of strings. In their view, whether liberal or conservative strings, they are still strings.

We know there may be some areas where we may not be able to accommodate the Governors. By and large, they are looking forward to designing their own plan when it comes to welfare. We also have a provision where you can opt out of the Food Stamp Program. What the Governors would like, of course, is more block grants. We are not able to do that because we do not have the votes.

I asked the Democratic Governors, when I spoke to the full session of the National Governors' Association at 9:45, to take a look at this proposal. We believe it can be approached on a nonpartisan, bipartisan basis. It is what the Governors have been telling us for years, in both parties, that they wanted—more power to the Governors, power to the States, power to the people.

This is all sort of patterned after the 10th amendment to the Constitution, which is part of the Bill of Rights. It is only 28 words in length, which says, in effect, that unless the power is vested in the Federal Government, it ought to be with the people and with the States.

Most Governors, regardless of party, believe that should happen, whether it is welfare reform, whether it is Medicaid, whatever it is. They believe they can better implement and rate the programs at less cost, less redtape, less bureaucracy, and provide better service to the people who must rely on Medicaid, food stamps, welfare, and AFDC—whatever the welfare program might be.

I was very encouraged after the meeting with the Republican Governors. They know there are some differences on the Republican side. They will be weighing in very heavily on the proposal this week. We hope to take it up either Friday or Saturday of this week and finish it sometime next week or the following week. I hope that before we conclude, we will have broad bipartisan support.

PRAISE FOR GIFT BAN

Mr. DOLE. Mr. President, on another matter, I want to again thank my colleagues, Senator LOTT and Senator MCCONNELL, as well as Senator LEVIN, Senator WELLSTONE, Senator FEINGOLD, and many others on both sides of the aisle who worked together on the gift ban proposal.

As I said on the floor on Friday, I think we made a lot of progress. I read the editorial in the New York Times which indicated many fought it to the bitter end, which was not true. Editorial writers are entitled to their opinion, but they are not entitled to lie. If they had followed the debate, they would have known there was a lot of work going on all week long, in good faith, by Democrats and Republicans, by the leader, by the Democratic leader.

What we finally did was say, "OK, we agree on this. We cannot agree on three things. We will agree on what we agree on and vote on what we cannot agree on." That is precisely what we did.

So, to the editor, whoever wrote that in the New York Times—I do not normally read it, but Sunday was a slow day—I hope that they will try to at least stick with the facts, maybe once a year, twice a year. We do not want to overdo it for the New York Times, but every little bit would help. They are entitled to facts, they are entitled to opinions, but understand what the facts are. And it is supposed to be the paper of "all the news that is fit to print"—some say a 10th, but I say all the news fit to print. We hope for more responsibility from the editorial board of the New York Times.

The primary purpose was to thank my colleagues for all the work they did and the good-faith effort. I think we made a giant step forward, and, hopefully, we will ease the concerns of many of our constituents when it comes to Members of Congress and gift rules.

Also, lobbying reform was another bipartisan effort on the floor. I thank my colleagues who were engaged in that.

RESERVATION OF LEADER TIME

Mr. DOLE. Mr. President, I reserve the remainder of my leader's time.

MORNING BUSINESS

The PRESIDING OFFICER (Mr. KYL). Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 1:30 p.m., with Senators permitted to speak up to 5 minutes each.

Under the previous order, the Senator from Illinois [Mr. SIMON] is recognized to speak for up to 30 minutes.

The Senator from Illinois.

THE EXPLOSIVE GROWTH OF GAMBLING IN THE UNITED STATES

Mr. SIMON. Mr. President, in November of last year, when I announced I would retire from the Senate after 1996, President Clinton suggested that with the freedom from political restraint I now have, and with slightly more credibility because political opportunism would not be the immediate cry of critics, I should, from time to time, make observations about our Nation, where we are going, and where we should go.

One of the marks of our civilization, virtually unnoticed as we discuss the Nation's problems, is our fastest-growing industry: gambling.

Local governments, Indian tribes, and States—all desperate for revenue—increasingly are turning to what appears to be a quick and easy solution: legalized gambling. And, temporarily, it often works. Poverty-stricken Indian tribes suddenly have revenue. Cities like East St. Louis, IL, with every possible urban malady, find themselves with enough revenue to at least take care of minimal services.

