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Treasury Chambers, Parliament Street, SW1P 3AG
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7 May 1987

David Norgrove Esq
10 Downing Street
LONDON SW1

Dear David,

NBM

NATIONAL LOTTERY

... You may have seen the attached piece on a national lottery on the front page of this morning's Times.

2. If asked about this, the Treasury Press Office propose to take the following line:

"This is an old chestnut which keeps coming up. Suggestions for national lotteries are frequently made to Treasury and other Ministers and are looked at from time to time. But there are a number of issues which would have to be addressed before there was any question of introducing one."

Your Press Office might like to take a similar line.

3. I am copy this letter and attachment to Colin Miller (Home Office).

*Yours,
Cathy*

CATHY RYDING

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National state lottery could boost public coffers

By Nicholas Wood

A controversial scheme to introduce a national state lottery, with the proceeds being used to boost public services, has surfaced in ministerial ranks.

The proposal has the support of some Treasury ministers, who have been impressed by similar schemes in the United States, which generate billions of dollars each year.

But it has run into opposition from other senior ministers who are nervous about the propriety of the state being seen to promote gambling. The scheme has no chance of being included in the Conservative manifesto for the General Election but could be implemented during a third term of office.

Home Office ministers, in particular, while not directly resisting the proposal, are worried about its potential impact on football pools revenue and premium bonds. The pools companies voluntarily donate more than £1 million a year to the Football Trust and the Football Grounds Improvement Trust.

According to ministers, there is substantial commercial pressure for a national lottery, operated by countries such as West Germany and Spain and by 22 states in the USA.

The New York State lottery, which is patronized by about 40 per cent of the adult population, generated a profit of \$668 million last year, all of which was handed over to the public education service.

Three games are drawn each day and there are three main weekly draws which are covered by television. Prizes range from \$500 upwards, with occasional jackpots producing a staggering \$40 million.

Under the 1976 Lotteries and Amusements Act, lotteries are legal in Britain as long as the maximum prize does not exceed £6,000, they are run for charitable purposes and the organizers are registered with the Gaming Board or the local authority. A number of local authorities already run their own lotteries.

● An investigation aimed at establishing whether an age limit should apply to amusement arcades was announced yesterday by Mr Douglas Hurd, Home Secretary.

It follows claims by the Amusements Arcades Action Group that voluntary guidelines set by the British Amusements Arcades and Catering Trades Association are not being followed. These stipulate that at inland sites no-one under the age of 16 should be allowed to enter an arcade unless accompanied by an adult.

The inquiry by the Home Office's research and planning unit will examine the extent to which young people use amusement machines in arcades and elsewhere, whether there are signs of their becoming addicted to them and whether such activities lead to anti-social or criminal behaviour.

A parallel report will be drawn up by the Gaming Board, whose inspectors will be making a number of visits to arcades over the next six months.