. With the introduction of this legally sanctioned off-course betting service, the legal gambling providers began to move into gambling sites occupied by the illegal bookmakers, formed alliances with organisations that had aided the illegal networks, and used the distributive technology of the telephones to provide a phone betting service demanded by punters. More women also enter the legal gambling market either as bettors or as employees. Prior to the introduction of the TAB the Government and the racing clubs were aligned in their common goals of increasing revenue and removing bookmakers from the horserace gambling market. However, tensions began to build from the 1950s through to the 1970s with the entry of new actors who sought to protect their interests in the legal horserace gambling market. Therefore, at this time the legal gambling market was unaligned. Even though there was now a legal off-course betting service available punters still preferred to use the services of the bookmakers, because they provided a faster and more accessible service than their legal counterparts.

The focus of chapter five was to provide a description of two illegal bookmakers' activities from the 1970s through to 1990s. Their accounts reveal that they used the TAB as a means to both reduce risk and as an agency to bet for their own personal use. This is significant because it highlights that the TAB, another device introduced to remove bookmakers, was shaped by the bookmakers to suit their needs. The bookmakers also had the advantage, at this time, of allowing punters to bet right up to the start of the race, providing the opportunity for punters to re-invest their winnings, and operated an efficient telephone betting service. Bookmakers' presence in hotels was also still unofficially sanctioned by a number of hotel owners and managers. Nevertheless, as I have indicated, the bookmakers' client base remained at constant levels and the police no longer tolerated their presence. In contrast, by establishing more betting outlets throughout New Zealand the TAB had begun to encroach on illegal gambling sites.

In chapter six, I described the transformation of the illegal market following the introduction of computerised totalisators from the 1970s, to reveal how legal actors finally gained the stronger position within the horserace gambling market. Computerisation enabled the TAB to speed up the betting process, offer more gambling products, expand their gambling sites, and form new alliances. It is at this point that the TAB finally provided a faster and more accessible betting service than illegal bookmakers. The introduction of a designated televised racing channel rejuvenated the TAB's phone betting services by providing punters with the ability to watch races and bet via telephones, and subsequently computers, from their own homes. The legal betting outlets moved into hotels, severing the alliances that had existed between the hotel industry and illegal bookmakers for nearly one hundred years. This act, combined with the transformation of hotels, attracted a new generation of punters into the legal horserace gambling market. Following the introduction of computerised totalisators, and subsequently fixed odds betting the legal bookmaker returned to an expanded horserace gambling market that included sports betting.

The second aim of the thesis was to provide a Latourian analysis of power. In this thesis I have described how the Government and the racing clubs attempted to control the horserace gambling markets by introducing new devices, enrolling new actors and constructing actor-networks. In the initial phase of these developments their attempts failed because punters did not follow the requests to use the legally provided betting service. Punters, like the bookmakers, translated the totalisator into a form that suited their needs. With the introduction of the totalisator punters were given the choice of using the totalisator, bookmakers and, as I reveal, a combination of these services. As Callon (1986) argues, the introduction of any new technology is subject to the process of translation because actors will always translate an innovation into a form that suits their requirements. The significance of this in relation to the horserace gambling market is that it highlights that the establishment of centralised state agencies were not enough to encourage a change in gambling behaviour. Decentralised markets organised by illegal bookmakers continued until the centralised agent (the TAB) could match the flexibility of local services. It was not until the legal market finally provided a betting system that was flexible and more widely managed that the legal

market secured the interest of the punters. Another factor in the demise of the illegal bookmakers was the construction and expansion of legal actor-networks.

Latour argues that "power is composed here and now by enrolling many actors… the amount of power exercised varies not according to the power someone has, but to the number of other people that enter into the compositions" (Latour 1986:264-265). In a translation model of power, power is exercised once all the actors are enrolled in the required actor- networks. The legal horserace gambling market finally achieved its goal once all of the required actors changed their allegiance from the illegal market to the legal market. By following the transformation of the totalisator at key phases within its development it was possible to describe the progressive construction of these legal actor networks. By entering key illegal gambling sites and forming alliances with actors that had previously allied themselves with the illegal market, the legal market finally broke down the illegal networks. An ANT approach revealed how the Government entered the horserace gambling market as an ally of the racing clubs but over time became more involved to the point that they now are the designated 'official spokesperson' of the expanded gambling market which includes horserace gambling . It also revealed that horserace gambling, as with other forms of gambling, is a politically influenced leisure activity. However, the Government cannot fully control the gambling market because the introduction of new technologies into the gambling market will always create new actor-networks. The process of translation is therefore always incomplete

Other accounts that discuss illegal bookmakers in New Zealand, Grant (1994, 2000,2001) and Syme (1985,1992) fail to provide an adequate explanation of the rise and fall of the bookmakers because they do not consider the connections between legal and illegal gambling markets. They operate in the assumption that the illegal and legal gambling markets existed as separate entities with studies focused either on legal or illegal gambling activities. As I have revealed in this thesis this was not the case as these different markets constantly overlapped, with punters' and bookmakers' using both legal and illegal betting services. It is by adopting a historical approach and by tracking developments of totalisator networks that I have shown how legal actors both aided and ultimately destroyed the illegal market.

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