There are four basic questions:

First, how rapidly is this phenomenon growing?

Second, what are its advantages?

Third, what are its disadvantages?

Fourth, is there a role for the Federal Government to play, and should it play a role?

Gambling is not a new phenomenon. The Bible and early historical records tell of its existence. Gambling surfaced early in U.S. history, then largely disappeared as a legal form of revenue for State and local governments. It remained very much alive, however, even though illegal, in the back rooms of taverns and in not-so-hidden halls, often with payoffs to public officials to "look the other way" while it continued. I particularly remember traveling overseas and back while in the U.S. Army. The troop ship became one huge gambling operation with dice or cards, activity slowed only by the occasional walking tour of a conscientious officer whose coming would be foretold by someone taking the voluntary watch for his fellow enlisted men—and they were then all men—who gambled. After the watchman's signal, suddenly that portion of the ship's deck or hold could meet the highest puritanical standards. Within seconds of the disappearance of the dreaded officer, the games would begin again. Participation had no appeal to me, not primarily for moral reasons, but I have always been too conservative with my money to enjoy risking it that way. What I remember about those shipboard activities was the enormity of the stakes that could be built up—enormous for enlisted men on meager salaries in 1951–1953—and the ability of some of my friends to continue their activity with almost no sleep.

Gambling's appeal, particularly for the idle—and a troop ship is loaded with them—is clear.

Early in our Nation's history, almost all States had some form of lottery, my State of Illinois being no exception. When Abraham Lincoln served in our State legislature from 1834 to 1842, lotteries were authorized, and there apparently was no moral question raised about having them. In 1839, for example, the Illinois House of Representatives voted unanimously to authorize a lottery to raise funds "for the purpose of draining the ponds of the American bottom" in the vicinity of what is now East St. Louis, an area that to this day has a severe drainage problem, and a city that today has a significant gambling presence.

In Illinois and other States the loose money quickly led to corruption, and the States banned all forms of gambling. Illinois leaders felt so strongly about it, they put the ban into the State constitution. For many years, Louisiana had the only lottery, and then in 1893—after a major scandal there—the Federal Government prohibited all lottery sales. Even the results of tolerated but illegal lotteries could not be sent through the mail.

But the lottery crept back in, first in New Hampshire in 1963, and then in 36 other States. Last year States sold $34 billion in lottery tickets. Forty-two States now have some form of legalized gambling. Even States that technically outlaw gambling frequently manage to have some form of it. In one of the more peculiar decisions by Illinois Supreme Court justices—dependent for reelection at that time on campaign contributions—they ruled that betting money on horses was not gambling, because the ability of the horse and the skill of the rider were involved. Gambling is when everything is left to chance, they argued.

What we know as casino gambling was legal only in Nevada, then in New Jersey and now in 23 states. From a small enterprise in a few States, gambling has matured. In 1974, $17 billion was legally wagered in the Nation. By 1992, it reached $329 billion, and it is now over $500 billion. Three-fourths of the Nation's citizens now live within 300 miles of a casino. One article reports, ''Airlines are exploring the installation of back-of-seat slot machines on some flights.'' [''A Full House,'' by Rob Day, Hemisphere, October, 1994.] Other nations—particularly poorer ones—are expanding gambling operations. Within our country, the magazine Gaming and Wagering Business reports, ''Old attitudes have been shattered. Barriers are crumbling, and doors have been flung open.'' [Dec. 15, 1991–Jan. 15, 1992.]

At this point, let me digress to express my gratitude to scholars who have studied legalized gambling in the United States, with little attention and little gratitude from the community at large. Particularly helpful, as I prepared these remarks, was a book manuscript I had the opportunity to read by Robert Goodman, a professor at Hampshire College in Massachusetts. In October, the Free Press will publish his thoughtful and well-crafted manuscript under the title, ''The Luck Business.'' The subtitle is ''The Devastating Consequences and False Promises of America's Gambling Explosion.'' John Warren Kindt, a professor at the University of Illinois at Urbana, wrote an excellent article for the Drake Law Review last year, ''The Economic Impacts of Legalized Gambling Activities,'' and Henry Lesieur, who heads the criminal justice division at Illinois State University, edits a magazine in this field, Journal of Gambling Studies. I am grateful to them and to others who have pioneered research.

