

WHAT'S WRONG WITH GAMBLING, LOTTERIES & CASINOS?

"What's the deal? Not that long ago, Americans held gambling in nearly the same esteem as heroin dealing and applauded when ax-wielding police paid a visit to the corner dice room...**Last year, by contrast, Americans for the first time made more trips to casinos than they did to Major League ballparks-some 92 million trips, according to one study.**

"It took six decades for gambling to become America's Pastime, from the legalization of Nevada casinos in 1931 to April Fool's Day 1991, when Davenport, Iowa, launched the Diamond Lady, the nation's first legal riverboat casino. The gradual creation of 37 state lotteries broke down the public's mistrust, conveying a clear message that the government sanctioned gambling; indeed, is even coming to depend on it as a tax revenue source."¹

"Increasingly, what people-bored or otherwise-are finding to do is to gamble? This fact may delight state lottery officials, who are congratulating themselves on having created structures and operations that generate billions in proceeds every year. But the fact that lotteries attract so many-half of the U.S. population had played in a state game at one time or another by 1989-troubles some Americans."²

"Regardless of gambling's pitfalls, Americans endorse it with enthusiasm. Legal bets rose from \$17.3 billion in 1974 to \$330 billion in 1992-a 1,900% increase."³

INTRODUCTION:

Personally, I am opposed to gambling and lotteries, on social, moral and economic grounds. It is my desire in this paper to discuss briefly the attraction of gambling and give a short history of it. However the bulk of this paper will be used to delineate the reasons why I am opposed to gambling in any form. Those reasons will be divided into two major categories: A)Secular (i.e. ethical, social and/or economic reasons), and; B)Moral (i.e. biblical reasons). This paper, by design, contains very little original material, but rather is a compilation of quotes and documentation from authoritative sources, many of which are secular in origin. The one exception to that is the final main section. It is intended that this compendium of authoritative quotes will serve as a reference and source of solid material for use by those opposed to gambling, and who wish to fight it in both the public and religious arenas.

I. THE ATTRACTION OF GAMBLING.

THE MAIN ATTRACTION: THE CHANCE TO WIN BIG MONEY!

A CLASSIC ILLUSTRATION: THE STORY OF ANHTINH TON GIANG.

"On Wednesday, November 15, 1989, twenty-three year old Anhtinh Ton Giang won \$6 million in Ohio's Super Lotto game...the win made headlines around the country. Anhtinh Ton

¹ James Poplin & Katie Hetter, U.S. News & World Report. March 14, 1994, pp. 42-43.

²*Lotteries: Who Wins, Who Loses.* Ann E. Weiss. Hillside, New Jersey:Enslow Publishers Inc., 1991, p. 60.

³U.S.A. Today, Editorial, Wednesday April 6, 1994, p. 12A.

Giang's story was the kind people love to read and hear about, a classic American success story-1980's style...born...(in) South Vietnam...Anhtinh eventually fled the country...'I was very poor...but I always worked hard...I'm not (the kind of) person to get a lot of money and sit around.'

Anhtinh's story "...had all the elements of a fairy tale: deprived childhood, wicked villains, and wandering hero; the struggle to survive, the kindness of strangers-and the final, sudden glorious turn of fortune with its promise of a happily-ever-after ending...Who wouldn't buy an extra lottery ticket or two after hearing about Anhtinh?"⁴

WHO WOULDN'T BUY AN EXTRA LOTTERY TICKET AFTER HEARING ABOUT ANHTINH, or any of dozens of other winners...like Curtis Sharpe who won \$5 million in the 1983 New York Lottery? Or Deloise Singletary who won \$5.5 million in the Maryland lottery in 1984. A Chicago printer won \$40 million in Illinois. In 1985 a computer analyst from Brooklyn won \$13 million. On one day alone, September 3, 1988, a New York truck driver won \$23 million while Sheelah Ryan won \$55.16 million in the Florida lottery!⁵ Knowing that, who wouldn't buy a lottery ticket? The answer to that question will come later.

B. ANOTHER REASON FOR GAMBLING'S GROWTH:INCREASING NUMBERS OF ELDERLY PEOPLE.

"Another factor likely to stimulate gambling is the rise in the population of elderly Americans. During the 1980's, the number of men and women aged sixty-five and over went up 18.9 percent. Gambling is especially popular with people in that age group, and buses headed for Las Vegas and Atlantic City are typically filled with 'senior citizens.'...Nor is state-sponsored gambling the only type that's on the rise in the United States today. Illegal gambling is becoming more widespread as well, and some say that today, as in the past, there is a connection between it and the legalized variety."⁶

TODAY, GAMBLING IS BIG BUSINESS, WITH BIG GROWTH PROSPECTS!

For example, lotteries began (again) in 1964 in New Hampshire which instituted the first legal U.S. lottery in over 70 years. By 1980 13 states were pulling in 2.2 Billion dollars. By 1990, only ten years later, 32 states, plus Washington, D.C., Puerto Rico, & the U.S. Virgin Islands had combined sales of over 17 Billion.⁷ Now that figure, written in 1990, is out of date. Currently there are 37 state lotteries.⁸

"Legalized gambling is more than big in the United States today-it is big business. All in all, Americans wagered a legal \$210.8 billion in 1988, and the industry's after-expenses profits

⁴ Ibid, pp. 51-52.

⁵Ibid.

Ibid, pp. 49-50.

⁷Ibid, p. 9.

⁸U.S. News & World Report, op cit., p. 43.

amounted to 21.3 billion dollars. Those figures were enough to put legalized gambling in thirteenth place in the Forbes list of the nation's 500 top moneymaking businesses. They also made legalized gambling the number-one growth industry in the country."⁹ Again, those figures have quickly been outstripped. As was noted earlier, in 1992 Americans wagered not 210 billion, but 330 billion!¹⁰

Gambling has become big business for state governments too! "About half the money a state collects in (lottery) ticket sales goes to help pay for state services."¹¹ Whether such money really is beneficial though, will be discussed later.

II. THE HISTORY OF LOTTERIES.

"Its name was derived from the 'lot' that was cast to determine winners in a process of chance selection from tickets or tokens that had been purchased by the participants. A lottery in Britain in the time of King James I helped to fund some early settlers in the American colonies (see below), and charitable objectives have formed the excuse for this sort of gambling ever since."¹²

"The Anglo-Saxons, Germanic tribesmen who began settling in England in the fifth century A.D. were one such people. In fact, it was they who gave us the word 'lot', from their hlot, a counter or marker used to determine a matter by chance...The people of the ancient city-state of Rome were similarly familiar with lotteries. Hundreds of years before the Anglo-Saxons began their westward expansion, Roman rulers employed a kind of lottery to help keep peace in their empire, which stretched across Europe from the Near East to northern England. If a town or a tribe rebelled against Roman authority, its men were rounded up and herded into some public place. There, imperial soldiers lined the captives up in a random order and arbitrarily executed every tenth one. It is from this form of punishment-by-lot that our 'decimate' from the Latin decim, meaning ten, derives."¹³

Draft lotteries were used during World War II and the Vietnam War. Kids use lotteries to pick sides for baseball, but there is a world of difference there, as no gambling or money is involved in it.

Nero used to occasionally award slaves or a villa as a door prize to dinner guests. Caesar Augustus (29 B.C. to A.D. 14) "instituted a lottery whose after-prize proceeds he spent on repairing the city, which had been damaged during two decades of civil war. Throughout the Middle Ages, Europe's hundreds of local feudal lords and princes sponsored informal lotteries, using them as fund-raisers for castle upkeep, improved fortifications, and the like...Church officials, always in need of money...held drawings from time to time...It was in Italy that lotteries

⁹Weiss, op cit., p. 48.

¹⁰U.S. News, op cit., p. 43.

¹¹Weiss, op cit., p. 10.

¹² R.K. Harrison, "Lotteries", Encyclopedia of Biblical & Christian Ethics. Thomas Nelson Publishers: Nashville, TN, 1992, p. 238.

¹³Weiss, op cit., p. 15.

were first run on a more regular basis...in 1539, France became the first place where the state sought to profit from the games. From there, state involvement spread to England. The first official English lottery was authorized in 1566 by Queen Elizabeth I as a means of financing improvements to the nation's harbors."¹⁴

Lotteries were used to speed colonization of North America. Jamestown (the first settlement) had four raffles. A ballad of the time said:

"Here Profit doeth with pleasure join
and bids each cheerful heart,
To this high praised enterprise,
perform a Christian part..."

'Not only were ticket buyers serving religion by ensuring Christian settlement in America, they were assured, but they were also serving their country, and thereby, themselves. There could be no losers in this lottery':

Let no man think that he shall lose,
though he no prize possess:
His substance to Virginia goes,
which God, no doubt will bless."¹⁵

Why were lotteries so popular in the American colonies of the eighteenth century? For same reasons they were before and are today. "First, people found them fun to play. Second...(they) were local affairs that benefited local causes, making even losers feel like winners...third...in colonial times as now...they offered what many thought of as an attractive alternative to new taxes."¹⁶

Lotteries were widespread from 1790-1860 in America.¹⁷

THE "LOT" IN THE O.T. WAS NOT THE SAME AT ALL. e.g. Num. 26:52-56 cf. Josh. 7:14-18; Prov. 16:33;18:18;Jonah 1:7; Acts 1:26.

In reference to Acts 1:26 Ryrie writes: "Drew lots. Two names were written on stones and placed in an urn. The one that fell out first was taken to be the Lord's choice (cf. Prov. 16:33; Jon. 1:7). The occasion was unique, for the Lord was not there in person to appoint and the Spirit had not been given in the special way of Pentecost."¹⁸

¹⁴Ibid, pp. 17-18.

¹⁵Ibid, pp. 19-20.

¹⁶Ibid, pp. 22-23.

¹⁷See Weiss, *ibid*, pp. 25-ff.

¹⁸Charles Ryrie, *Ryrie Study Bible*. Moody Press: Chicago, IL, 1976, p. 1646.

THE "LOT" IN THE BIBLE:

- A) The lot was not used to win money or prizes.
- B) The lot was used sparingly, even in Bible times.
- C) Casting lots was superseded in the N.T. era.
- D) The lot was a simple way to discern the answer to a "yes" or "no" question. Thus it had a 50% probability factor, clearly demonstrating that it was light years from the lotteries of today or the historical examples cited here. See if you can find any lottery or game of chance where the probability of winning is 50% every time you play! If there was such a game, (and there isn't), it would go bankrupt in its first week, due to too many people winning! By way of contrast, all the lotteries of today are designed to produce losers, not winners! Losers by the millions! (see below)

As one writer has said: "Anyone who confuses the practice of casting lots with a dice game is playing loose and dishonest with the facts."¹⁹

THE LARGELY UNKNOWN DEATH OF LOTTERIES.

"By the time the American Civil War began in 1861, lotteries were illegal around the United States." In April 1890 the Louisiana Lottery was banned due to blatant graft and corruption that had affected the entire country. "For the next three-quarters of a century, there was no state-sponsored lottery activity in the United States"²⁰

THE REBIRTH OF STATE LOTTERIES.

New Hampshire's legislators voted in 1963 to begin a twice yearly "sweepstakes" contest which began the following spring (1964). This was the rebirth of lotteries in America. "Games of chance shouldn't be banned forever just because of a few unfortunate occurrences fifty or sixty years in the past, lottery advocates said."²¹

While New Hampshire might seem like a conservative, unexpected place for lotteries to resurface, there were, in reality a number of logical reasons why it began there-contrary to its image at that time:

- 1) The state was not rural but 60% urban and urban areas are more open gambling.
- 2) The state was not "Yankee." A third of the population was "either foreign-born or first-generation American...the largest percentage had its roots in...Quebec... (which) would soon become the first part of Canada to establish a lottery." ²²
- 3) New Hampshire was not "puritanical" or religiously conservative. "As far as religion was

¹⁹Larry Braidfoot, *Gambling*, Fundamentalist Journal, Nov. 1987, p. 20-citing *Gambling: A Deadly Game*, by Braidfoot, Broadman Press: Nashville, TN, 1985.

²⁰Ibid, pp. 29-31.

²¹Ibid, p. 34.

²²Ibid, p.

concerned, nearly 40 percent of New Hampshire people were Roman Catholic...Catholics have always been the most tolerant of gambling, and as we know, Catholic Church dependence upon lotteries to provide funds for charity and other purposes goes back hundreds of years. Far from being...the least likely...to take the lead in establishing the modern state lottery system, New Hampshire was among the most likely."²³

4)The state also has an unusual tax structure regarding how it funds public schools i.e. no sales or income taxes. Instead they depended heavily on "sin" taxes (cigarettes, alcohol, etc.) so it became another form of a sin tax.

THE NEW HAMPSHIRE LOTTERY "...WAS NO OVERNIGHT SUCCESS!'The public yawned.' Why? Because the game was boring. Drawings took place only once every six months...ticket sales were sluggish. Far from bringing in the \$10 million sweepstakes backers had predicted in its first year, the lottery produced only \$5.7 million. By 1970, the figure had slipped to \$2 million. It was the same dreary story in New York State, where a lottery opened in 1967...the public benefit, which too, turned out to be disappointing. In 1972 eight years into its operation, the New Hampshire lottery was contributing just \$17 per pupil each year to local school systems...by 1972 though, changes were already on the way...The changes actually started...in 1970, with New Jersey's entry into the lottery business...New Jersey ticket buyers didn't have to wait up to half a year to find out if they were winners. Drawings were frequent-first weekly, then daily. Business was brisk."²⁴

"Massachusetts quickly made lottery history by introducing (1972) a new twist-an 'INSTANT' game featuring scratch-off tickets...Such instant gratification was apparently exactly what players wanted...Another lottery milestone was the introduction of computerized betting systems. Computers sped up the games and encouraged players to buy more than one ticket at a time. They also made it possible for ticket buyers to pick their own numbers, and that greater degree of personal participation further heightened excitement."²⁵

THE REASON FOR MULTIPLE WINNERS:

"The fact that modern state lotteries are based on an individually picked number or numbers explains why the games so often produce multiple winners...duplication is likely...especially likely if the number drawn happens to relate to a news event or something else that has caught the public's attention. For example...'After the hijacking of TWA flight 847 to Beirut', which happened on June 14, 1985 and resulted in the death of one American on board, 'lottery players around the country bet heavily on the digits 847.' Massachusetts bets placed on those numbers in the wake of the terrorist incident were TEN TIMES higher than average. If the numbers had turned up in the drawing, there would have been an extraordinarily large group of winners...When Billy Martin, former manager of baseball's New York Yankees, was killed in a 1989 auto accident, New York lottery officials had to SUSPEND play on the numbers 3569. The reason: too

²³Ibid, p.

²⁴Ibid, p. 40.

²⁵Ibid, p. 41.

many players had bet on Martin's license plate number, VR3569."²⁶

THE ABOVE INCIDENT ILLUSTRATES TWO POINTS WORTH MENTIONING: One is the fact that gamblers are extremely superstitious, assigning significance to any random event, much as followers of astrology or homespun omens do. More importantly, the fact that NY lottery officials suspended play on a number provides incontrovertible proof that lottery officials are NOT interested in seeing people win, their loud proclamations notwithstanding. Lots of winners would defeat their whole purpose. Lotteries, (as well as other types of gambling), are designed to produce losers, not winners, however much lottery officials may protest otherwise.

WHY CITIZENS AT LARGE ARE OFTEN ASKED TO MAKE THE DECISION TO LEGALIZE LOTTERIES:

"...In many lottery states, the decision to legalize was made by the citizens at large, rather than through legislation. That's because when the states banned games of chance back in the nineteenth century, a number of them wrote that ban directly into their constitutions. In those states, constitutional changes had to be made before a lottery could be put in place."²⁷

WHAT REALLY HELPED LOTTERIES TAKE OFF:

- 1) The mid-70's recession, which caused lawmakers to look for "painless" ways to increase taxes.
- 2) The U.S. federal government backing away from its anti-lottery position, allowing advertising to be printed and/or mailed to homes. The reason is, the federal government is only too happy for states to pick up more of the tab for things like education, welfare, etc.
- 3) Federally chartered banks would be allowed to handle funds, etc.
- 4) The "domino" effect. Once one state legalizes a lottery, "the pressure is on for other nearby states to do the same."²⁸ The reason for that is legislators hear gambling advocates saying, "Why let money from our people's pockets go across the boarder and help finance other states budgets?" e.g. New York began a lottery in 1967. Many New Jerseyites participated in it. New Jersey leaders asked themselves, why are we letting our people pay a New York tax? So they started their own.

LOBBYING FOR LOTTERIES...A CONFLICT OF INTEREST?

"Companies like Gtech, Control Data Corporation, and Scientific Games do not stop at selling lottery equipment. They also sell lotteries. How so? Where lottery referendums have appeared on state ballots, the companies have gone political, spending lavishly on advertising campaigns aimed at winning voter approval of the games. In many cases, the referendums have actually been written by men and women who work at those companies. Lottery supply people know that they are tapping into a profitable industry, and they are keen to see it expand...If wide-scale legalized gambling does invade the Southern Bible Belt-and many think it is only a matter of time before that happens-it will be thanks in part to staffers at places like Gtech and Scientific

²⁶Ibid, p. 57, emphasis added.

²⁷Ibid, p. 41.

²⁸Ibid, pp. 42-43.

Games...Lottery critics express dismay at the idea of permitting companies that stand to benefit from lotteries to draw up lottery referendums and promote gambling as a public policy."²⁹

LOTTERIES, LOTTERIES, AND MORE LOTTERIES.

During the 1980's a large number of states added lotteries, including:

Arizona, Colorado, California & Oregon-1981?

Washington-1982, plus Washington, D.C.

Iowa & Missouri-1985

W. Virginia-1986

Kansas, S. Dakota & Montana-1987

Florida, Virginia & Wisconsin-1988

Minnesota, Idaho, Kentucky & Indiana-1990

By 1990 "68 percent of the U.S. population could buy official lottery tickets without crossing state lines."³⁰ That percentage is unquestionably higher now, since others have climbed on the lottery bandwagon since those figures were published e.g. Georgia in 1993. 1994 figures indicate that 37 states now have lotteries.³¹ Those statistics also indicate that Native Americans have lotteries on 120 of 310 reservations in 48 states!³²

AFTER LOTTERIES..."SUPER LOTTERIES!"

Super-lotteries are consortiums created to boost jackpots in less populated states that otherwise wouldn't be able to compete with big states like New York & California. Tri-State Megabucks (Maine, New Hampshire & Vermont) is an example. "Lotto America" (Iowa, Kansas, Oregon, Rhode Island, W. Virginia & Washington, D.C.) is another one. Others have since joined, and it's possible it may lead eventually to a "national" lottery.³³

OFF-TRACK BETTING (OTB).

New York began this in 1971. The idea is that you don't have to go to the racetrack to bet on the horses. Off Track Betting is also available in Connecticut and Nevada. This type of betting is extremely commonplace in other countries such as Australia and Papua New Guinea.

CASINO GAMBLING.

"The rush to move beyond lotteries picked up speed in 1976, when New Jersey voters got to

²⁹Ibid, pp. 77-78.

³⁰Ibid, p. 44.

³¹U.S. News & World Report, op cit., p. 43.

³²Weiss, op cit., p. 46.

³³Ibid, pp. 44-45.

decide whether or not to permit casino gambling in the rundown old resort of Atlantic City."³⁴ Casino gambling is promulgating itself at an equally prodigious rate. "Casinos now operate or are authorized in 23 states, and 95 percent of all Americans are expected to live within a three or four-hour drive of one by the year 2000...Indian tribes operate 225 casinos and high-stakes bingo halls nationwide."³⁵

THE "LUCKY" WINNERS:

LET'S RETURN TO THE STORY OF ANHTINH TON GIANG, THE LUCKY VIETNAMESE LOTTERY WINNER MENTIONED EARLIER.

After telling you about him, the question was asked:"Who wouldn't spend a dollar or two on a lottery, after hearing his fairy tale story?"

ANSWER: "Anyone with common sense, some people would say...winners like Anhtinh may get a lot of publicity, but they're extremely rare-one or two in millions. Anyone hoping to make good in life should stay away from state lottery machines...Why? Because lotteries are designed to make money, not give it away. Their purpose is to produce losers, not winners...anyone who bothered to read up on lotteries and Anhtinh-would know that perfectly well."³⁶

III. SECULAR REASONS FOR OPPOSING GAMBLING, LOTTERIES, ETC.

1. THE CHANCE OF WINNING ANY SIGNIFICANT AMOUNT IS INCREDIBLY SMALL.

How small? Well, "The odds of dying in a car crash are 6,000 to 1. They are 500,000 to 1 that you will die in an airplane disaster. By contrast, the odds of winning a typical state lottery are 5 million to 1. (Florida is 14 million to 1)."³⁷

"New York lottery official John Quinn is frank about a player's chances of winning. `We make no bones about the fact that [the chance of] winning a big prize in the lottery in New York is about the same as [the chance of] getting hit by lightning."³⁸

"The odds of winning at state lotteries are probably the poorest in all of gambling, so bad that Victor Markowicz, the designer of computer equipment used in lottery games, does not even play the lottery."³⁹

³⁴Ibid, p. 43.

³⁵U.S. News, op cit., p. 43.

³⁶Weiss, op cit., p. 52.

³⁷Ken R. Pulliam, "An Honest Look at the Lottery and Gambling", Frontline, Fall 1993, p. 16.

³⁸Michael R. Smith, "Instant Win or Dismal Disappointment?", Fundamentalist Journal, November, 1987, pp. 23-24.

³⁹Ibid.

Lottery advertising deceives in giving the odds for winning (A fuller discussion of deception in advertising follows). "Maine lottery officials claim that the chance of winning their instant game is 'typically' one in four, but the chances of winning the game's top prize are a far, far longer one in 12,000...ads (also) ignore...the fact that the top instant game prize is \$1,000; nice, but not exactly in the millions. The chances of winning Maine's Tri-State Megabucks are one in 3.8 million. Elsewhere, the odds are worse. Nationally, only 0.000008 percent (8 millionth of a percent) of the 97 million lottery tickets sold in 1988 turned out to be worth \$1 million or more to their buyers."⁴⁰

"What do such appallingly bad odds mean to individual players? Jean Lemaire, professor of mathematics at the University of Pennsylvania's Wharton School of Business, and a specialist in figuring odds, offered an explanation. In 1989, as people were lining up to buy chances on Pennsylvania's \$115 million jackpot, Lemaire calculated that the chances of being the single winner of that prize were less than the chances of playing eighty-eight rounds of Russian roulette...and surviving. Winning would also be less likely than living past the age of 115. 'Or in other words,' he concluded, 'if all 102 settlers on the Mayflower had purchased a lottery ticket once a week' (unlikely behavior among that group of Puritans) 'and given instructions to their descendants to continue until today-there are eighty chances out of a hundred that no one would have won.'...Lemaire's point was well taken...The prize ended up being split fourteen ways. But lottery ads don't have much to say about shared prizes."⁴¹

SO WHO DOES WIN?

The ones who REALLY win are the ones who supply lottery equipment and expertise, or sell the tickets to the public! (Even the "winners" of lotteries, etc., usually end up losers-see p. 69).

"Owners of ticket outlets make 'Commissions (ranging) from 4.1 percent in Massachusetts to 12.1 percent in Iowa. Nationwide, they average 5.5 percent. In addition to the regular commission, the owner of a business that chances to sell a winning ticket may get a substantial bonus."⁴²

"Gtech Corporation of Providence, Rhode Island, is one lottery supplier. Founded in 1980 with \$4.4 million, Gtech was reporting annual sales of \$131 million seven years later."⁴³

"Who else benefits...Winners, of course, and the men and women employed by states and cities to direct the operations. Lottery advertising agents benefit as well. So do the banks responsible for handling lottery funds and tickets and the sales agents charged with selling the tickets. In one state alone, Maine, sales agents received \$7 million in commissions for the fiscal year 1988."

"Lotteries also produce indirect beneficiaries. Among them are the men and women who claim to have discovered the secret to winning the games. Some of these individuals have written so-

⁴⁰Weiss, op cit., p. 63.

⁴¹Ibid, p. 64.

⁴²Ibid, p.

⁴³Ibid, p. 77.

called 'dream books' that purport to tell people how to interpret their dreams to come up with their lucky numbers. Dreams have nothing to do with random drawings, but that fact doesn't stop these authors."⁴⁴

In a similar vein, I noticed in a February 1994 USA Today double-column report that appears daily, that along with the regular listing of the results in all state lotteries during the previous weekend, there was also an advertisement at the bottom of that report. It encouraged readers to subscribe to Lotto World magazine. The ad said: "PLAY TO WIN...Tips, Strategies, Hot #'s."⁴⁵

Of course it is IMPOSSIBLE for there to be strategies or "hot" numbers in any unbiased random selection of numbers. Yet such false advertising sells thousands of subscriptions at \$12.50/year.

"Other indirect lottery winners may be corporations. One well-known and respected company presently cashing in on the lottery craze is Radio Shack, which offers for sale a random number generator described as 'Your Own Personal Lottery Master, The Pocket Computer That Picks The Numbers For You.' Advertising for the gadget-1989 price, \$24.95-ignores the fact that lottery computers can do the picking free of charge, just as well, and give players an equally good-or-bad-chance of winning."

"Other beneficiaries of lotteries include the entrepreneurs of Lotto Express, a company incorporated in Virginia that operates out of Jersey City, New Jersey. Lotto Express is in the business of buying lottery tickets and delivering them to out-of-state purchasers. Even telephone companies benefit from lottery activity, since they own the lines used to link computerized ticket machines with central terminals."⁴⁶ Even USA Today has a lottery hotline (1-900) with calls costing 95 cents a minute.

2. AREN'T LOTTERIES & CASINO GAMBLING A GOOD WAY TO RAISE BADLY NEEDED REVENUE, WITHOUT HAVING TO RAISE TAXES?

Even with almost everyone a loser, states continue to jump on the gambling bandwagon. Many legislators feel that lotteries and casinos are a "painless, voluntary tax" which keeps the heat off them as they try to find more money but also avoid raising taxes.

A typical example is seen in Port Moresby, Papua New Guinea where we have lived for eight years. There lottery officials(The Lotto Pty Limited), along with the Lord Mayor of Port Moresby, Mr. David Unagi, have tried to give the impression that the lottery is graciously "donating" money for charitable causes:

"(Lotto boss) Mr. Boldt said the company experienced massive lotto ticket sales each day and it was time to give something back to the people(sic). He said the money was to be used for charitable work nationwide. NCDC chairman David Unagi said it was the first time such a payment had been made by a company such as The Lotto...Mr. Unagi also used the occasion to

⁴⁴Ibid, pp. 76-77.

⁴⁵USA Today, Monday, February 1994.

⁴⁶Weiss, op cit., pp. 76-77.

again promote his intention to introduce poker machines in PNG as a good idea. The Lotto had exhibited gambling could contribute to the internal revenue of the nation, he said."⁴⁷

Such flowery, boastful statements totally hide the fact that these "contributions" weren't given out of the goodness of the lottery company's heart, but were a required tax!

"Q: ISN'T A STATE LOTTERY A BIG SOURCE OF BADLY NEEDED REVENUE?"

A: NO.

It's a very expensive way of raising money. Tickets have to be aggressively marketed. The promoters have to come up with new games and gimmicks all the time. The state has to hire costly public-relations firms to maintain sales. And you have to take into account the social costs of gambling...Gambling impoverishes a lot of people while enriching a few and turns a number of people into compulsive gamblers. Lotteries mean increased welfare costs and police costs. Gambling also depresses business by diverting money that would otherwise be spent on cars, furniture and other consumer durables. Wage earners can't spend their money twice. All these social costs far outweigh any financial benefits to the state. You'll never create a strong, prosperous society out of the weaknesses of individuals. In addition, there is the problem of stimulating illegal gambling."⁴⁸

The "selling" of lotteries, and the obvious attendant costs involved in constantly producing and marketing new games, is a valid criticism. In order to keep people playing, various techniques are employed:

A) Prizes must get ever higher.

B) There must be lots of innovations e.g. "introducing new tricks and gimmicks in the rules; varying the prizes; coming up with new ways to win; tinkering with the odds; increasing promotion; promising more speed, more action, more choice, more excitement, more everything. So the lottery scene grows increasingly frenetic. Twice-a-year games become weekly contests, then daily and instant ones. Then turn into games that aren't really over even when they seem to be, games in which losing tickets may be automatically entered in a secondary game with a renewed chance of winning. The innovations seem unending.

"New games appear...during the fall-winter...lottery officials may be pushing a game with a football motif; come spring, the theme switches to baseball.'We do Olympics,' Oregon's lottery director said in 1989. 'At Christmas we do Holiday Cash.'" With "Lucky Stars" we play on people's astrological signs'...In many instances, contests with differing themes run simultaneously because, as the Oregon lottery director says, 'We find that if you run two or three, four or five games at the same time, you'll sell more tickets.'...Prize offerings are doubled, redoubled.

"In a state where the chance of winning a multimillion-dollar jackpot is only one in four million, the chance of winning a free new ticket in an instant game may be as high as one in eight or nine. 'People want to see winners,' according to one lottery director. 'We set up the prize

⁴⁷Post Courier, August 17, 1993, p. 29.

⁴⁸Harvey Chinn, Director, Coalition Against Legalizing Lotteries, Sacramento, California, quoted in U.S. News & World Report, Vol. # ?, 1984, p. 63.

structure so we have a lot of winners in the store. It's a mathematical formula, it's a human relations formula."⁴⁹

WHY SHOULD LEGISLATORS BE OPPOSED TO LOTTERIES?

A. IT HAS AN INTRINSIC ECONOMIC PROBLEM:

"Gambling represents a `unique' kind of economic transaction. Unlike the stock market or other economic activities, it produces no product or service that serves human needs. Every part of the industry-the construction of facilities, the production of equipment, and the employment of workers-is aimed toward an activity that produces no product or service of value."⁵⁰

B. IT PENALIZES THOSE LEAST ABLE TO AFFORD IT (See also point 3, below):

Instead of helping alleviate the state's burden, state-sanctioned gambling actually increases it. "The state lottery could be better named the 'state lottery.' It loots money from those least able to afford it. In Maryland, the poorest third of the population buys half the lottery tickets."⁵¹

In New Jersey, a study showed that a third of the families with annual incomes below \$10,000 spent a fifth of their incomes on the lottery.⁵²

C. IT EARNS MONEY, BUT COSTS MORE IN REALITY:

It is similar to continually putting money into your pants pockets that have holes in them and thinking you're saving lots of money. Or it's like happily pumping air into a flat tire, while ignoring the hole in it.

"The lottery is actually a type of child abuse. It deprives children of needed food and clothing in search of a pipe dream of material prosperity. Instead of making money for the state, the lottery increases the welfare and dependent child subsidies needed by the community."⁵³

"A two-year study by Maryland showed gambling already costs that state \$1.5 billion every year in lost work productivity, unpaid taxes, bankruptcies, public defenders, crime fighting and other additional services. And the state does not even have casino gambling."⁵⁴

"H. Roy Kaplan of Florida Institute of Technology has spent 16 years studying lotteries and has a much different (negative) impression. `A lottery is an inefficient and ineffective source of

⁴⁹Weiss, op cit., pp. 59-60.

⁵⁰Briadfoot, op cit., p. 22.

⁵¹Christianity Today, 7/10/87-cited in Weiss, op cit., pp. 73-74.

⁵²Christianity Today, 9/8/89-cited in Pulliam, op cit., p. 15.

⁵³Pulliam, ibid.

⁵⁴USA Today, 4/6/94, p. 12A.

revenue,' Kaplan said. It raises up to 3 percent of a state's total source of revenue, but a more predictable source of income would be a 1/2 percent increase in the sales tax. 'To call the lottery a financial panacea is a gross exaggeration,' he said. Atlantic City's casinos provide up to 7 percent of the state's revenue, and in Las Vegas the rate is 12 percent. But Oakes said Las Vegas also has the highest crime rate per capita in the nation."⁵⁵

William R. Eadington, professor of economics and director of the Institute for the Study of Gambling and Commercial Gaming at the University of Nevada at Reno, and Steven D. Gold, director of the Center for the Study of the States (an arm of the State University of New York) have both done studies that concluded that lotteries, casinos and other types of state-sanctioned gambling definitely are NOT the solution to any state's economic or social problems!⁵⁶ Gold's study was quoted in an extensive article in Time magazine on Las Vegas where it said: "gambling cannot generally produce enough tax revenue to significantly reduce reliance on other taxes or to solve a serious state fiscal problem."⁵⁷

D. ANOTHER ECONOMIC DRAWBACK: LOTTERIES ARE A REGRESSIVE TAX.

"A tax may be either regressive or progressive. A progressive tax requires the rich to pay proportionately more than the poor. The U.S. federal income tax is a moderately progressive tax, since people with incomes over a certain level are taxed at a higher rate than the less well off...A regressive tax, on the other hand, is the same for everyone. People who live in a state with a 5 percent sales tax pay that 5 percent regardless of income. If a millionaire buys a \$4 movie ticket, he pays a 20-cent tax on it. The \$200 a week janitor who is next at the box office pays the same...Everyone pays equally. Except that it isn't really equal. Five percent of \$4 is a small amount, and the waiter and college student may not miss the 20 cents much more than the doctor or the millionaire will. But when the same charge is repeated over and over...it mounts up. And the sum total takes a bigger bite out of a working class salary than it does out of a doctor's income or a millionaire's inherited wealth."⁵⁸

In reply to the regressivity argument, "...one state lottery director (says), even if lotteries do hit the poor harder than they hit the rich, so what? So does everything else. 'Milk is regressive, bread is regressive,' he told one reporter. 'Anything the general public buys is regressive.'... (However) Just because one tax is regressive doesn't mean another ought to be. Just because poor Americans find it harder than rich ones to feed their families doesn't justify urging them to spend their food money on lottery tickets. Two wrongs don't make a right."⁵⁹

⁵⁵Smith, op cit., p. 24.

⁵⁶Cited by Beth Padgett, Greenville Piedmont, 3/9/94. A fuller presentation of their findings follows later in this paper.

⁵⁷Time magazine, January 10, 1994, p. 45.

⁵⁸Weiss, op cit., p. 70.

⁵⁹Ibid, pp. 73-74.

E. ANOTHER ECONOMIC DRAWBACK: LOTTERIES ARE AN INCREDIBLY HIGH TAX!

"Lotteries are designed to take away more than they give back. In most lottery states, half or less of gross proceeds are returned in prizes. An average of about 15 percent goes to pay for operating expenses, including commissions and bonuses; in 1988 New York, New Jersey, and Maryland spent the smallest percentage of proceeds-9 percent-to run their games. Kansas spent the greatest-36 percent. Amounts to state departments of revenue that year ranged from a high of 44 percent in New York and Missouri to a low of 20 percent in Kansas. Add the state's share to its operating costs, and the result is a hefty tax-53 cents on each \$1 lottery ticket in New York, for example. In Kansas, it's 56 cents. Fifty-three or 56 percent is an enormous rate for a tax."

"Business tax rates are nowhere near as high. Writing in...Business Week, Professor Becker... (reminded) his readers that one good reason for low taxes on business deals is that the deals help raise capital, stimulating the nation's economy. But another reason for the low rates, Becker continued, is that 'groups such as the New York Stock Exchange lobby hard to keep taxes down.' Lottery players, unlike stock traders, 'are not well organized' and thus are powerless to persuade state lottery officials to be more generous about handing out prize money. The result is that while New Yorkers in slums and working class neighborhoods must pay a regressive 53 percent tax to place a bet, their fellow citizens from posh Park Avenue or the wealthy suburbs are paying a 33 percent capital gains tax on their business gambles. 'In the long run,' New Jersey state senator and lottery opponent John F. Russo said in 1989, a lottery 'just alleviates the tax burden of the wealthiest.'"⁶⁰

F. ANOTHER DRAWBACK: THE AMOUNT OF MONEY LOTTERIES BRING INTO MOST STATE BUDGETS IS REALLY INSIGNIFICANT IN THE LONG RUN ANYWAY.

"Not only are lottery proceeds in some states reaching into the billions, but those billions are also growing... (In fiscal year 1988) New York took in gross revenues of...\$1.63 billion. The state's 1988 net profit was \$725.6 million. California's lottery grossed over \$2.1 billion in 1988. It's net income: \$804 million. Even in Montana, where a game did not begin until 1987, first-year proceeds were close to \$22 million; net profit, \$8.4 million."

"How much is \$8.4 million? Looked at one way, it is a lot...It's a little more than Montana paid for employment security administration that same year.

"Looked at another way, though, \$8.4 million isn't so much. It's not even half again as much as Anhtinh Ton Giang won in the Ohio lottery in 1989. It's less than one-sixth of Sheelah Ryan's Florida win the year before...More to the point for Montanans, \$8.4 million amounts to only a few percentage points of their state's annual budget.