What are the advantages of legalized gambling?

It brings in new revenue, at least temporarily and, in some cases, over a longer period of time.

One of the great weaknesses of American politics today—and one of the reasons for public cynicism toward those of us in politics—is our eagerness to tell people only what they want to hear. Polling is a huge business, and if a poll suggests some stand is unpopular, too many find a convenient way of changing course, even if the public good is served by the unpopular action.

An area of high sensitivity is taxation. That problem is compounded by the fact that at the national level no other industrial nation—with the exception of Israel—spends as much of its taxation on defense and interest as does the United States. These bring no direct benefit to people. Citizens of Germany, France, Great Britain and other nations pay much higher taxes, but they see health care and other benefits that we do not have. In addition, their parliamentary systems make it easier to make tough decisions than our system does.

So when someone comes along and says, ''I have a simple way to get more revenue for you, and you do not have to raise anyone's taxes,'' that has great appeal to policymakers who must seek reelection. Those same people say to the policy makers, ''Not only will I provide revenue for you without taxation, I will be very generous to you when campaign time comes.'' And they are.

While the promises of what legalized gambling will do for a community or State almost always are greatly exaggerated, it is also true that many communities who are desperate for revenue and feel they have no alternative are helped. I have already mentioned East St. Louis, IL. Bridgeport, CT, is another example. Small communities like Metropolis, IL, population 6,734, find that a riverboat casino brings in significant additional municipal revenue. And while other businesses in these communities often do not benefit—and some, like restaurants, are hurt—a poll by the Better Government Association, a highly respected Illinois civic group, shows that in some communities, the initial reaction to the riverboat casinos is more positive than negative: Rock Island/Moline, 83 percent positive, though this has changed; Metropolis, 76 percent positive; East St. Louis, 47 percent positive; and Peoria, 64 percent positive.

Some officials in Chicago, desperate for revenue, wish to bring in a large casino operation with a $2 billion price tag. They say it will bring 10,000 construction jobs. That alone is significant. The initial press release said 37,000 construction jobs. And officials in Chicago, aware there are long-term dangers to the city from such an operation, also know that unless they solve short-term problems—and that takes revenue—the long-term picture for the city is not good. The State government has shown itself largely insensitive to the needs of the city, dominated as it is by suburban and rural leaders. Faced with a choice of lectures from the State about long-term problems and what appears to be easy, significant, immediate revenue, it is not difficult to understand Chicago's choice. On top of that, they face editorial prodding. Under a heading, ''Casino A Great Bet For City,'' the Chicago Sun-Times called a casino ''a cash cow'' and noted: ''The sooner state law changes to allow land-based casino gambling, the better. And the sooner Chicago finally gets in on the action, the better.'' [April 17, 1995.] Almost unnoticed has been the report of the Chicago Crime Commission in response to a request by the Mayor: ''Organized crime will infiltrate casino operations and unions, and will be involved in related loan-sharking, prostitution, drug activities * * * and public corruption.'' [Chicago Crime Commission, 1990.]

State governments are no more loaded with courageous leaders than is the Federal Government. They need revenue to solve their problems. In Illinois, for example, state support for public higher education has dropped from 70 percent of the costs in 1980, to 37 percent today, almost a 50-percent cut. [Here, I digress to observe that States have been partially bailed out by Federal aid to students. We hear a great deal from States about unfunded mandates. We hear much less from States about sizable grants from the Federal Government.] Faced with needs in education at all levels, with growing health care costs that afflict both Federal and State governments, and with decaying cities and decaying infrastructure, the States have two options: Tell people the truth and ask for the taxes to pay for these needs, or combine the growing practice of issuing bonds, states don't call them deficits and find some ''easy'' source of revenue, like legalized gambling. The courageous path is too infrequently taken.

Revenue from lotteries, race horse gambling, and riverboat casinos brings Illinois government approximately $820 million a year. That is State government revenue alone. I have made no attempt to calculate what revenue is lost because of money not being spent in other enterprises in the State. Most of those who wager in Illinois are from Illinois. When they spend on gambling, that is money that would otherwise go to clothing stores, groceries, and other businesses. That means less revenue to the State from those businesses. Also not calculated in the $820 million State revenue is the loss caused by the increased problem of gambling addiction.