"That is typical. On average, the profit a state derives from its lottery comes to somewhere between one and 3 percent of state spending. (Nevada would be the one exception I am aware of). Such percentages are not nearly enough, critics say, to justify the lotteries'

⁶⁰Ibid, pp. 71-72.

downside-the regressivity of the tax they represent, the dent they make in the incomes of many working Americans, the deceptive advertising by which they are promoted."⁶¹

"States frequently overestimate the financial impact of gambling revenues, too.'Legalized gambling is never large enough to solve any social problems,' says gambling-law professor and paid industry consultant I. Nelson Rose. **In New Jersey, for example, horse racing along accounted for about 10 percent of state revenue in the 1950s. Today, despite the addition of a lottery and 12 casinos, the state earns only 6 percent of its revenue through gambling.** 'Atlantic City used to be a slum by the sea,' says Rose. 'Now it's a slum by the sea with casinos.'"⁶²

HOW ABOUT A NATIONAL LOTTERY TO HELP THE U.S. BUDGET DEFICIT?

"Not everyone...necessarily share(s) an enthusiasm for a national lottery. J. Blaine Lewis...was not only director of the Connecticut State lottery in 1989, but also president of the North American Association of State and Provincial Lotteries. His jobs made him a backer of state lotteries-but not of a federal one. In his USA Today interview, he...downplayed the contribution such a game would make to the federal money situation. A yearly profit of \$6 billion was more likely than one of \$9 billion, he thought, and what was \$6 billion compared to a national debt of \$3 trillion?"⁶³

BUT WHAT ABOUT ALL THE "GOOD" LOTTERIES DO FOR SCHOOLS, ETC.?

Lotteries are often presented as an educational windfall. An article in the Greenville News (1994) highlighted this mentality with the headline: "Some in Education Envious of Georgia."⁶⁴

The article went on to say: "Some of South Carolina's higher education officials are green with envy when they look at the Georgia Lottery-green as in the color of money. Lottery proceeds have helped students to attend school tuition-free this year because they maintained a B average in high school."

"Proponents of a South Carolina lottery hope that by taking the same approach, they can get Palmetto State voters to approve it.'I'll have to admit, and I'm sure others share this view, that putting higher education in the resolution increases the chance that the public would vote for a state lottery, state Rep. Doug Jennings said...Universities have taken no official stance on a lottery...but...I'd have to say we're very envious of the University of Georgia and the Georgia state system right now,' University of South Carolina spokesman Russ McKinney said."⁶⁵

⁶¹Ibid, p. 75.

⁶²U.S. News, 1994, op cit., p. 46.

⁶³Ibid, pp. 91-92.

⁶⁴The Greenville News, January 31, 1994, p. 2A.

⁶⁵Ibid.

"Proceeds from Georgia's lottery, which started this past summer, have allowed more than 30,000 residents to attend in-state colleges or tech schools tuition-free, the Georgia Student Finance Commission says. The scholarships are for freshman and sophomores and are limited to students from families with incomes less than \$66,000. But Georgia Gov. Zell Miller wants to expand that to all four years of college and increase the income cap to \$100,000.

"Clemson's financial aid director, Marvin Carmichael, said a program such as Georgia's would help middle-income families who don't qualify for federal grants because of family income...The state(Georgia) expected to receive \$139 million for education in the lottery's first year, but now the lottery commission says it may total as much as \$280 million by June...South Carolina lottery opponents, however, say...lottery proceeds eventually would dwindle and the state would be forced to push people harder to gamble."⁶⁶

This bogus mentality that lotteries are graciously providing for worthy causes is a lynchpin of lotteries here and around the world.⁶⁷

SEVERAL POINTS TO KEEP IN MIND ABOUT THE "GOOD" GAMBLING DOES:

1) It should be pointed out at the outset, that the philosophy that "the end justifies the means," is illegitimate and incorrect. Almost every evil dictator in history has justified their evil behavior and public policies on the basis that the ultimate "good" justified harsh or evil measures in the meantime. Just because something works, does not mean it is morally right or economically sound.

2) You don't help the poor by penalizing the poor! It is the poorest segment of society that is most tempted to gamble (see above and below), and they are the ones who have the most to lose in doing so. "Instead of making money for the state, the lottery increases the welfare and dependent child subsidies needed by the community."⁶⁸

3) State Departments of Education are not uniformly in favor of economic support gained from gambling.

Do state departments such as education benefit from lotteries? "Bill Honig does not think so. Honig (was) the superintendent of public schools in California, one of eight states in which lottery profits are earmarked for education. In his view, California schools were better off in pre-lottery days. The reason: Taxpayers assume that schools get so much from the lottery that they don't need funds from other sources. 'People think we're sitting on a pile of dough,' Honig says, 'when we're not.' But the public perception that school districts are growing rich from the lottery makes it politically easy for state lawmakers to save money by cutting education spending. In fact, the California school department got 1.5 percent less of the overall state budget in 1988 than it had in 1986, a loss of \$600 million a year.

⁶⁶Ibid.

⁶⁷ As noted earlier, even in Papua New Guinea, where we have lived for eight years, this argument is used. cf. pp. 13-14.

⁶⁸Pulliam, op cit., p.15.

"Honig's experience also demonstrates the validity of a concern expressed by New Hampshire educators back in 1963. Those educators objected to funding public education by means of a lottery, warning that revenues would be variable, up in some years, down in others. True to their prediction, the California superintendent has watched with dismay while lottery income rises and sinks as new games and gimmicks are introduced and abandoned.

"Honig isn't the only educator concerned about the effect lotteries may be having on public schools, and his state is not the only one where education funding decreased after becoming linked to a game. The Michigan, New Jersey, and Illinois school systems, also partially dependent upon lotteries, have suffered similarly. By 1989, the same fate was being forecast for Florida, where the lottery was bringing in just about enough to keep classrooms open for seven days out of the school year. 'In many respects it is inappropriate to say that as the lottery goes up, education spending goes up,' Robert H. Koff, dean of the School of Education at the State University of New York at Albany, was quoted as saying in 1989. New York is another state in which lottery proceeds help support the schools. 'The public assumes there's a direct correlation between the amount of money the lottery brings in and the amount that goes to education. That's simply not the case.'"⁶⁹

"Should the states be in the business of tempting that 4 percent (that will become addicted to gambling)...Should governments be promoting gambling in order to pay a negligible portion of their bills (typically 1-4%)? Should they set up lottery commissions and encourage them to tax regressively, operate expensively, and advertise unscrupulously(see below)...(Other problems include) the fact that most studies show that (lotteries) do hit harder at working class budgets than at middle and upper-class ones(see below); their historical links to increases in illegal gambling(see below); and the disappointment they have proved to supposed beneficiaries like the California public schools--each is mentioned in turn...Should vital services like public education and transportation be dependent, even in part, upon the whims of lottery players? Should Americans be encouraged to believe that luck alone solves problems? '

'**All of us feel a little queasy as a school system based on gambling,**' California's Bill Honig asserts. 'What kind of message is that to kids: That you don't have to work hard because lightning will come from the blue?'

"It's a lousy message--on that, lottery critics are agreed. But the critics are very much in the minority, and their voices are, John Russo ruefully admits, weak."⁷⁰

SO WHAT IS THE SOLUTION TO ECONOMIC SHORTFALLS?

"Gambling is not a substitute for hard work. It never has been. Captain John Smith called the Virginia Company's Jamestown lottery the 'real and substantial food'(sic) that enabled the colony to survive. But was it? American historian Samuel Eliot Morison didn't so much as mention the lottery in writing about Jamestown's transformation from destitute and demoralized settlement to thriving town. The colony's early troubles, Morison wrote, stemmed in good measure from the

⁶⁹Ibid, pp. 78-79.

⁷⁰Ibid, pp. 84 & 92.

fact that its first settlers 'seem to have been divided into those who could not and those who would not work.' Once the colonists gave up the idea that they were going to strike it rich by happening across New World gold, and buckled down to raising tobacco and selling it, their fortunes began looking up. Getting the opportunity to own property and gaining a measure of self-rule helped, too. So did the arrival of women-and later, of children. However John Smith may have seen things, it was hard work and a sense of responsibility, not a lottery that enabled Jamestowners to solve their problems.

"It's about time...to begin telling Americans the blunt truth: that if they want good schools, adequate health care, safe public transportation, and all the rest, they must pay for them.

"George F. Will expressed this idea eloquently in a 1989 issue of Newsweek magazine. 'Once upon a time,' he wrote, 'social health was thought to be connected with the political courage to ask, and the civic virtue to grant, taxes sufficient to pay the price...'⁷¹

3. STUDIES SHOW THAT MANY LOTTERY PLAYERS COME FROM LOWER INCOME BRACKETS.

"The promise of instant wealth appeals MOST to those who can LEAST afford to 'pay and play.'"⁷²

"Just under 33 percent of the people who play are at or below poverty level, 'Oakes said. 'The leading lottery states are also leading welfare states. Washington, D.C. is the leading lottery and welfare 'state.'"⁷³

"Lotteries, too, their critics say, take more from the poor than from the rich. According to some studies, a disproportionate number of lottery players live at the lower end of the income scale. A report released by the National Bureau of Economic Research shows affluent Americans spending a smaller share of their income on lottery tickets than needier ones. Why the difference? Many experts in the field think it reflects the fact that the desire to gamble is a natural human instinct, one that the prosperous can satisfy without having recourse to a state lottery.

"The middle classes and the rich don't usually gamble through lotteries,' says Gary S. Becker, professor of economics and sociology at the University of Chicago. They do their risk-taking elsewhere, in the world of high finance, for instance...the stock market, buying and selling company shares, bonds, and so on. Less-well-off Americans don't have that option. State lotteries, ontrack and offtrack betting, and legalized games at places like casinos and poker parlors are the only lawful forms of gambling in which they can afford to indulge."⁷⁴

"But lottery supporters contend that not even the working poor are disproportionately hurt by the games. They quote, for example, research done in 1974 and 1981 that seems to contradict the

⁷¹Ibid, p.

⁷²Youthwalk magazine, Focus on the Family:Colorado Springs, CO, 1993.

⁷³Smith, op cit., p. 24.

⁷⁴Weiss, op cit., pp. 70-71.

National Bureau of Economic Research finding. Those studies showed rich Americans spending about the same share of their income on lottery tickets as poorer ones. Another study, this one carried out at the University of Michigan, indicated that college graduates are twice as likely as high school dropouts to play the games. In 1987, the Opinion Research Corporation of Princeton, New Jersey, looked at the Maine lottery players and reported that 60 percent claimed to have annual incomes between \$20,000 and \$70,000, while only 30 percent said they earned under \$20,000 a year. (Note that even in these favorable statistics, fully one third of the players were below the poverty line, even back in 1987).

"Lottery critics have little trouble faulting such arguments. A range of \$20,000 to \$70,000 is so wide. How many Mainers who play the lottery earn \$21,000 or \$22,000 a year compared with those who earn \$68,000 or \$69,000? they might ask. For the answer, they could consult the November 1988 issue of Money magazine. According to that source, a typical Maine ticket buyer makes \$35,000 a year, enough for the state to rank, along with Delaware, as the one with the highest average income for lottery players. Players with the lowest average incomes-\$20,460-live in the District of Columbia. Twenty thousand dollars was not a large amount to live on in the late 1980s...and since it was an average, many District players must earn considerably less. As far as the 1974 and 1981 studies are concerned, they go on, it's important to remember that they were conducted before lottomania hit the nation and turned millions of nongamblers into habitual ticket buyers. Were the studies' findings, cited in a 1989 column in Fortune magazine, still valid? The critics add that a California study indicated that the rich spend 0.3 percent of their income on lotteries; the poor, 2.1 percent. One, Charles Colson, wrote in the magazine Christianity Today of a Maryland survey that found the poorest one-third of state households buying one-half of the state's lottery tickets."⁷⁵

In addition to the poorest third buying half the lottery tickets in Maryland, as mentioned earlier, "In New Jersey, a study showed that a third of the families with annual incomes below \$10,000 spent a fifth of their incomes on the lottery."⁷⁶

"...media stories seem to express admiration for the willingness of some lottery players to make serious financial sacrifices.'I'd better win, because this is the mortgage money!' one ticket buyer in Pennsylvania's \$115 million game was quoted as saying. Financial adviser and columnist Sylvia Porter deplores the use of quotes like that one. 'Lionizing such behavior makes little sense,' she says, 'Fiscal irresponsibility is not heroic.'"⁷⁷

"Since it's mostly the poor who gamble, and only a few win, isn't a state lottery a form of tax on those least able to afford it?"⁷⁸

4. **PROFITING AT ANOTHER'S LOSS IS WRONG.**

⁷⁵Ibid, pp. 73-74.

⁷⁶Pulliam, op cit., p. 15.

⁷⁷Weiss, op cit., p. 66.

⁷⁸Chinn,U.S. News & World Report, 1984, op cit., p. 63.

"Gambling creates no new wealth; rather it rearranges present wealth on an inequitable basis."⁷⁹
(See more under pt. IV.)

**5. LEGALIZED GAMBLING (LOTTERIES, POKER MACHINES, ETC.)
ENCOURAGES, ON AN INDIVIDUAL LEVEL, ADDICTIVE BEHAVIOR.**

There is some variation among studies as to precisely how many people will become addicted to gambling, which is reflected in some of the following quotes. Of one thing there is no question: a significant percentage of people who start will become addicted, and that number will grow proportionately to the number playing. With the number of people gambling exploding exponentially, the view is a grim one indeed. Notable examples include Pete Rose and Art Schlichter, who threw away hundreds of thousands of dollars, and even their athletic careers on gambling. These are the famous examples, but there are countless others, just as tragic though far lesser known, whose lives, families, and future have been ruined by gambling.

"Although only 3 to 5 percent of lottery players will become compulsive gamblers, Oakes said, those who do will beg, borrow, or steal to get money to play."⁸⁰

"More gambling means more temptation for compulsive gamblers. In 1975, fewer than 1% of all Americans were considered compulsive gamblers. Today it's between 5% and 11% depending on which study you prefer. States offering the most betting options produce the worst abuse records.

"Politicians don't like to talk about these unpleasant consequences. But there's a not-so-subtle acknowledgment by many states, which set aside lottery profits or casino fines for compulsive gambling assistance programs. Texas, for example, kicks in more than \$500,000 a year and puts a help hot-line number on every lottery ticket."⁸¹

"Studies show that between 5 and 10 percent of those that play the lottery will become compulsive gamblers, unable to control their addiction. These individuals will make shipwreck of their lives and bring great heartache to themselves and their families."⁸²

Lottery supporters argue in reply that "Lotteries...are not sufficiently involving to appeal to gambling addicts or potential addicts. Casinos, racetracks, poker parlors, and the like-these (they say) are what attract certain kinds of addictive personalities and help to produce compulsive gamblers. Strolling up to a lottery terminal in the neighborhood supermarket and casually buying a ticket simply cannot be compared to putting money on the favorite at a noisy, crowded racetrack,(etc.)...Lotteries represent a different type of gamble altogether, their defenders maintain.

"The argument leaves lottery critics cold. If lottery officials haven't made their games as exciting

⁷⁹Ibid.

⁸⁰Smith, op cit., p. 24.

⁸¹USA Today, 4/6/94 op cit.

⁸²Pulliam, op cit., p. 15.

and involving as other gambling activities, they protest, it is not for want of trying. Why are new games constantly being introduced-along with new twists, new colors, new promises-if not to get people involved? Obviously involvement is the aim. Why else the ads that solicit daydreams about the spending of prize money? Why else the 'direction' about the preferred way to choose a number or scratch an instant ticket? Why else the promotions some have labeled fraudulent? (see below).

"Evidence that critics may be right comes from the trade journal *Gambling & Wagering Business*. According to the magazine's figures, the gross amount bet in legal games in 1987 was \$210.8 billion, up from \$125.7 billion in 1982. Factor in the amount spent on illegal bets, and the figures are 151.2 billion in 1982; \$252.8 billion in 1987. The 1987 sum totals to approximately \$1,000 for every man, woman, and child in the country. It represents a gambling increase of 67 percent over just five years, a substantial hike. Not nearly as substantial, though, as the hike in state lottery betting over the same five-year period-317 percent.

"What does it mean that the amount of money bet in state lotteries more than tripled between 1982 and 1987? For one thing, the critics say, not only are Americans gambling, but many of them-like the one who claimed to be betting the mortgage money on Pennsylvania's \$115 million game-are gambling with funds they can ill afford to lose...it is a fact that people are more willing than ever before to spend on lotteries. According to financial writer Sylvia Porter, single-person purchases of up to \$5,000 dollars' worth of tickets for just one jackpot have been documented.

The enormous increase in lottery betting further indicates that **the states have succeeded in making gambling attractive to hundreds of thousands of people WHO WOULD OTHERWISE NEVER HAVE ENGAGED IN SUCH ACTIVITY.** They have made it attractive even to people who may previously have disapproved of it. Iowa took just eight years to evolve from a place where popular attitudes made church bingo illegal, to one in which adults can bet in two different lotteries, at cardrooms and racetracks, on riverboats and via television. **What is more, THE STATES HAVE MANAGED TO MAKE GAMBLING SEEM HARMLESS, EVEN PUBLIC-SPIRITED.** Just a few years ago, most Americans thought of gambling as something that might be fun but that had its disreputable side. Most associated it with corruption and crime. No more. 'What state lotteries have done,' says Valerie Lorenz of the National Center for Pathological Gambling, 'is to take the specter of immorality away and elevate gambling into an act of civic responsibility.'

"Bill Eadington, economics professor at the University of Nevada at Reno, agrees that the games have had that effect.'The lotteries were the catalyst, the driving force, in changing public attitudes toward gambling,' he believes. 'They ⁸³exposed people to gambling who knew little about it.'"⁸⁴

"Thanks to heavy advertising and promotion, Americans are showing themselves increasingly willing to play the games. In Massachusetts and California, that willingness extends to 80 percent

⁸³USA Today, 4/6/94, op cit.

⁸⁴Weiss, op cit., pp. 80-82.

of the adult population. During 1988, New Yorkers spent an average of \$91.17 on lottery tickets. In Pennsylvania, per person sales amounted to \$121.48. On average, people in New Jersey laid out \$152.07, while those in Connecticut spent \$158.53. Massachusetts, the national leader in per capita lottery sales, took in \$234.92 for every Bay State resident. Totaled, that came to gross proceeds of \$1.38 billion in 1988."⁸⁵

The above statistics, of course, have now been far outstripped. More recent statistics indicate that "Lottery tickets alone generated more than \$25,5 billion in 1992...Legal bets rose from \$17.3 billion in 1974 to \$330 billion in 1992."

One thing is for sure: Lotteries have been the catalyst to break down resistance to gambling. Even U.S. News & World Report agrees to that: "The gradual creation of 37 state lotteries broke down the public's mistrust, conveying a clear message that the government sanctioned gambling..."⁸⁶

"Some argue that since people are going to gamble anyway, we should legalize gambling and receive the profits from it. The truth is, however, the state's sanction of gambling has persuaded many people to gamble who probably never would have. The state's attorney of Connecticut explained, 'What we did was encourage people to engage in the vice. We convinced people to gamble who never would become involved in gambling. WE CREATED A WHOLE NEW GENERATION OF GAMBLERS.'"⁸⁷

Will few be addicted to gambling via lotteries? "Perhaps so, perhaps not. One New Jersey woman stole \$38,000 to support her devotion to the state lottery. A young Pennsylvania man lost \$6,000 trying to win a \$2.5 million jackpot. In despair, he attempted suicide...Some who belong to Gamblers Anonymous (G.A.), an organization devoted to helping compulsive bettors kick their habit, trace the origins of that habit to state games. One member, a man identified in G.A. style simply as Jack T., says he became addicted to the Maryland lottery. After spending up to \$400 a week and exhausting his bank account, he embezzled \$14,000-and kept on playing. 'The fear of getting caught didn't stop me...' he says now. 'The fear of jail, the fear of losing my wife-nothing stopped me from gambling.'"⁸⁸

"Arnie Wexler, executive director of the Council on Compulsive Gambling of New Jersey...says he got a phone call late last week(4/94) from a man in his 70s who ran up \$150,000 in debts just by buying lottery tickets...now that casinos are no longer located just in Atlantic City and Nevada it's reasonable to assume that the total number of problem gamblers will soar...'When you make gambling legal and socially acceptable, people will try it and some of them will get hooked.'"⁸⁹

⁸⁵Ibid, pp. 74-75.

⁸⁶U.S. News, 1994, op cit.,p. 43.

⁸⁷Emmett Henderson, State Lottery-cited in Pulliam, Frontline, op cit., p. 15.

⁸⁸Weiss, op cit., p. 82.

⁸⁹U.S. News, 4/94, op cit., p. 46.

Some feel that legalization creates few compulsive gamblers, but "...the problem as G.A. and other lottery critics see it is that the state games are piquing that interest and, as a result, setting people who never thought of gambling on the road to addiction. The National Commission on Gambling, for instance, predicts an increase in female addicts as a result of lotteries. Richard Richardson of the Maryland Council on Compulsive Gambling makes the same prediction. Women, aware of the stigma long attached to gambling, are more likely to play lottery than to go to a casino or out to the track, he believes. 'It's less time-consuming and it's not conspicuous.'

"Richardson believes teenagers and children may become addicted as well.'Where it might be difficult for a 15-year-old to get into a race track or drive to Atlantic City, he can walk into a 7-Eleven and spend \$10 to buy lottery tickets,' he explains. Although it is against the law to sell tickets to minors, such sales have occurred. The growing popularity of self-service lottery terminals could make teen buying even more common. Machines can't detect a person's age. New Jersey's John Russo also worries about the surge in gambling among the nation's elderly. 'Those senior citizens standing on the line at the drugstore in Ocean County would never play an illegal numbers racket with a bookie,' he points out. 'They wouldn't know where to find one.' They know where to find lottery terminals and buses to Atlantic City casinos, though.

"Will finding them lead to their searching out an illegal bookie operation? Lottery supporters may say not, but some of the facts suggest otherwise...the illegal operators of the 1990s may use winning state numbers to determine their own winners. Since such operators return a significantly greater percentage of proceeds to bettors than state lottery commissions do, the incentive for people to switch from legal to illegal activity is strong."⁹⁰

"Richard Mosiman, a vice squad police detective in Portland, Oregon, (says), 'This game (lotteries) could have the effect of introducing a whole new group of people to illegal gambling,' he worries.'The state's game is a sucker's game.' That's because lottery officials return such a low percentage-typically 50 percent or less-in prizes. 'Once the gambler becomes somewhat knowledgeable,' Sergeant Mosiman continues, 'he'll realize there's a better game down the street with the illegal bookmaker."⁹¹

Sports betting is now being mooted, and in regard to that, Valerie Lorenz of the National Center of Pathological Gambling, Incorporated, says, 'I shudder when I think of the implications of this game."⁹²

6. THE OBVIOUS QUESTION: "SHOULD GOVERNMENTS BE INVOLVED IN GAMBLING & LOTTERIES?"

Since 3-10 percent of those who play lotteries will become compulsive gamblers, ruining their lives in the process, the answer is clearly NO! It is a moral disgrace for governments to encourage destructive behavior in their people. We're not talking about people who "are going to gamble anyway." Remember the comment by the state's attorney of Connecticut: "What we did was encourage people to engage in the vice. We convinced people to gamble who never would

⁹⁰Ibid, pp. 82-83.

⁹¹Ibid, p. 97.

⁹²Ibid.

become involved in gambling. We created a whole new generation of gamblers."⁹³

"It is bad enough that large numbers of people have a weakness for gambling; it is inexcusable when a government exploits that weakness."⁹⁴

It also won't do for state lawmakers to put lotteries and casinos on the ballot as referendums with the pious comment: "Well let the people decide." "As of 1990, voters in only one state, North Dakota, had ever turned down a lottery referendum question...most experts expect lottery pressure in the Southern Bible Belt to overwhelm the area and lead to changes in policy there."⁹⁵

Lawmakers know the above fact very well, and if they don't, proponents of various forms of gambling are very quick to inform them. Thus instead of giving solid moral guidance, lawmakers often use a referendum as "cop out" for their own inability to resist the pressure of organized gambling's promoters and lobbyists.

Even worse, in some states [e.g. Iowa] voters have been persuaded to approve gambling with tight restrictions, only to have those restrictions and rules changed after approval has been granted to allow casinos to begin operation [see below]. Such deceptive tactics are a disgrace.

In almost all cases, lotteries contribute very little, percentagewise, to a state's budget, and such gains almost never take into account the negative costs of gambling on various other parts of state budgets, such as social services, welfare, health, etc. As one wrote in regard to the possibility of a National lottery and its potential benefits: "What (is) \$6 billion compared to a national debt of \$3 **trillion?**"⁹⁶

"Each lottery ticket should contain the following warning: 'WARNING! The state treasurer has determined that playing the lottery is hazardous to your financial health and may contribute to compulsive behavior.'"⁹⁷

"The worst form of gambling is the government-sponsored kind. Governments should be in the business of encouraging productive labor and fair distribution of wealth, not in enticing people by means of seductive advertising to crave unearned income through the 'luck of the draw.'"⁹⁸

"Lotteries put the state directly into the business of selling a product where most of the customers must lose. The state should protect its citizens, not exploit them."⁹⁹

⁹³Emett Henderson, State Lottery-cited in Frontline, op cit., p. 15.

⁹⁴Norman Geisler, Gambling: A Bad Bet-cited Ibid, pp. 15-16.

⁹⁵Weiss, op cit., p. 92.

⁹⁶Ibid.

⁹⁷Ibid, p. 16.

⁹⁸Harrison, op cit., p. 165.

⁹⁹Chinn, op cit., p. 63.

THE QUESTIONABLE ETHICS OF THE GAMBLING INDUSTRY:

Casinos use a number of tricks and shady methods to rip people off from their money. When governments encourage and even sponsor such gambling establishments, they are actually participants in this exploitation of their fellow citizens. Is that what you were elected to do, legislator? Were you elected to "rip-off" and destroy the lives of the very people who elected you? Here are some of the tricks & methods casinos use:

1)SUBLIMINAL SCENTS. In 1991 the Las Vegas Hilton Hotel used a Chicago neurologist to pioneer the effect certain vapors in the ventilation system would have on increasing betting at slot machines. The experiment produced a 45% increase in use. "In Nevada and Atlantic City, for example, confidential documents reveal that five casinos now pump Chicago neurologist Alan Hirsch's secret scent-Odorant 1-into the slot machine pits 24 hours a day.(The Las Vegas Hilton never took the idea beyond the testing stage.)"¹⁰⁰

2)SUSPENDING TIME. All Casinos are designed to "suspend" time, so that players lose track of time and stay longer, since it is a mathematical fact that the longer you play, the better the chance that the casino will win. "In 1980, a math whiz named Jess Marcum spelled out exactly how time affects a gambler's odds...a craps player who wagered just \$1 every bet for two months straight would have only one chance in 2 trillion to win \$1,000 before he lost \$1,000. On the other hand, by decreasing his exposure at the craps table to just 25 minutes and wagering \$200 every bet, that same gambler would increase his odds to 1.15 to 1....Since all casino games give the house a mathematical edge, the longer a player gambles, the greater the house's chance of winning...Over a year, a special promotion or interior-design element that somehow keeps gamblers at play for just five more minutes a night can add millions to a casino's gross, or 'hold.'"¹⁰¹

3)THE USE OF "CHIPS". "When a player at a low-limit blackjack table flashes a \$100 bill and asks for chips, for example, dealers at many casinos are under orders to dole out chips of the lowest-possible denomination. Partly a convenience for gamblers, the practice also is meant to discourage low bettors from pocketing higher value chips when they leave the table. Such players are likely to blow all 20 of their \$5 chips at one time...but might hold onto a \$25 chip and never gamble it away...'If you give a guy a \$100 bill he looks at it like a round of golf, a golf cart, two beers and a hot dog. But if you give him chips, it's just betting units and it loses its value.'...'Psychologically, casinos don't want gamblers to realize how much they're losing.'"¹⁰²

4)SLOT MACHINES.

A. "Deep, dark colors like black, red, purple and blue trigger a strong response in slot players, research shows. So, slot machine manufacturers like IGT...prominently feature those hues."¹⁰³

¹⁰⁰U.S. News & World Report, op cit., 1994.

¹⁰¹Ibid.

¹⁰²Ibid, p. 49.

¹⁰³Ibid.

B. The payoffs now days are smaller and more frequent, since they have found that that holds people longer.

C. Since tests in 1937 by Skinner, it has been known that a rat will play a slot machine more if the number of times it wins is random. So slot "pits" have some games that win more often than others, to keep people lured into playing.

D. Casinos are now encouraging players to buy slot-club cards (like an ATM bank card). You can thus keep playing without having to stop to get more coins. The casinos know that if you use that card you will spend more money. "At the Trump Castle in Atlantic City, an internal document shows that 64 percent of all slot players now use the Castle slot card. The cardholders lost \$109 million to the slots last fiscal year, or about \$101 per player per trip. Slot players who never bothered with the card, by contrast, lost \$31 per trip on average."¹⁰⁴

5. "BLACKJACK" TRICKS. "Many casinos now offer 'double-exposure blackjack,' for example, in which the dealers reveal all their cards; players keep trying to top the dealer's hand without going over 21. Novices fall for the ruse, overlooking the rule allowing the house to win all ties. 'That one rule change is worth about 8 or 9 percent in favor of the house,' explains Arnold Snyder, editor of the Blackjack Forum newsletter. Many riverboat casinos also offer 'multiple-action blackjack,' with complex rules that encourage gamblers to place three bets on every hand. 'It causes players to play dumb and put more money on the table,' Snyder says."¹⁰⁵

6. THE MOTIVES OF THE CASINO OWNERS, & GAMBLING IN GENERAL. Let's face it, gambling czars are out to rip people off. No one makes that more clear than Bob Stupak, owner of the Vegas World Casino who advertises regularly in USA Today. Listen to what he had to say in U.S. News & World Report: "We target everybody. That's the business I'm in. Money's money. What's the difference if it's a Social Security check, a welfare check, a stock dividend check?...When we put 50 (slot) machines in, I always consider them 50 more mousetraps. You have to have a mousetrap to catch a mouse...It's our duty to extract as much money from the customer as we can. And send them home with a smile on their face...Benny Binion [late owner of Vegas's Horseshoe] used to say, 'Whiskey is the greatest gambling tonic in the world.' Although everyone else in town was pouring a three-quarters shot, he used to say to give them a shot and a half. He was right."¹⁰⁶

WHEN A LAWMAKER VOTES TO BRING IN CASINOS, LOTTERIES AND OTHER FORMS OF GAMBLING, HE IS BUYING INTO AND PROMOTING THIS PHILOSOPHY OF MANIPULATION AND GREED!

Some lottery proponents claim that gambling is good, meeting a genuine need! "Some, like researcher Weinstein and Deitch, see gambling as a solution to other problems as well. To them, being able to place a bet-legally or illegally-gives the needy a sense of hope for a better future. 'From this point of view,' they contend, 'provision of a legal outlet can be construed as fulfilling a

¹⁰⁴Ibid, pp. 49-52.

¹⁰⁵Ibid, p. 52.

¹⁰⁶Ibid, p. 49.

social need.'(sic)...the need is there...As Americans entered the final decade of the twentieth century, figures from the U.S. Bureau of the Census showed that about one in every seven was living in poverty. During a thirty-two-month period between 1983 and 1986, the last years for which such statistics are available, 18.3 percent of the U.S. population received aid from a major state or federal welfare program. Indications were that the percentage increased substantially in 1990...

"But is legalized gambling the best hope we have to offer these people? What about training and education programs to enable them to get better jobs? What about an even higher minimum wage? More affordable housing? Middle-class Americans often gripe about seeing the poor spending money-sometimes money taken from welfare checks-on lottery tickets. It's true enough that the sight can be infuriating. Are these bettors depriving their children of food? People wonder. Letting a gambling habit keep them from being good parents? But if we defend lotteries on the grounds that they fill a void in the lives of the poor, how can we turn around and blame the poor for taking advantage of what we're offering them?"¹⁰⁷

"'Once upon a time,' writes the conservative (George) Will, 'mass irrationality was considered a menace to democratic government. In this age of lotteries, manufacturing mobs is a government goal and mass hysteria is an important ingredient of public finance.' From a different spot on the political spectrum, Democrat John Russo agrees. Thanks to lotteries, the New Jersey state lawmaker says, 'This is becoming a sick, sick, sick society.'"¹⁰⁸

7. ENCOURAGING GAMBLING, GOVERNMENT SPONSORED OR OTHERWISE, ENCOURAGES AND INCREASES CRIME AND CORRUPTION.

"This enticement(government sponsored gambling) is one which crime syndicates contemplate with glee, for it provides them with FREE ADVERTISING to promote the gambling habit and serves to increase the rate of participation in illegal gambling."¹⁰⁹

Consequently "Christians should not gamble as a matter of principle, even in apparently harmless church raffles, which in a sense have been the thin edge of the wedge in gaining public acceptance for more mammoth legalized gambling operations."¹¹⁰ (cf. Romans 14-stumbling block)

ATLANTIC CITY AS A CASE IN POINT:

"FBI statistics on Atlantic City show that crime has quadrupled since 1977, when casino gambling became legal. Pacific Avenue, a block from the boardwalk, is crawling with pimps, pickpockets, drug pushers, car-strippers, thieves and muggers."¹¹¹

¹⁰⁷Weiss, op cit., pp. 84-85.

¹⁰⁸Ibid, p. 101.

¹⁰⁹Harrison, op cit., p. 165.

¹¹⁰Ibid.

¹¹¹Smith, op cit., p. 24.

Atlantic City had a 1990 population of 37,986. It is basically a small town. Yet Atlantic City has 549 people on its police force, or one police officer for every 69 people. Is that high? Well, in comparison, other New Jersey cities such as Hackensack and Hoboken have nearly identical populations, yet both cities have 4 times FEWER police! Greenville, South Carolina has one and a half times as many people, yet has two and a half times FEWER police! i.e. 1 for every 300 people.

Panama City, Florida is the same size as Atlantic City, and has other similarities to Atlantic City- e.g. it's a tourist destination on the Atlantic Ocean (Gulf of Mexico) whose main claim to fame is its beaches, etc. Yet while Panama City is the same size as Atlantic City, it has a police force 3 & 1/2 times SMALLER! (1 for every 261 people). The writer lived in Pontiac, Michigan for several summers. Pontiac has a racially mixed population, has seen a great deal of violence, unemployment, etc. Yet while Pontiac is two times BIGGER than Atlantic City, it has 2 times FEWER police! Even my home town of Battle Creek, Michigan humiliates Atlantic City. Battle Creek has 1 & 1/2 times more people, yet has 3 & 1/2 times FEWER police (1/345 people).¹¹²

In short, casinos have done nothing to help Atlantic City's development-with the exception of developing its crime problem. Casinos have caused an increase in employment-employment in the police force, to try and control the crime to some degree.

"What about the problem of decaying urban areas like Atlantic City? Casino gambling was supposed to bring new life to the place, to produce jobs and stimulate a building boom. It didn't. The first Atlantic City casino opened in 1978, and eleven years later (1989), Time magazine noted, the town had 18,103 slot machines-and not a single car wash or movie theater. It had one supermarket and had lost 20 percent of its people. Of those who remained, 75 percent officially ranked as poor. So much for casinos as Atlantic City problem solvers."¹¹³

"Atlantic City's casinos provide up to 7 percent of the state's revenue, and in Las Vegas the rate is 12 percent. But Oakes said Las Vegas also has the highest crime rate per capita in the nation."¹¹⁴

LAS VEGAS AS ANOTHER CASE IN POINT:

In regard to Las Vegas' crime rate, again the police to population ratio tells a big story. Las Vegas had a 1990 population of 258,295 and a police force of 2,065 members. That is equal to one police officer for every 125 residents. In comparison, Omaha, Nebraska is 1.2 times BIGGER than Las Vegas, yet has 3 times FEWER police! Atlanta has nearly the same number of police, but Atlanta is one and a half times larger, with nearly 135,000 more people! San Francisco has close to the same number of police (2,261), but that city is nearly THREE TIMES BIGGER! Tampa, Florida, not exactly paradise, has about 20,000 more people yet only HALF AS MANY police (1,073)! Jacksonville, Florida has the same number of police as Las Vegas, but the

¹¹²All population statistics from: 1990 Census Snapshot for All U.S. Places. Toucan Valley Publications, Milpitas, CA 95035, 1992. All police statistics from: Uniform Crime Reports for the United States-1992. F.B.I., U.S. Dept. of Justice, Washington, D.C. 20535. Superintendent of Documents, U.S. Govt. Printing Office, Washington, D.C. 20402.

¹¹³Weiss, op cit., p. 86.

¹¹⁴Smith, op cit., p. 24.

population of Jacksonville is two and a half times BIGGER, with almost 400,000 more people!!

Miami isn't exactly known as a bastion of peace and tranquility, yet Las Vegas has more than TWICE AS MANY police, per capita as Miami does!(Miami has 1 for every 272 people). Louisville, Kentucky has an almost identical population to Las Vegas, in fact it's slightly larger, yet they have 2 & 1/2 times fewer police. Even Detroit, known as the murder capital of America, can't compare with Las Vegas. Detroit has four times more people, but only twice as many police (1/234 people)!¹¹⁵

The suicide rate in Las Vegas is the highest in the entire United States.¹¹⁶

Some statistics show Las Vegas' crime rates coming closer to the rest of the country's. But that is not because their crime problem is decreasing, but rather, because the rest of America is becoming worse, as TIME magazine, in a feature article on Las Vegas in January, 1994 makes clear: "Booming with three new mega-hotel-casinos, the city now seems mainstream. But that's only because the rest of America has become more like Vegas...the place is no longer considered racy or naughty by most people. It seems incredible today that a book in the '60s about the city was called Las Vegas, City of Sin? The change in perception is mainly because Americans' collective tolerance for vulgarity has gone way, way up...**If it is now acceptable for the whole family to come along to Las Vegas, that's because the values of America have changed, not those of Las Vegas.** Deviancy really has been defined down. The new hang-loose all-American embrace of Las Vegas is either a sign that Americans have liberated themselves from troublesome old repressions and moralist hypocrisies, or else one more symptom of the decline of Western civilization. Or Maybe both...How ironic that...countercultural ripple effects have so raised the American prudishness threshold that Las Vegas is considered no more unseemly than any other big city."¹¹⁷

"Is the crime problem (for Las Vegas) bad? Yes and no. Yes in the sense that the rates for murder and other violent crimes are somewhat higher than for the rest of the nation generally. But then they always have been...What's interesting is how even in its level of violence the rest of America has come to resemble Las Vegas. The city's homicide rate was 128% higher than the nation's as recently as 1982; today the Las Vegas homicide figure is only 56% higher than the national rate. In 1982 the local rate of violent crime-rapes, robberies, assaults, as well as homicides-was 90% higher than the national figure; today it is only 17% higher."¹¹⁸

The state of Nevada's "...welfare case load has risen 54% just since 1991.'We currently have 10,500 new jobs coming online,' says welfare administrator Mila Florence, referring to the staffing of the Luxor, Treasure Island and MGM Grand. 'The number of persons coming into the state seeking those jobs far exceeds the number of jobs available, so our agency becomes the safety net.'"

¹¹⁵1990 Census Snapshot & Uniform Crime Reports-1992, op cit.

¹¹⁶Time, op cit., p. 43.

¹¹⁷Ibid, pp. 42-43, 44, 51, 45.

¹¹⁸Ibid, p. 50.

Thus when casino gambling promoters boast that they will create "x" number of jobs, it should be kept in mind that those very jobs may attract people from outside their state, thus increasing the social service/welfare load, not alleviating it!¹¹⁹

Screenwriter Jim Hart "...understands the place (Las Vegas) has an intrinsically dark edge.'You can come out for 24 hours and lose the tuition,' he says.'There are a lot of desperate **characters here.**'"¹²⁰

EVEN THE AIR IS BAD IN LAS VEGAS!

In a recent USA Today review of Las Vegas, the writer repeatedly referred to the problem: "Before you get ready to scrap Mickey Mouse for the MGM Grand Hotel's King Looney, ask yourself two hard questions: Are you prepared for your child to suffer from the heaviest concentration of secondhand smoke west of a tobacco growers' convention?...In Vegas, the gambler is still king. You can't get anywhere without slogging through the casinos, which tend to be very smoky and noisy and filled with colorful slot machines...The crowds are unbearable after awhile, and because of the unique construction, the smoke seems heavier at Luxor than anywhere else."¹²¹

"The lung-cancer death rate here (Las Vegas) is the second highest in the country; the suicide rate and cellular-phone usage are the highest-(and) constitute a vivid, up-to-date sketch of the place."¹²²

WILL LEGAL GAMBLING CUT DOWN ON ILLEGAL GAMBLING?

It should also again be pointed out that the idea that legal lotteries and gambling cut down on the illegal variety is an extremely debatable view, at best. Legal games may in fact INCREASE illegal action, as noted earlier. Professional law enforcement personnel have pointed out that a person can normally make more playing the illegal variety, and many eventually wise up and quite the legal variety for the better paying illegal action: "The state's game is a sucker's game...Once the gambler becomes somewhat knowledgeable...he'll realize there's a better game down the street with the illegal bookmaker."¹²³

THE PROMOTION OF STATE-SPONSORED GAMBLING HAS, ON A NUMBER OF OCCASIONS EVEN CORRUPTED THE VERY OPERATORS OF THE GAMES:

"...questions about lottery integrity do crop up from time to time. The director of the Maine lottery resigned in 1985 after it became known that he had broken state rules by entertaining lottery sales agents and their families. He had also, again contrary to the rules, accepted free

¹¹⁹Ibid, p. 51.

¹²⁰Ibid, p. 51.

¹²¹Graham, USA Today, op cit., 2/24/94, p. 5D.

¹²²Time, op cit., p. 43.

¹²³Weiss, op cit., p. 97.

services from the game's principal contractor, Scientific Games. Four years later, fraud charges were filed against two Pennsylvania men alleged to have used a computer to forge a winning ticket worth \$15 million. In another Pennsylvania incident, some lottery officials were found to have injected liquid latex into most of the numbered balls used in the drawing. The latex made the balls heavier, and that meant that the untreated balls-those marked with numbers on which the officials had bet-rose to the top of the hopper and were picked. The fraud was discovered in 1980, before those who had concocted it could collect their 'winnings.' Each spent between two and five years in prison. In Tennessee, which does not have a state lottery but which does permit charitable bingo, bribery and corruptions charges have been leveled against two dozen people allegedly involved in cash-skimming schemes. Two state officials caught up in the investigation committed suicide."¹²⁴

THERE IS ALSO SOLID EVIDENCE THAT THE MAFIA IS BEHIND AT LEAST SOME OF THE GAMBLING INTERESTS, INCLUDING POKER MACHINES:

"A probe resulted in the arrests yesterday(June 1, 1994) of 17 people accused of using a video poker company to skim profits for the Marcello, Genovese and Gambino crime families in Louisiana and New York. Authorities would not estimate how much money the alleged scheme netted.

"About 14,000 video poker machines are operating in Louisiana bars, restaurants, truck stops, race tracks and off-track betting parlors...(the) arrests were made in Louisiana, New York and Florida on a basis(sic) of a sealed indictment handed up Friday following a 2&1/2 year investigation by the FBI and Louisiana State Police.

"The racketeering charges allege that the Genovese and Gambino families aided the Marcello family in establishing and controlling Worldwide Gaming of Louisiana and its subsidiary, Louisiana Route Operators Inc., which distributed video gaming machines."¹²⁵

YET IN SPITE OF THE ABOVE FACTS REGARDING HOW DEROGATORY GAMBLING IS TO A LOCATION, states are tripping over each other in their race to see how fast they can get lotteries, casinos, etc., set up in their states!

HOW FAST CAN STATES BECOME GAMBLING CRAZY?

"If any state provides a measure of America's growing devotion to gambling, it is Iowa. As recently as 1983, even church bingo games were illegal in the state. Six years later, not only was bingo legal and riverboat gambling on its way, but Iowans could also buy tickets in a state lottery and in Lotto America. They could gamble in card rooms and place bets at four separate racetracks. If they wanted, they could gamble right in their own living rooms, thanks to a **television program produced by state lottery officials and involving contestants in the studio and viewers at home**. The TV show was a smash hit around the state."¹²⁶

¹²⁴Ibid, p. 58.

¹²⁵The Cleveland Plain Dealer, Wednesday, June 1, 1994, p. 10-A

¹²⁶Enslow, cited in Weiss, op cit, p. 47-48.

8. GAMBLING AND LOTTERIES OFTEN DECEIVE IN THEIR PROMOTIONAL ADVERTISEMENTS AND MATERIALS.

In Papua New Guinea the advertising for a lottery in 1993 stated: "Lotto is an easy game that give you the chance to WIN UP TO HALF A MILLION KINA OR MORE **every week**, by correctly picking six winning numbers from a possible 38." In reality, it took 4 months (not one week) for the Lotto jackpot to reach only K160,000.00 (not quite 1/3 of a half million kina)-clearly a deception. At the rate it was going it would have taken over a YEAR (!) to achieve ONE K500,000.00 jackpot-that's a far cry from the boast of a jackpot of up to half a million or more every week.¹²⁷ Probably the only thing that keeps them from being sued are the words "up to."

"The Pennsylvania lottery office boasts, 'By supplying over 40 cents of every dollar for benefit programs, the Pennsylvania State Lottery is a successful enterprise of which all Pennsylvanians can be proud.'

However, that so-called success is driven by the novelty of the game and the promise of bigger and bigger prizes. Ralph Batch, a former lottery executive, was quoted in Public Gaming magazine as saying, 'It is very important to have new lottery games on the drawing board at all times. You should always have a backup game-a new package-to maintain the interest and excitement of the public.'¹²⁸

FACT: WITHOUT ADVERTISING, LOTTERIES WILL DIE!

"When Missouri initiated its game in 1985, advertising was forbidden altogether. For a while, the lottery limped along, with actual proceeds falling well short of earlier projections. Eventually, state lawmakers overturned the advertising ban, at the same time killing a rule that limited the amount lottery officials could spend on operating costs. Profits shot up. Missouri people had discovered that to succeed, a state lottery must be promoted...New Hampshire learned the same lesson..."By the mid-1980s, according to the Television Bureau of Advertising, states were putting \$23.3 million a year into TV ads. Five years later, twenty-eight states and the District of Columbia were spending more than four times that amount on lottery advertising in all the media. **Much of that money, lottery critics maintain, pays for ads that are misleading-or downright dishonest.**"¹²⁹

"An ad for aspirin, for example, may say that the product relieves cold symptoms, but may not include the claim that it kills the virus. The Federal Trade Commission (FTC) is the government agency charged with the primary responsibility for ensuring truth in advertising.

"But the FTC has no jurisdiction over state lottery advertising-or over state advertising for other types of legalized gambling. The agency's power of enforcement is limited to private enterprise. 'It may disapprove, but it can't touch fraud by state governments,' Eliot Marshall, former senior

¹²⁷Quote from a "Lotto" promotional brochure distributed in all post office boxes in the main post office in Boroko, Pt. Moresby, Papua New Guinea, 1993.

¹²⁸Smith, op cit., p. 24.

¹²⁹Weiss, op cit., p. 61.

editor of The New Republic magazine, has complained. 'It offends the...sense of decency that anyone should openly peddle a product so clearly designed to seduce the gullible,' Marshall wrote. 'Lotteries are in the business of selling illusions.'¹³⁰

A. DECEPTION REGARDING HOW TO WIN- e.g. THE "RIGHT" WAY TO RUB OFF TICKETS?

"Illusions? Seduce? Fraud? Yes, the critics say. What else is it but fraud when a lottery ad depicts players demonstrating the 'right' way to rub a scratch-off ticket to make sure of winning? There is NO right way. Winning in an honest lottery is a matter of random chance and nothing else. Yet lottery ads also feature people discussing their 'systems' for coming up with sure-fire winning number combinations. Absolutely no such system exists. For lottery officials to imply that one does is as false as for aspirin makers to say that they have a cure for the common cold-a statement that would have the FTC knocking at their doors within hours."¹³¹

B. DECEPTION REGARDING THE CHANCE OF WINNING or, DOES WINNING HAPPEN "ALL THE TIME"?

"Lottery ads are misleading, or worse, in more ways than one...The ads make it sound as if winning happened all the time. It doesn't. What is more, many who do count as winners get no more than a dollar or two or perhaps an extra ticket. But in ads, even these 'winners' seem as thrilled as the latest lottery millionaire. Other ads urge people to think about-even to plan-how to spend the prize money. Always, there's the assumption that not only will the prize be won, but also that it will be 'the big one.' The theme of a 1989 series of ads for the Maine State lottery: 'Just imagine the feeling.'

(LOTTERIES FULFILL MARTIN LUTHER KINGS DREAM???)

"Other ads for state-sponsored gambling operations similarly deal in illusion...Advertising copywriters for the Illinois State lottery didn't stop with implications.'Money Does Grow on Trees,' was one slogan they came up with. According to The Christian Science Monitor, an ad for the Washington, D.C., lottery drew a comparison between the game and civil rights leader Martin Luther Kings, Jr.'s dream of racial and economic justice for Americans of all races. That ad, aimed at a largely black and relatively poor population, struck many observers as especially offensive."¹³²

Lottery officials also deliberately deceive in stating the odds of winning, as mentioned earlier in this paper. The chance of winning any large amount runs into the millions to one category. Yet lottery ads often speak or talk of 1 in 4 or 1 in 8 chances to win.

C. DECEPTION BY CHANGING THE ODDS OF WINNING:

¹³⁰Ibid.

¹³¹Ibid, pp. 61-62.

¹³²Ibid, pp. 62-63.

"Lottery advertising is also quiet about the fact that state lottery commissions deliberately make their prizes harder and harder to claim by repeatedly lengthening the odds against winning. When a man named Lou Eisenberg won \$5 million in New York's Lotto in 1981, he did so by overcoming odds of close to two million to one. Seven years later, Eisenberg was obliging the state commission by taping ads for the game-but without mentioning the fact that the odds he beat had been changed to almost 13 million to one.(!) How had the change come about? In 1981, a lotto winner had to pick six correct numbers out of a total of forty. 'Lotto 40 became Lotto 44 in October 1983,' Zachary M. Berman of Brooklyn pointed out in a 1988 letter to The New York Times, meaning that the six matching numbers had to be chosen from a field of forty-four. 'Lotto 44 became Lotto 48 in June 1985,' he continued. 'This year, Lotto 48 begat Lotto 54.' To win that game, a person would have to get six figures right out of fifty-four-'insurmountable' odds, Berman called them. Perhaps they are. If so, they were meant to be...lotteries are designed to produce losers, not winners...the reason for that: Big jackpots bring in big proceeds. The simplest way to raise jackpots is to make the odds of claiming one so bad that it 'rolls over' winnerless week after week, snowballing as it goes."¹³³

D. DECEPTION IN THE PAYOUT OF WHAT HAS BEEN "PAID IN":

"Also making state lotteries tough to win is the fact that most pay out only half or less of their proceeds in prizes. Exceptions in 1988 were Illinois, Connecticut, Iowa, and Wisconsin, each of which paid out 51 percent to winners, as well as Vermont (52 percent); Delaware (53 percent); and Massachusetts (a whopping [sic] 59 percent). Kansas, the least generous of states, was giving away just 44 percent of gross revenues that year. A racetrack operation, by contrast, returns 80 percent of its take to bettors, and at casino slot machines and roulette tables, payout rates may be as high as 95 percent. Even illegal numbers games return 60 percent to those who play them, a fact it is certain no one will learn from lottery ads."¹³⁴

Of the 22 U.S. states(Washington, D.C. was counted in that total)which had lotteries prior to 1986, only 6 devoted 50% or more of the revenue towards prizes for players. The majority didn't even achieve that modest total. 5 more states were approved for lotteries in 1986 but figures were not yet available at the time of the writing of the article being quoted.¹³⁵

E. DECEPTION IN HOW MUCH WINNERS ACTUALLY GET:

"Another fraudulent element in lottery advertising...is that the ads fail to make clear how much winners really get. In the first place, the ads tend to ignore the tax bite. The '\$6 million' Anhtinh Ton Giang won in 1989, for instance, boils down to \$4.8 million after taxes. Of course that is not the advertiser's fault, nor the lottery commission's. State and federal governments insist upon taking their share of lottery jackpots.

"But even though U.S. lottery officials do not set tax policy, they are the ones responsible for the fact that Anhtinh will get his \$4.8 million, not in one lump sum, but as twenty annual

¹³³Ibid, pp. 64-65.

¹³⁴Ibid.

¹³⁵Smith, op cit., p. 25.

installments. Not that nearly a quarter of a million dollars a year for twenty years is anything to sneeze at, but it is not as much-and the ads utterly ignore this aspect of lottery operation-as Anhtinh would have had if Ohio had given him his entire winnings upfront. Wisely invested over twenty years, they money would have grown to considerably more than \$4.8 million."¹³⁶

F. DECEPTION IN HOW MUCH OF THE LOTTERY PROCEEDS ARE ACTUALLY PAID TO THE WINNER, AND HOW THEY ARE PAID-(ANNUITIES):

"Beyond that, the amount of money a state pays out in megaprizes comes to much less even than a winner's after-tax earnings. That is because rather than setting aside the entire amount of a prize, a state buys annuity policies for its big winners. Each annuity, plus the interest it earns, becomes the prize.

"How much can a state save with annuities? Sheelah Ryan won '\$55 million' in a 1988 Florida lottery, but the state paid only \$26 million for her policy. She will get the money owed her, but less than half of it will come from actual lottery proceeds. If, on the other hand, she had gotten the full \$55 million and bought her own annuity, she might have ended up with twice that amount."¹³⁷

"Are truth-in-advertising rules likely to be applied to state gambling operations?...Not if state lottery officials and others involved in legalized gambling have their way. As they see matters, putting such reforms in place would mean the beginning of the end for their businesses. Warn gamblers that they risk becoming addicted? Millions of Americans threw away their cigarettes after reading and hearing tobacco warnings. What will happen to tax-substituting lotteries and other gambling schemes if people listen to warnings about them?...Who would purchase a ticket on a chance to win \$115 million if they understand that the odds of taking home the prize were roughly the same as the odds of living to the age of 116? Not very **many people. Certainly not enough to pull even a few million dollars a year into the state treasury.**"¹³⁸

"Lottery...officials...object to the idea that they ought to be informing consumers about the drawbacks of delayed payments, low payout rates, the odds against winning, and so on. Their objection is based on the feeling that they are not so much selling the chance of winning as they are selling the "dream" of winning. The chance of walking off with millions may be infinitesimal, but the dream belongs to everyone. 'It's just as much fun to think about winning as it is to win,' one lottery promoter says. And it costs only a \$1...'Everybody wins,' Wallace G. Soule, Jr., director of the Maine lottery, says of the game in his state. 'I don't see as there are any losers.'...it buys better education for children...health care for the elderly...helps pay for transportation systems and...parks and recreational facilities.

"...politicians are happy to see lotteries, OTB, and other forms of legalized gambling substituting for new tax laws...Politicians know that if they want to be reelected to office, they must please the public, something more easily done by lowering taxes than by raising them.

¹³⁶Weiss, op cit., pp. 65-66.

¹³⁷Weiss, op cit., p. 66.

¹³⁸Ibid, p. 100.

Lawmakers reckon that the longer they can keep lottery revenues flowing-and new tax laws off the books-the safer their jobs are. That kind of reckoning may be good politics, but is it good tax policy?"¹³⁹

The answer is no. First, lawmakers should have the intestinal fortitude to do what is right and best for their constituents. Secondly, lotteries, etc., in most cases, contribute insignificant percentages of a state's budget, as noted earlier. Thirdly, the social costs of gambling probably far outweigh both financially and otherwise, any supposed benefits.

A BRIEF LOOK AT CASINO GAMBLING AS AN ECONOMIC SAVIOUR.

Recently in South Carolina, there has been a huge push to bring dockside casino gambling to the state. In 1994 alone, \$200,000 will be spent by casino proponents in their lobbying efforts.¹⁴⁰ Public relations firms have been engaged to push gambling.¹⁴¹ The promises they make are very attractive. One headline blared: "Casino Proponents Promise Big Bucks."¹⁴² Supposedly more than 18,000 workers would be needed to build six casinos in South Carolina. Allegedly, 22,000 jobs would be created indirectly with the state gaining \$124 million in new taxes and local governments picking up an additional \$44 million.¹⁴³

GAMBLING...OR "GAMING"?

One familiar tactic gambling promoters have already used, is to get rid of the term "Gambling", instead giving it the euphemism "Gaming." The folks in Las Vegas figured out this semantical trick a long time ago, as TIME magazine pointed out in an extensive article on Las Vegas that appeared in January 1994: "Even when a casino is a part of a new development, it is described as something else. Jack Sommer's Mountain Spa, the posh pseudo-Mediterranean resort about to start construction, will have a small 'European-style' casino. But, says Sommer, 'it's not really a CASINO. I call it a 'gaming amenity.'

"Semantic nuance, it turns out, is important.'They don't see themselves as gamblers,' says Steve Wynn of the new tourists he is attracting (to Las Vegas). 'They think of themselves as folks who are on vacation, and while they are there-hey, let's put some money in the slot machine.'"¹⁴⁴

It's worth noting that Las Vegas is now building hotel/casinos with amusement parks in them. That is not an accident. "The smart operators, such as Wynn, understand the proper Vegas meaning of family fun: people who won't take vacations without their children now have places to stick the kids while Mom and Dad pursue the essentially unwholesome act of squandering the

¹³⁹Ibid, pp. 67-69.

¹⁴⁰The State, Columbia, S.C., pp. 1B,6B, date uncertain(1994).

¹⁴¹The Greenville Piedmont, Wednesday, Feb. 2, 1994, p. ?

¹⁴²The Greenville Piedmont, Tuesday, March 22, 1994, Local Section, p. 2.

¹⁴³Ibid.

¹⁴⁴Time, op cit., p. 51.

family savings on cards and dice."¹⁴⁵ That comment was not made by a Bible-thumping preacher, but the writers of Time magazine! It is well justified. Listen to Steve Wynn, builder and owner of the \$475 million dollar Treasure Island Casino/Hotel: "It's one thing for the place to be user-friendly to the whole family because the family travels together...It's quite a different thing to sit down and dedicate creative design energy to build for children. I'm not, ain't gonna, not interested (sic). I'm after Mom and Dad."¹⁴⁶

BUT CAN CASINO'S DELIVER THE ECONOMIC GOODS?

Promoters of casinos in Atlantic City..."hammered away at two basic themes. Taxing the casinos would help the state keep individual taxes low, and the industry would mean new building and new life for the dilapidated town...Since then, Puerto Rico has welcomed casino gambling and so has Deadwood, South Dakota (home of Wild Bill Hickok)...South Dakota's casinos opened in 1989, the same year Iowa authorized a 1991 start to casino gambling on old-fashioned riverboats on the Mississippi."¹⁴⁷

NOTE: Don't forget about these riverboats-We'll come back to them later, and give you, as Paul Harvey says, "The end of the story."

DID CASINOS BRING NEW LIFE TO ATLANTIC CITY?

ANSWER: **NO!** "It didn't. As mentioned earlier, the first Atlantic City casino opened in 1978, and eleven years later, TIME magazine noted, the town had 18,103 slot machines-and not a single car wash or movie theater. It had one supermarket and has lost 20 percent of its people. Of those who remained, 75 percent officially ranked as poor. So much for casinos as Atlantic City problem solvers. (!)"¹⁴⁸

In comparing population statistics of cities with the number of police employed in those same cities, one can quickly detect what cities have major crime problems. It is worth noting that when you do that, Las Vegas and Atlantic City have vastly higher police to population ratios, than virtually any city in America, including such crime capitals as Detroit, Miami, Tampa, etc. (see earlier discussion).

BUT LET'S GET BACK TO THE RIVERBOATS!

Remember Iowa and their riverboat casinos? "When Iowans approved riverboat gambling to be based in the town of Davenport, it was by a 60-40 margin. Voters there were clearly impressed by a study suggesting that a yearly seven-month riverboat season would stimulate \$69 million in new spending, create 2,350 new jobs, and produce \$490,000 in new local tax revenues, as well as \$1.2 million for the state. Increased tourist traffic might necessitate a new hotel and restaurant."¹⁴⁹

¹⁴⁵Ibid, p. 44.

¹⁴⁶Ibid.

¹⁴⁷Weiss, op cit., p. 47.

¹⁴⁸Ibid, p. 86.

¹⁴⁹Ibid, p. 94.

Those observations were made in 1990. In 1994, only 4 years later, the **reality** is, three of the original six boats have left Iowa permanently, having sailed downriver to Missouri and Mississippi. A fourth is threatening to depart. What happened? The casino operators said that they couldn't make enough money with the Iowa law that limits individual bets to \$5 and losses on each cruise to \$200.

"Five years ago **those very restrictions persuaded skeptical Iowans to embrace 'harmless' casino gambling as an economic development tool.** But the riverboat owners complained that the limits kept them from making money...(so) This spring, the Iowa Legislature and Gov. Terry Branstad agreed to let counties vote to eliminate (that) law."¹⁵⁰. As one sensible lawmaker, Darrell Hanson who represents Manchester in the (Iowa) state House has said: "Gambling interests are like the teen-age boy in the back seat of a car on a date...It's, 'let me go this far and no further.' And then, 'This far and no further.' I suspect the final result will be the same for riverboats, as well."¹⁵¹

Not only did the riverboat casinos not produce the projected benefits, they actually left the taxpayers holding the bag-and a very big bag at that!

"Iowa officials say the boats were good while they lasted, but they didn't spawn much land-based development.'We did nothing for them, and quite frankly, we got nothing in return.' said Ann Hutchinson, mayor of Bettendorf, where the Emerald Lady's sister ship, the Diamond Lady, also set sail for Mississippi in July 1992.

"In a little more than a year of gambling, Bettendorf reaped more than \$300,000 in tax revenue, city officials said. But a multimillion-dollar complex that developers said would include an amusement park, a hotel and an outlet mall never materialized on the city's still-blighted riverfront.

"The Emerald Lady's departure from Fort Madison cost...at least 200 others their jobs. But it also cost the city of 11,600 residents, which had sold bonds to finance a \$2.6 million dock and a posh boarding pavilion. When the Emerald Lady sailed away and gambling-tax revenue stopped rolling in, Fort Madison had to raise property taxes 5 percent to avert defaulting on the 15 year bonds. The town still has a lawsuit pending against the Emerald Lady's operators...Just when it seemed that things couldn't get worse in Fort Madison, the Mississippi River flooded. The empty boarding pavilion that residents were paying for in higher taxes was narrowly saved by volunteers who piled sandbags 3 feet high and ran pumps nonstop for weeks.(!)¹⁵²

The problem is that gambling advocates present lotteries and casinos as sources of, and I quote, "economic salvation."¹⁵³ **THEY ARE NOT!** In an excellent editorial, Beth Padgett of the

¹⁵⁰The Greenville News, Sunday, April 24, 1994, p. 4B.

¹⁵¹Ibid.

¹⁵²Ibid.

¹⁵³From a promotional brochure titled: CASINO GAMING: The Potential For South Carolina, p. 3, published by the Palmetto Dockside Gaming Association, 1994.

Greenville Piedmont made reference to two experts on the subject: William R. Eadington, Professor of Economics and Director of the Institute for the Study of Gambling and Commercial Gaming at the University of Nevada at Reno, and Steven D. Gold, Director of the Center for the Study of the States, the public research arm of the State University of New York:

"Together, although in separate pieces, these two men burst the bubble of all those legislators...who believe legalized gambling is the answer to their prayers...'Casino mania is sweeping the country,' Gold wrote in a 1993 study entitled 'Gambling is no panacea for ailing state budgets.'...What did Gold find in his study? Wildly inflated expectations about the benefits of gambling for state revenue and economic development. Among his major findings were these nuggets:

-Gambling doesn't generate enough revenue for states to significantly reduce reliance on taxes.

-As more states open casinos, their potential for producing state revenue and stimulating economic development diminishes. Casinos are most beneficial when they draw people from outside the state. **As they become less exotic and more accessible, they attract fewer out-of-state residents and more home folks.**

-Gambling proponents often fail to distinguish between gross and net revenue. After money comes out of the gambling revenues for prizes and administration, only 40 percent (of lottery sales, that is) were available for state programs. That was only \$7.8 billion nationwide, or 3.2 percent of the budgets of states that have lotteries.

"Gambling does increase state revenue, he concluded, but not nearly as much as gambling proponents had claimed it would. States do receive direct economic benefits from taxes, and indirect benefits from the employment created at casinos and at businesses, such as hotels and restaurants, that serve their patrons.

"In return, though, states face the social costs associated with legalized gambling, including an increase in compulsive gambling and a need for infrastructure and increased services, such as police protection."¹⁵⁴

There is no question that Nevada pulls in a lot of money from gambling. According to Time magazine, Nevada now derives half its public funds from gaming-related revenues—from voluntary consumption taxes, nearly all paid by out-of-staters. Nevadans pay no state income or inheritance tax.¹⁵⁵ That sounds good, but, as is pointed out elsewhere in this paper, there is a downside, e.g. highest suicide rate in America, highest per capita crime rate in America, extremely large per capita police and welfare costs, etc. "A new report from the Center for the Study of the States concluded...that 'gambling cannot generally produce enough tax revenue to significantly reduce reliance on other taxes or to solve a serious state fiscal problem."¹⁵⁶

¹⁵⁴The Greenville Piedmont, March 9, 1994, p. ?

¹⁵⁵Time, op cit., 1/10/94, p. 45.

¹⁵⁶Greenville Piedmont, op cit., 3/9/94.

In reality, Las Vegas is the exception, financially, that proves that rule. No other city or town can point to 3 new hotel/casinos opening up in one year alone, which cost almost two BILLION dollars combined to build! And no other town ever will! It is impossible to compete with a city with that type of fame, financial wherewithal and glamour. Let's face it, Streisand, Sinatra, and the rest, sing in Las Vegas. They don't sing in Tunica, Biloxi and Joliet. And it's those kinds of extras that attract out of state visitors. It's the boys in Las Vegas who can afford to run the full page, full color ads in USA Today like Bob Stupak of Vegas World Hotel Casino did, offering a 3 day vacation for two for \$398-with \$1000.00 in cash and casino action.¹⁵⁷ As Padgett, quoting Eadington pointed out:

"...political entities can get 'snared by the promise of easy money, with their leaders seeing casinos as a magic solution to many public needs.'**(But)With casinos and other forms of gambling spreading like kudzu**, some (all other?) locales will turn up losers.

"The casinos that will survive, Eadington said, are those in exotic and exciting places, not in merely convenient places. Good news for Las Vegas and New Orleans; bad news for Biloxi, Miss., and Deadwood, S.D. 'Common sense dictates that if there are casinos all over the country, most of them will not get much of a draw from outside their immediate area,' Eadington wrote.

'The belief that every town or reservation can capture a lion's share of the tourist pot is as unrealistic as it is for players around a poker table.'¹⁵⁸

It is a basic fact of life that there are only so many dollars available, and those dollars are going to go where it is most exciting.

A demonstration of this principle is the fact is that it takes more than three times as long for casinos to recoup the cost of a slot machine in Illinois as it does in Nevada. (20 days vs. 67 days, for a \$5,000 slot machine).¹⁵⁹

THE RAPIDLY APPROACHING SATURATION POINT OF GAMBLING:

We are rapidly approaching the saturation point for gambling. "In 1976, only Nevada allowed casinos; now 21 states do. Back then, just 13 states ran lotteries; now, 36."¹⁶⁰ the wildly inflated financial numbers are going to prove to be more and more a myth.

Since the above statistic was written, the number has gone up again: "Casinos now operate or are authorized in 23 states, and 95 percent of all Americans are expected to live within a three or four-hour drive of one by the year 2000. Today, the Bible Belt might as well be renamed the Blackjack Belt, with floating and land-based casinos throughout Mississippi and Louisiana and plans for more in Florida, Texas, Alabama and Arkansas. Meanwhile, the Midwest is overrun

¹⁵⁷USA Today, Friday, May 13, 1994, p. 8B.

¹⁵⁸Padgett, op cit.

¹⁵⁹U.S. News, 1994, op cit., p. 43.

¹⁶⁰USA Today, 4/6/94, op cit., p. 12A.

with slot hogs, none of the porcine variety. Iowa, Illinois, Indiana and Missouri allow riverboat gambling, and a 50,000-square foot land-based casino is scheduled to open in mid-May just outside Detroit, in Windsor, Ontario. Low-stakes casinos attract visitors to old mining towns in Colorado and South Dakota, and Indian tribes operate 225 casinos and high-stakes bingo halls nationwide...Americans legally wagered \$330 billion in 1992-a 1,800 percent increase over 1976."¹⁶¹

In light of this oversaturation problem, it's interesting to note that the biggest lever the gambling proponents are using on legislators here in South Carolina is that the state must move "quickly" and start building now, since Alabama and Virginia are considering similar moves. Anyone with common sense can see that if being first is the main guarantee of big business, then the revenue will undoubtedly drop off as soon as more states have their own. Let's face it, large numbers of out of state visitors aren't going to come all the way to Myrtle Beach or Columbia, when they can stop in Atlantic City, Virginia, or Alabama. And what happens when even more states have casinos? A 1991 book on lotteries prophetically wrote: "In Davenport, the concern centers on what some call 'gambling overload.'"¹⁶²

It's similar to a town that has only a MacDonald's restaurant. Business will boom, but when Wendy's, Burger King, Pizza Hut, KFC and the rest arrive, there will be a natural falling off of income. A recent example of this principle occurred in Illinois, where a "20 year-old lottery suffered when riverboat casinos prospered."¹⁶³

A CRITIQUE OF THE PALMETTO DOCKSIDE GAMING ASSOCIATION'S PUBLIC RELATIONS/PROMOTIONAL BROCHURE BEING GIVEN TO LEGISLATORS:

I would like to quote from, and point out some of the erroneous thinking in an attractive, ten page brochure being circulated to politicians and other heavyweights in South Carolina, in an effort to secure approval of casinos here.

A. The high pressure, "Better Get em Quick!" argument for casinos:

"If we fail to act now, other states in the southeast will, and we will lose this valuable potential for growth and development."¹⁶⁴ Such a statement is a tacit admission that significant income would be 1)short-lived, & 2)would occur, even in the short term, only if the state beats others to "the punch" due to the oversaturation problem noted above. By their own admission, it is not long term growth!

B. The "Gutless lawmaker" argument.

"Imagine a new industry in South Carolina that could help solve the state's economic problems...At a time when sentiments against new taxes are strong, this industry could

¹⁶¹U.S. News & World Report, 3/14/94, op cit., p. 43.

¹⁶²Weiss, op cit., p. 95.

¹⁶³USA Today, 4/6/94, op cit., p. 12A.

¹⁶⁴CASINO GAMING: The Potential For South Carolina. Palmetto Dockside Gaming Association, n.d. (1994), p. 7.

generate more than \$140 million in tax revenues-without levying an additional tax upon the citizens of South Carolina. This industry also could directly create 10,000 to 12,000 new jobs. Thousands more would be indirectly created in support areas."(sic).¹⁶⁵

SEVERAL OBSERVATIONS: 1) taxes are a much more reliable and responsible way to meet deficiencies in budgets, and lawmakers should have the courage to levy a tax if one is needed. (See above); 2)The inflated figures are highly questionable. Where are the thousands of well paying jobs in Atlantic City, where 75% are still below the poverty line? In places like Iowa, the riverboat casinos produced virtually no spin-offs, nor did they last. (see above);3)The employment numbers appear to be highly inflated. The South Carolina proposal calls for 6 casinos. Tunica, Mississippi began casino gambling a year and a half ago, and also has 6 casinos, yet they employ only around half that many people! (6,500).¹⁶⁶

This problem of over inflation of employment numbers and tax revenue is typical of pro-gambling lobbying efforts. This is detectable in the Palmetto brochure itself. The statement is made on page six that "In November 1993 alone, Mississippi's 14 casinos contributed more than \$10-million to state and local coffers. At this rate, more than \$120-million in taxes would be raised by year-end."¹⁶⁷ It doesn't take much thought to realize that if 14 casinos in Mississippi only produce \$120 million a year, then 6 casinos in South Carolina will produce probably less than half that amount, or \$55 million instead of the \$140 million being claimed by the gambling lobbyists i.e. they are inflating their figures by almost 3 times-based on their own materials!

RELIABLE PROJECTIONS?

"It will be impossible not to make a lot of money,' one executive in New Orleans bragged before his casino had even opened...But casinos and lotteries may not guarantee the jackpots many politicians expect. When urban-planning professor Robert Goodman reviewed the economic-impact studies that 14 government agencies relied upon before deciding to embrace casino gambling, he found that most were written with a pro-industry spin and only four were balanced and factored in gambling's hidden costs. Goodman's two-year study...concludes that newly opened casinos 'suck money out of the local economy,' away from existing movie theaters, car dealerships, clothing shops and sports arenas. In Atlantic City, for example, about 100 of 250 local restaurants have closed since the casinos debuted in 1978, says Goodman, who teaches at the University of Massachusetts at Amherst."¹⁶⁸

C. The "Chicken Little" argument i.e. "The sky is falling!"

The Palmetto brochure paints as bleak a picture of South Carolina's economic future as possible e.g. closing of Charleston Naval Base, a possible loss of a liability suit with retired federal employees and the pending closure of a waste facility are all trotted out. No mention of credible

¹⁶⁵Ibid, p.2.

¹⁶⁶U.S. News & World Report, 3/14/94, p. 52.

¹⁶⁷Casino Gaming, Palmetto Dockside Gaming Association, op cit., p. 6.

¹⁶⁸U.S. News, op cit., pp. 43,46.

replacements such as the BMW plant are made.

D. The "Ad Populum" argument i.e. "Everybody's doing it."

"Today there is some type of legal gaming in every state, with the exception of Utah and Hawaii. Between 1982 and 1992, revenue generated through legalized gaming, including video poker, lotteries and casinos, tripled to \$30 billion annually. According to The Wall Street Journal, during 1992 Americans 'spent more on legal games of chance than on movie theaters, books, amusement attractions and recorded music combined.' In addition, millions of dollars change hands through informal gaming events."¹⁶⁹

ANSWER: Just because a lot of people do something, says nothing about the merits of it, either good or bad. America and its Supreme Court ruled in 1859 that Afro-Americans were not human-but that doesn't change the fact that such racist beliefs, and there attendant practices, were wrong! A majority of Germans once thought Hitler was great too! The argument to the people is irrelevant in determining whether something is justified and/or needed.

E. The "historical precedence" argument.

The idea here is that gambling has always been practiced: "Gaming (note the word change) has been a constant source of income throughout the history of the United States."¹⁷⁰

ANSWER:

1)That is a blatantly false statement, since all lotteries were banned in America for a 70 year period due to abuse, from 1890-1963. "Legalized gambling in America has been running on a 70-year boom-and-bust cycle since the colonists started the first lotteries.'We're now riding the third wave of legal gambling' that began with the Depression, says Rose,(Nevada legalized casinos in 1931), who has written extensively on the subject and teaches at Whittier Law School in Los Angeles. The trend self-destructs after a few decades, when the public simply gets fed up and embraces more-conservative values. Rose believes a cheating or corruption scandal will trigger the next crash in about 35 years..."¹⁷¹

2) Even if the statement in the casino gambling brochure were true, historical precedence proves nothing. Almost the whole world once believed the earth was flat and the sun revolved around the earth! Just showing that a majority of people believe or practice something says nothing about its merits, particularly on moral issues.

F. The "prestige" argument.

"Proceeds from lotteries contributed to the founding of such prestigious institutions as Harvard, Yale, Dartmouth and Princeton."¹⁷² The implication is that those intellectual, high class schools

¹⁶⁹Casino Gaming, Palmetto, op cit., p. 3.

¹⁷⁰Ibid, p. 2.

¹⁷¹U.S. News, 3/94, op cit., p. 46.

¹⁷²Casino Gaming, op cit., pp. 2-3.

are what they are because of gambling. Such implications are absurd.

G. The "Patriotic" or "Mom's Apple Pie" argument.

"In 1748, Benjamin Franklin organized a lottery to pay for military supplies, enabling Philadelphia to defend itself from attack in the French and Indian War. later, in 1777, the Continental Congress held a \$5 million lottery to help finance the Revolutionary War...From church bingo to office pools and friendly bets on sporting events, gaming is part of the American way of life."¹⁷³

What this argument does, is make it seem downright Un-American to oppose gambling. Again, such arguments are irrelevant to the question. No one claims that Ben Franklin or the members of the Continental Congress were infallible. Thomas Jefferson was a deist, but that doesn't mean we should emulate his beliefs!

H. The "Economic Savior" argument.

"The promise of ECONOMIC SALVATION has opened many doors for casino gaming."¹⁷⁴

One should ask, where is the "economic salvation" at Atlantic City, a town which has had casino gambling longer, and thus should have benefited more than any other city in America except Las Vegas? 75% there live below the poverty line, 20% have moved out, it has perhaps the highest per capita police force in America along with 18,000 slot machines but not a single car wash or movie theater! So much for being an economic "Savior."

It's also worth noting that all the economic "success" stories mentioned in the brochure are from towns that had incredibly high unemployment rates before casinos arrived, and have only had gambling for an extremely minimal amount of time e.g. 1-3 years. It takes time for all the effects of crime to surface, once an opportunity presents itself. Check back with those towns again 10 years from now and see what the situation is, economically, socially, and criminally. Some like Davenport & Tunica are already showing signs of big problems.

I. The "family vacation" argument.

"Casino gaming has also gained respect during the past decade because... (they) have become convention centers and destinations for family vacations."¹⁷⁵

As noted above, the only reason Las Vegas has added amusement areas, is so they can attract more adults to gamble, by having a place for them to "dump" their kids.

¹⁷³Ibid, p. 3.

¹⁷⁴Ibid.

¹⁷⁵Ibid.

J. Deceptive statistical profiles.

"According to the 1990 Las Vegas Visitors Profile, more than 70% of casino visitors were employed in white collar professions; 96% were at least high school graduates. And their average income was substantially higher than the national average, with 28% reporting an income level above \$60,000 per year.

SOME OBSERVATIONS:

1) Las Vegas typically attracts the highest caliber of gambler due to its reputation, as well as its distance from most any major city i.e. relatively few poor can afford to trek all the way there, let alone bet there. It would be interesting to see how many white collar people travel to Joliet, Illinois or Tunica, Mississippi-venues which are much less glamorous and consequently would attract far fewer upscale "yuppie-type" folks;

2) Less than 1/3 of their visitors made \$60,000 a year, according to the Palmetto brochure's own statement. Thus the vast majority of visitors, even to Las Vegas, are in a much lower income bracket. Using percentages often gives false impressions i.e. the old adage: "Figures don't lie, but liars can figure."

ARE GAMBLING CASINOS THE SOLUTION FOR LOW SCHOOL TEST SCORES, LOW PERCENTAGES OF HIGH SCHOOL GRADUATES, ILLEGITIMATE BIRTHS, INFANT DEATHS, HIGH NUMBERS OF PRISONERS AND VIOLENT CRIME???

If the above sounds absurd, you are right. Yet, the Palmetto Gaming Association brochure boldly implies that the introduction of gambling will solve all of the above problems!

"For far too long, South Carolina has ranked at the bottom of every national list of which it would like to be at the top. The state is 42nd in per capita income. It has the lowest average SAT scores among states using the scores as the primary entrance exam. And South Carolina is second to last in the percentage of adults with high school diplomas. Conversely, the state is at the top of every list of which it would like to be at the bottom. For example, South Carolina is sixth in the number of high school dropouts, sixth in the number of births to unmarried women, and fourth in the number of infant deaths per 1,000. It is third in the number of prisoners per 100,000 and eighth in violent crimes per 100,000. **Dockside gaming would provide the chance to change these numbers (sic).** The additional revenue could mean budget increases for state departments such as Education and Social Services, giving them the funds they need to address these issues and work toward long-term solutions."¹⁷⁶

OBSERVATIONS:

- 1) Instituting legal gambling will definitely NOT improve SAT scores!;
- 2) There is no guarantee that the legislators would use the casino income for those purposes anyway;
- 3) Even if they did, it would not necessarily mean SAT scores would go up and illegitimate births would go down. More money, if used to support programs and philosophies that don't work, still

¹⁷⁶Ibid, p. 4.

accomplishes nothing. For example, The US government has spent over \$2 Billion in the past 20 years on "sex education" yet everything-abortions, illegitimate births, & sexually transmitted diseases, have increased astronomically! In fact, it is a documented fact that those problems have increased proportionately with the amount of money and sex education programs introduced-i.e. the more sex education given, the worse the problems become!;

4) Based on **factual** crime & social data from Las Vegas & Atlantic City, dockside gambling definitely would change some of those numbers...for the worse! An increase in violent crime and the prison population is almost guaranteed! How ludicrous then for the casino brochure to declare: "The state also desperately needs funding to relieve prison overcrowding."¹⁷⁷ Incredibly, the casino promoters are actually bragging that gambling will bring in more money for more prisons, when in reality, gambling produces more crime and criminals!

DO CASINOS HELP ALLEVIATE UNEMPLOYMENT?

The Palmetto brochure points to several highly depressed locations (e.g. Joliet & Rock Island,IL; Tunica & Biloxi, MS) as examples of how casino gambling can improve employment. "Figures show that wherever casino gaming has been recently introduced, there has been a decrease in the unemployment rate in immediate and surrounding areas."¹⁷⁸ Joliet had, it is claimed, a 25% unemployment rate after a steel mill closed in the 1980's, and that now 2,500 jobs have been gained through casino gambling and the unemployment rate is now 11%.¹⁷⁹ We are told that Tunica had a 20% unemployment rate with the half the county's residents using food stamps, with welfare and agriculture the leading sources of income. The brochure boasts that unemployment in Tunica is now 6% percent.

OBSERVATIONS:

- 1) If you have a localized situation that is very severely depressed economically, especially one with a small population, bringing in **ANYTHING will reduce** unemployment. Even the mafia could reduce unemployment, if all you want to do is supply jobs.
- 2) The examples given are highly localized situations, and these alleged "positive" effects are strictly local effects in small, severely depressed towns-e.g. Jesse Jackson several years ago called Tunica 'America's Ethiopia'. It was the poorest county in America according to the 1980 census "with 53 percent of all residents living below the poverty line, median family income at a paltry \$7,685 a year and 15 percent unemployment."¹⁸⁰ Such "benefits" do not translate into a major statewide impact, unless the state is very sparsely populated.
- 3) The figures appear to be inflated in regard to Tunica, since U.S. News & World Report said there was 15% unemployment but the Palmetto brochure claims 20%.

¹⁷⁷Ibid, p. 2.

¹⁷⁸Ibid, p. 6.

¹⁷⁹Ibid.

¹⁸⁰U.S. News & World Report, 1994, op cit., p. 52.

4) The social costs that have already hit Tunica were not even mentioned in the brochure: "...since the first casino opened a year and a half ago...The average loss is just \$55 to \$70 per casino visit, casino officials say. But Ronald Bennett, owner of the 61 Trade and Pawn Shop, says gamblers frequently go bust and trade rings and jackets for gas money home. The number people who have failed to pay rent or bills has doubled, the county justice clerk says, and arrests for drunken driving have increased up to 500 percent, Police Chief Chuck Bolen reports.(That in just a year and a half!) Many locals are inexperienced bettors, and some are getting carried away. One 43-year-old poultry worker from Arkansas lost \$20,000 in three months at slots. And a former corporate headhunter from the wealthy Memphis suburb of Germantown gambled away his \$250,000 home, a Cadillac, a Mercedes and \$60,000 in retirement savings. He is one of many new gamblers who recently have sought help from the Memphis chapter of Gamblers Anonymous. About 50 people now show up for meetings, compared with just one or two only a year ago."¹⁸¹

5) The economic cost of living increase can be, and is, a two-edged sword! Yes, the median family income in Tunica has "nearly tripled"(though it is still below the poverty line for families!), that's the good news. But the bad news is that due to the inflated cost of living because of the existence of the casinos, people there still can't make economic headway!

"Calvin Norwood, president of the local chapter of the National Association for the Advancement of Colored People...and other area activists claim the casinos have made it harder for poor African-Americans to afford decent housing...Trailers that previously rented for \$120 a month go for \$500 or more, says Tunica developer Dennis Proffer. An acre that two years ago sold for \$800 costs at least \$8,000. And with just six new houses built in the county last year, 'you've got people making \$25,000 to \$30,000 a year living in these shacks,' says Proffer. The casinos contributed \$4.5 million in tax revenue last YEAR to Tunica County, but the funds have been spent mostly on new roads and improvements to the local high school and hospital."¹⁸²

There are a number of quotes in the "Addenda" section of the Palmetto brochure quoting various newspaper articles referring to places like Biloxi, where this very kind of cost of living inflation has already occurred. Higher wages sounds good until you note the other effects, such as higher rents, higher property costs, etc. **The real beneficiaries of such economic impact are NOT the poor and underprivileged**, but rather attorney, bankers, real estate agents, etc. In fact, the Palmetto brochure proves this very point, though unintentionally, I'm sure:

"In Mississippi's Gulf Coast counties-The economy has soared...Perhaps, most euphoric over the casinos are BANKERS, REAL ESTATE AGENTS AND OWNERS OF RENTAL PROPERTY...Renters are offering to pay higher rents to get into and keep their apartments. Increases of \$75 to \$100 are often cited...Attorneys haul in an average of \$100,000 in hourly fees guiding an applicant through the lengthy regulatory process...'Our business is probably up 40 percent,' says Larry Clark, general manager of Butch Oustelet Ford, which has dealerships in

¹⁸¹Ibid, p. 56.

¹⁸²Ibid, pp. 52,56.

Gulfport and Wiggins."¹⁸³

Once the cost of living has gone up in these areas, besides the difficulty of trying to make ends meet, there is the impending disaster coming their way as the oversaturation of gambling sucks away the very business that initially drove prices up!

WITHDRAWAL SYMPTOMS?

"States that get hooked on gambling revenues soon suffer withdrawal symptoms when local competition kicks in. Although pioneering casinos and lotteries typically are profitable, gambling grosses decline when lotteries or casinos open in neighboring states. In BILOXI, Miss., for example, slot revenues at first topped about \$207 per machine per day. A year later when competitors moved in, however, the daily win-per-machine figure dipped to \$109."¹⁸⁴

HUNDREDS OF SPIN OFF JOBS AND MILLIONS IN NEW REVENUE?

These kinds of boasts are tossed out in the Palmetto brochure, but the facts say otherwise. Atlantic City, Tunica, Davenport, etc., demonstrate the truth that:" 'The casinos are not generating new dollars [but] are just stirring up the resources we currently have and redistributing them,' says John Gnuschke, a Memphis State University economics professor and occasional casino consultant."¹⁸⁵

"States frequently overestimate the financial impact of gambling revenues, too.'Legalized gambling is never large enough to solve any social problems,' says gambling-law professor and paid industry consultant I. Nelson Rose. **In New Jersey, for example, horse racing alone accounted for about 10 percent of state revenue in the 1950s. Today, despite the addition of a lottery and 12 casinos, the state earns only 6 percent of its revenue through gambling. 'Atlantic City used to be a slum by the sea,' says Rose. 'Now it's a slum by the sea with casinos.'**"¹⁸⁶

MISCELLANEOUS POINTS ON THE PALMETTO BROCHURE:

1. An Illinois State Senator is quoted praising the twenty-fold increase in tourism to Rock Island, and that crime is fine. In response I would simply point out that Rock Island hasn't exactly been known as a tourist haven.

2. Art Schultz, mayor of Joliet, Illinois is quoted:" 'crime went down [when casinos were established]. The people went back to work.' He said there had been 'more police calls to a local K-Mart than to both casinos combined.' The only increase in crime attributed to the arrival of

¹⁸³Casino Gaming, Palmetto Dockside, op cit., p. 8.

¹⁸⁴U.S. News, 1994, op cit., p. 46.

¹⁸⁵Ibid, p. 56.

¹⁸⁶Ibid, p. 46.

casinos was an increase in traffic violations..."¹⁸⁷

In response I would point out that no one has ever claimed that crime occurs IN casinos (at least not the illegal variety). It occurs out on the streets. Police have even told visitors to Atlantic City that if they park beyond a certain block there is no guarantee your car will be there when you come back! I would point out too that Joliet undoubtedly had a high crime rate already. I have never personally been there, but a native of Illinois said "we call it, the armpit of Illinois. It has a large prison there, etc."

3. There is a large boast about how much casinos benefit communities(sic):"Across the nation, casinos are becoming valued community members...As an example, one casino in Tunica, Mississippi, donated \$100,000 to the development of its hometown. The contribution will help fund a fire department, correct sewage problems and expand the police force."¹⁸⁸

In response may I say that \$100,000 is "peanuts", compared to what they are taking in. Furthermore, to imply that this wonderful "gift" will help "fund a fire department, correct sewage problems and expand the police force" is a GROSS over exaggeration! One hundred thousand dollars might buy possibly half a fire truck, OR pay two or three policemen's salaries (if we exclude their hospitalization, etc.) for one year! You can forget the sewage repair altogether. But one thing's for sure, any community is going to need more police when casinos move in!

4. Deliberate lies. "Many people oppose gaming because they fear an increase in crime. In fact, the opposite has held true."¹⁸⁹ That is a totally deceptive statement, as previously quoted statistics on Atlantic City, Las Vegas, etc., have proven.

There are other things that could be said, but this brief critique should be sufficient, in regard to the Palmetto Dockside Gaming Association brochure.

IV. MORAL AND BIBLICAL REASONS CHRISTIANS SHOULD BE OPPOSED TO GAMBLING IN ANY FORM.

The previous material has given basic reasons why any person, Christian or atheist should oppose the introduction of lotteries, casinos or other forms of gambling in a state. The following material though will give additional biblical reasons why Christians should oppose gambling. I have found that most Christians are hard pressed to give any biblical arguments for opposing gambling. Even more distressing is the fact that many denominations and religious groups are part of the problem! As U.S. News & World Report pointed out:"...few Americans are seriously questioning the morality of an industry that is expected to help gamblers lose a record \$35 billion in 1995 alone. Religious leaders have been oddly silent, perhaps because so many churches and synagogues rely on bingo revenues."¹⁹⁰ Arnie Wexler, who is the executive director of the Council on Complusive Gambling of New Jersey has said: "The biggest things we have to help people are churches and

¹⁸⁷Casino Gaming, op cit., p. 7.

¹⁸⁸Casino Gaming, Palmetto, op cit., p. 7.

¹⁸⁹Ibid.

¹⁹⁰U.S. News & World Report, 1994, op cit., p. 46.

temples and the government...And now they're all in the gambling business."¹⁹¹ Obviously there is a glaring deficiency of biblical knowledge on this subject and this section is designed to remedy that deficiency.

1. PROFITING AT ANOTHER'S LOSS IS WRONG.

"The Bible indicates certain uses of money or property that are in accord with the intention of God. Thus money may be used to provide for our basic needs(2 Thess. 3:10), support one's family(I Tim. 5:8), contribute to the Lord's work(I Cor. 16:1-3), meet human needs(2 Cor. 9:6-15; Eph. 4:28), give to the poor(John 13:29), and pay taxes(Matt. 22:21; Rom. 13:7).

"There is ground for wise investment of one's wealth with a hope for a sensible return (Mt. 25:14-30), but this can hardly be used to sanction gambling risks. The injunction to 'lay up for yourselves treasures in heaven' invites the most careful attitude toward expenditures of any kind (Matt. 6:19-21).

"The word gamble is often used loosely and inaccurately of other activities, such as unavoidable risks taken by farmers or business persons. There is, however, a difference between such a 'risk' and a true 'gamble.' For, while in farming and in business one attempts to REMOVE the element of chance as much as humanly possible, the objective in true gambling is exactly the opposite."¹⁹² Particularly reprehensible are those attempts to gain property through dishonest or exploitative practices. In the Bible, stealing is condemned (Ex. 20:15; Matt. 19:18; Eph. 4:28), as is the accumulation of wealth through the exploitation of others (James 5:1-4)."¹⁹³

2. CHRISTIANS SHOULD ALSO AVOID GAMBLING IN ORDER NOT TO BE A STUMBLING BLOCK TO OTHERS. Romans 14.

A Christian must be careful not to engage in something that, though not enslaving to him personally, may be a serious stumbling block to another Christian who may be led to engage in, and even become addicted or a slave to that practice, after seeing you participate in it. e.g. A Christian may not be enslaved to wine, but perhaps one who sees him drink will try it and become an alcoholic. After all, 1 in 10 who begin drinking will become alcoholics. So statistics reveal that at least 1 in 20 who begin gambling will eventually become addicted to it. Consequently, Christians should avoid gambling or frequenting places that are famous for it. Otherwise we will only aid and promote the evil.

An example of a violation of this principle occurred when the Southern Baptist Convention held their yearly convention in Las Vegas several years back. To quote Eric Cooper, Under Sheriff of Las Vegas: "We Las Vegans have been living under the stigma of Sin City for so long that we are desperate to prove that this is a very conservative, God-fearing, average American community that just happens to have gambling. The best thing that ever happened was when the Baptists had

¹⁹¹Ibid.

¹⁹²Encyclopedia of Bib. & Theo. Ethics, Gambling, op cit., p. 165.

¹⁹³Braidfoot, op cit., p. 22.

their convention here four years ago."¹⁹⁴

How sad, that a Christian denomination (due to their violation of the Romans 14 principle and appearance in Las Vegas), has been used to promote and improve the image and business of this bastion of gambling, greed and materialism.

Christians should do everything in their power to oppose the spread of casinos, lotteries, etc. A secular publication gives a graphic reason why: "The consequences (of gambling) can be damaging. Wexler (head of the Council on Compulsive Gambling of New Jersey) says he got a phone call late last week (3/94) from a man in his 70s who ran up \$150,000 in debt just by buying lottery tickets. Although most gambling experts believe that only 1 percent to 3 percent of Americans have a serious gambling problem at any given time, a July 1993 Gallup Poll funded by Wexler's group suggests that the figure may be closer to 5 percent. Regardless, now that casinos are no longer located just in Atlantic City and Nevada it's reasonable to assume that the total number of problem gamblers will soar... 'When you make gambling legal and socially acceptable, people will try it and some of them will get hooked.'"¹⁹⁵

"The Bible teaches that individuals are to use both their freedom and their influence wisely. We are urged to `abstain from all appearance of evil'(I Thess. 5:22), to `abhor that which is evil'(Rom. 12:9), and to work faithfully as our Lord Himself, who `went about doing good'(Acts 10:38). Paul's view that freedom must be exercised responsibly is particularly relevant. The actions of the individual Christian are to be disciplined toward the moral and spiritual welfare of others for whom Christ died (Rom. 14:13-21; I Cor. 8:1-13). All forms of conduct need to be subjected to a single controlling motive: `Do all to the glory of God'(I Cor. 10:31)...Accordingly, our influence as Christians is to be exerted in a positive and aggressive fashion for the building of community life in which the young, the weak, the aging, and the needy are protected."¹⁹⁶

A Christian is not to be controlled or mastered by anything cf. I Cor. 6:12; 9:24-27; 10:23. To participate in, work for, or promote a vice that addicts and enslaves a portion of the population is wrong.

3. THE MOTIVATIONS TO GAMBLE ARE CONDEMNED IN SCRIPTURE:

A. COVETOUSNESS.

"It's (gambling's) promoters and managers have to appeal to the sinful motivation of covetousness (Materialism/Greed) in order to make it repay their own very often considerable investment."¹⁹⁷ cf. Ex. 20:17-Thou shall not covet.

"The clearest Biblical statement against gambling is the tenth commandment: 'Thou shalt not

¹⁹⁴Time, 1/10/94, op cit., p. 51.

¹⁹⁵U.S. News, op cit., p. 46.

¹⁹⁶Braidfoot, op cit., p. 22.

¹⁹⁷Harrison, Ency. of B & T Ethics, op cit., p. 165.

covet'(Exod. 20:17). Why do people gamble? Because they hope to strike it rich. They covet money and the things it can buy. In America today most people, including Christians, worship at the altar of materialism. For this reason the lottery is so popular. However, the Bible teaches that seeking to be rich is wrong... (I Tim. 6:9-10)...'a man's life consisteth not in the abundance of the things which he possesseth' (Luke 12:15)."¹⁹⁸

"Greed ruins lives. Setting materialistic gain in the dominant place in a person's life is one sure way to engage in self-destruction. For the Christian, greed runs counter to Jesus' insistence that we cannot at the same time love God and embrace materialism (Mt. 6:24; Lk. 16:13). Even the occasional bettor is flirting with a pattern of greed and materialism."¹⁹⁹

"The essence of life consists in the love of God and neighbor (Mt. 22:34-40), in friendships (John 15:13), in contentment and gratitude (Phil. 4:11), in peace (I Cor. 14:33), and in enriching family relationships (Matt. 19:4-5). The love of money becomes the source of many kinds of evil that are in direct conflict with these values (I Tim. 6:10). 'Beware of covetousness,' said Jesus, 'for a man's life consisteth not in the abundance of the things which he possesseth' (Luke 12:15).

"Greed, materialism, and covetousness are contradictory to these qualities of life. Some of the more explicit moral teachings of the Bible are those regarding covetousness. 'He that is greedy of gain troubleth his own house.'(Prov. 15:27). The desire of the slothful killeth him; for his hands refuse to labour, He coveteth greedily all the day long'(Prov. 21:25-26).

"All the criticisms leveled against gambling in general apply to lotteries also and perhaps even more pointedly, since the appeal to the individual's greed for instant wealth is so crass. The true Christian prefers to acquire money by honest labor (Eph. 4:28) and strives to avoid avarice and covetousness in all its forms."

"...during Christ's dying agonies on the cross, Roman soldiers were gambling for his seamless robe, with no other concern than that of trying to satisfy a momentary covetousness (John 19:23-24)."²⁰⁰

"Byron Rohrig quoted Oakes as saying, 'I believe that the gospel has something important to say when at the foot of the cross we find gamblers.'"²⁰¹

B. A DESIRE TO BECOME RICH QUICK.

"The desire to win big bucks fast is clearly dangerous. The Apostle Paul warned, 'People who want to get rich fall into temptation and a trap and into many foolish and harmful desires that plunge men into ruin and destruction.' (I Timothy 6:9; see also v. 10)."²⁰²

¹⁹⁸Pulliam, op cit., p. 16.

¹⁹⁹Braidfoot, op cit., p. 20.

²⁰⁰Harrison, Ency. B & T Ethics, Lottery, op cit., p. 238.

²⁰¹Smith, op cit., p. 25.

²⁰²Youthwalk, date uncertain, c. 1992-93.

C. A DESIRE TO BECOME RICH WITHOUT WORK OR EFFORT.

Work is praised in Scripture, and laziness, sloth and getting something for nothing is strongly condemned. "Instead of listening to the lottery promise of 'something for nothing,' we'd be far wiser to heed this advice: 'He who works his land will have abundant food, but the one who chases fantasies will have his fill of poverty'(Proverbs 28:19 NIV)."²⁰³

"Gambling violates the principle of fair return for labor and investment, and the ethics of stewardship and work (Eph. 4:28; 2 Thess. 3:9-12)."²⁰⁴

"The Bible teaches that man is to earn his living by the sweat of his face (Gen. 3:19). Paul wrote that if a man will not work neither should he eat (2 Thess. 3:10). Work is the divinely ordained method of producing wealth (Eph. 4:28). As the commercial says, the only real way to make money is the old-fashioned way-'earn it.' Gambling, on the other hand, offers 'something for nothing.'"²⁰⁵

"State lotteries are government-sanctioned laziness, offering an illusory bypass sign on the road of life that reads: 'Avoid working. Try gambling.'"²⁰⁶

"Honest work and honest wages go together, for 'the labourer is worthy of his hire'(Luke 10:7). The Biblical view of work affords no room for the practice of gambling. The divine command rings clear that one should labor and do one's work (Ex. 20:9; Eph. 4:28; 2 Thess. 3:10-12). Work has a functional value; it is rooted in necessity and also rooted in creation. Each person is obligated under God to work. Work affords the means of sustaining one's life and supporting one's dependents. Work is related to the use of the earth's resources. No one is to 'sponge' off others.

"Through the medium of work humans express their essential being and creativity. God is a worker; and we are to work (John 5:17). Work adds to personal fulfillment and self-respect. Work is sharing in God's activity in the world. Thus the type of employment whereby a living is gained must agree with the purpose of God and must form a part of the world's needed work. Some forms of work may be socially and morally degrading and, therefore, inconsistent with the divine intention or with human good.

"Gambling is a behavior, a 'business,' that is completely antithetical to this view. It encourages a view of life based on a system of activities that express an essential nature of greed and materialism (see above) not productivity and service. Neither the laborer within the industry nor the participant is engaged in an activity that fulfills the Christian concept of vocation."²⁰⁷

²⁰³Ibid.

²⁰⁴Harrison, op cit., p. 165.

²⁰⁵Pulliam, op cit., p. 16.

²⁰⁶Geisler, cited by Pulliam, ibid.

²⁰⁷Braidfoot, op cit., p. 22.

4. GAMBLING VIOLATES THE BIBLICAL TEACHING ON STEWARDSHIP AND ECONOMIC RESPONSIBILITY.

"In the Bible, property and goods are provided in trust by a gracious God. Ultimately, all things belong to God (Ps. 24:1; 50:10-12; I Cor. 10:26). The recognition that God owns all things in the world is the beginning of a right relationship to things (possessions)."²⁰⁸

DEFINITION OF A STEWARD: A caretaker, overseer, foreman, house ruler, manager, etc. "A person who manages another's property or financial affairs, or who administers anything as the agent of another or others...A person who has charge of the household affairs of another...An employee on a ship, train, or airplane who waits on and is responsible for the comfort of passengers."²⁰⁹

We get the word stewardess from steward. A stewardess is "A woman who works as a steward, esp. on an airplane, ship or train."²¹⁰ A steward was one put in charge of property, possessions business, etc., by a "well to do" owner.

The word "Steward" occurs 13 times in the N.T., its plural 4 times and Stewardship 3 times (the latter 3 all in Luke 16 and the parable of the unjust steward).

The concept of God as the owner of everything and we as his stewards is a very biblical concept.²¹¹ We are told that the earth is the Lord's.²¹²

In the O.T. Joseph served as a steward and later had one in his employment.²¹³ We have examples of stewards who were poor influences,²¹⁴ and Christians are exhorted to be good stewards, using their talents and abilities for the glory of God.²¹⁵

The one key prerequisite for stewards was Faithfulness (i.e. Reliability, Dependability, Consistency, etc.). Every believer should examine him or herself in a number of areas to see if they are being good stewards, such as: our personal life, our family (if we have one), employment/school, service for God, treating of the creation, and handling of material belongings. Another has succinctly put it: Our time, talents & treasure.

With the above background on stewardship in mind, it should be pointed out that "The odds of

²⁰⁸Ibid, p. 20.

²⁰⁹Random House Dictionary, c. 1970, p. 1288.

²¹⁰Ibid.

²¹¹e.g. Ps. 24:1; 50:10-12.

²¹²I Cor. 10:26.

²¹³Gen. 39:4; 43:19.

²¹⁴I Kings 16:9; Luke 16:1-13.

²¹⁵I Pet. 4:10.

dying in a car crash are 6,000 to 1. They are 500,000 to 1 that you will die in an airplane disaster. The odds of winning a typical state lottery, however, are 5 million to 1. (Florida is 14 million to 1.) A person has a greater chance of being struck by lightning than winning the lottery. How then can buying a lottery ticket be an act of good stewardship?"²¹⁶

5. GAMBLING VIOLATES THE BIBLICAL TEACHING ON LOVE.

"The central moral imperative of the Bible is love-love of God and love of neighbor (Mt. 22:37-40; Mark 12:28-34). Love imposes strong demands on us every day of our lives. Love never allows us the luxury of self-interest to the exclusion of the others person's interests and needs (Rom. 12:10; 13:10; Phil. 2:3-4). Love refuses to engage in actions that mistreat or exploit others. Love is surely violated when personal pleasure and profit are gained through another's pain and loss.

"Love leads us to seek the welfare or interest of the other. Love is the royal law (James 2:8), the law of Christ (Gal. 6:2), and the principle by which our lives are to be regulated (Rom. 14:13-21). Gambling, with its exploitation of others, ignores the nobler qualities of humans, among which are reason, justice, compassion, and a sense of responsibility. Gambling weakens the foundations of a responsible community life. Love's work, on the other hand, is always to build up, never to tear down."²¹⁷

6. GAMBLING OFTEN HARMS AND/OR DESTROYS FAMILIES.

"Gambling also can lead to neglect of family responsibilities, a grievous sin in the eyes of God (I Tim. 5:8; 2 Cor. 12:14)." ²¹⁸ For example, our next door neighbor in Papua New Guinea a few years ago was named Philip. His daughter Lucy played with our children. Her dream was to get a bicycle. Her father was always going to "buy her a bike", but instead used his money up betting on horse races in Australia.

"Instead of making money for the state, the lottery increases the welfare and dependent child subsidies needed by the community."²¹⁹

7. RAFFLES, ETC., ARE NOT LEGITIMATE WAYS FOR CHURCHES AND BELIEVERS TO RAISE FINANCES, EVEN FOR "GOOD" CAUSES.

A) In both the Old & New Testaments, God's work was supported by God's people-not outsiders, heathens, or followers of false religions.²²⁰

²¹⁶Pulliam, op cit., p. 16.

²¹⁷Braidfoot, op cit., p. 22.

²¹⁸Harrison, Gambling, op cit., p. 165.

²¹⁹Pulliam, op cit., p. 15.

²²⁰e.g. Ex. 25:1-9; 35:21; Ezra 2:68; I Chron. 29:1-3; II Cor. 8:11-12; 9:7; etc.

B)"It is a matter of faith...not to offer that to God which has cost us nothing (2 Sam. 24:24)."221

C) God condemned the Israelites for offering to God anything less than their best, even though it was a sacrifice. Does He expect anything less from us?²²²

V. IN LOTTERIES AND OTHER GAMBLING ENDEAVORS, EVEN THE WINNERS, ARE REALLY LOSERS!

A. THEY OFTEN LOSE THEIR FRIENDS & RELATIVES.

If you win "big", what often happens? What will your relatives' attitude be towards you? Usually everyone even remotely connected with a million dollar winner wants a "slice of the action." Winners in the USA have often have to change phone numbers, move to another state and even change their identities, because they are "hounded" into oblivion by those who want some of their money. How sad to win the money, and lose a lifetime of friends, relationships, etc.

In Papua New Guinea such pressure to spread around the "good fortune" is even stronger. Though only the first names of winners have been divulged, it will come out eventually. In that cultural milieu, a person making the minimum wage can't all of a sudden have K50,000-100,000.00 in his pocket or bank account, be out buying fancy vehicles, etc., without people figuring out what happened. Thus, if they money is used to buy things, you will be found out, and if you don't use it, you won't benefit by it. It's a no win, "catch 22" situation.

B. THEY OFTEN LOSE THEIR WINNINGS.

The reason for that is due to the fact that was pointed out earlier i.e. that gambling, lotteries, etc., appeal most to those who can least afford it(the poor), and who often are in a poor condition because they do not know how to handle money to begin with. Often it's not that they never have any, but that they don't know how to handle it.

For example, Curtis Sharpe, the New York lottery's \$5 million dollar winner a few years ago later was "reportedly in debt...his Cadillac had been stolen and not replaced, and he and Jackie (his fiancée at the time of his win) had separated. Another multimillion-dollar New York winner collected his first lottery payoff, quit his \$38,000-a-year job, and put \$10,000 down on each of ten luxury cars. Eight months later, six of the vehicles had been repossessed, and the man owed his creditors \$200,000."²²³

VI. COMMON QUESTIONS CHRISTIANS ASK:

Q: SHOULD A CHRISTIAN WORK FOR A LOTTERY OR DO WORK FOR SUCH AN EMPLOYER? ANSWER: I would say no. To do so makes you an accomplice in the evil being done to society. It would be similar to the question of whether a Christian should work for a brewery. Most Christians would say no, since Hab. 2:15 strongly condemns those who make

²²¹Harrison, op cit., p. 165.

²²²Mal. 1:6-14, esp. vv. 8,13,14.

²²³Weiss, op cit., p. 11.

people drink and causes them to become drunken. If you are involved in the alcohol industry, you are aiding in the destruction of lives via that product and a Christian does not wish to be a stumbling block to others (Rom. 14). Christian's furthermore, are commanded to "abstain from all appearance of evil." (I Thess. 5:22). So too with the gambling industry, if you are involved in it, or employed by it, you are an accomplice to, and a partner in, the evil it is producing.

Q: WHAT IF A CHRISTIAN WINS THE LOTTERY AND GIVES MOST (ALL) OF HIS WINNINGS TO THE CHURCH? DOES THAT MAKE IT OK?

ANSWER: Romans 3:8: "Should we do evil that good may come? Their condemnation is just." This verse speaks to that issue, roundly condemning the Jesuit philosophy of "the end justifies the means." God never wants us to practice or be involved in something He has condemned, even if we can in the end do something "good." That is the Robin Hood philosophy. It would be like someone saying that it's ok to go rob a bank, if you are going to give all of the money you steal to the church and its ministries.

CONCLUSION:

"Lotteries are economically unsound, socially disintegrating and morally dangerous. They have no place in an enlightened society."²²⁴

"A citizen does not have to be a Christian to have moral scruples against behavior that is regressive taxation, that preys upon the poor, that stimulates illegal gambling, that creates addicts, that puts the state in the `bookie' business. The reasons for the concern of non-Christians may differ from the motives accepted and followed by Christians. But they can agree on the goals and upon the importance of using their influence to shape public life."²²⁵

"Gambling contributes nothing to the common good. It undermines values, mocks work, finances crime, robs children, enslaves its addicts, subverts governments, and poisons whatever it touches. Biblical insights lead us to reject its false promises and say `No' to gambling!"²²⁶

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²²⁴Chinn, op cit., p. 63.

²²⁵Braidfoot, op cit., p. 61.

²²⁶Ibid.