Early promises to use Illinois lottery money for education have been technically complied with, but State support for education has declined substantially as a percentage of income for local schools since the lottery became a reality.

Wisconsin, not a big gambling State, has 17 native American casinos. A study completed in April concluded: ''Overall, the state gains $326 million in net revenue from the presence of the casinos.'' They added this caution: ''However, this figure is reduced substantially—to $166.25 million—when even the lowest estimated social costs of compulsive gambling are included in the calculations. With mid-range estimated social costs, the overall impact becomes negligible, while with higher social-cost estimates, the impact becomes clearly negative.'' [The Economic Impact of Native American Gaming in Wisconsin, by William Thompson, Ricardo Gazel and Dan Rickman, published by the Wisconsin Policy Research Institute.]

Indian reservations have misery as their constant companion. Unemployment rates, alcoholism rates, suicide rates, and poverty indexes all combine to paint a grim picture that should be a matter of shame for our Nation. Not only has the Federal Government been weak in its response to these needs, but State governments, sometimes dominated by prejudice against native Americans, often have been even worse. Listen to this Department of Health and Human Services report, given to a Senate committee this year: ''In 15 of the 24 states with the largest native American populations, eligible Tribes received nothing in 1993 from the more than $3 billion in Federal funds [Title XX and Title IV-E child welfare services and protection programs] the States received. In the other nine States, Indians received less than three percent.'' [George Grob, Deputy Inspector General, HHS, April 5, 1995, Senate Committee on Indian Affairs.]

It should not surprise anyone that tribal leaders who want to produce for their people seize what some view as a legal loophole that our courts and laws have created to get revenue for their citizens; 115 tribes now have some form of casino gambling. The gross revenue for the 17 tribes in Wisconsin is $655 million. And about one-fifth of that revenue comes from people who live outside of Wisconsin, higher than in most States, much lower than Nevada or Atlantic City. Connecticut is the prime example of a small tribe gaining big money. A casino operated by the Manshantucket Pequot Tribe in Ledyard, CT, brings in approximately $800 million in gross revenue annually. Native American leaders who see long-term harm to their tribes from the gambling enterprises are hard-pressed by those who see immediate benefits, and not too much hope for sizable revenue outside of gambling.

What are the disadvantages of legalized gambling?

The distinguished Nobel Prize-winning economist, Paul Samuelson, has warned us: ''There is a substantial economic case to be made against gambling. It involves simply sterile transfers of money or goods between individuals, creating no new money or goods. Although it creates no output, gambling does nevertheless absorb time and resources. When pursued beyond the limits of recreation * * * gambling subtracts from the national income.'' [Economics, McGraw-Hill, 1970.]

A high official in Nevada told me, ''If we could get rid of gambling in our State, it would be the best thing that could happen to us. I cannot say that publicly for political reasons. But major corporations that might locate their principle offices here or build plants here don't do it. They know that gambling brings with it serious personnel problems.''

Personnel problems are but one disadvantage, but they are real. People can become addicted to gambling, as they can to drugs or alcohol or smoking.

My mother belongs to a church in Collinsville, IL, that had a fine substitute teacher at its Lutheran school. Unknown to the teacher's family, she had been visiting a gambling boat. Money the family thought had gone to pay the rent and family bills had, instead, gone into wagers. One day, she left a message for her family, drove her car to a shopping center and killed herself.

In a relatively affluent Chicago suburb, a 41-year-old man committed suicide after using more than $11,000 in credit card advances for gambling. He shot himself after leaving a gambling boat. Police found $13 in his pocket.

More typical is the experience of a friend, a professional man, who attended a statewide meeting of an association with which he is affiliated. While he went to the meetings, his wife went to a riverboat casino and ''got hooked.'' She spent all the money she had and used all the available money from her credit cards, close to $20,000. Her husband knew nothing about it until he checked out of the hotel and found his credit cards could not be used because they had already reached their maximum. In this family, the situation has worked out, but that is not true for many.

A retired Air Force colonel has written me about the problem of casino gambling near Keesler Air Force Base that offers part-time work to personnel stationed there, but also 24-hour-a-day gambling availability and has brought serious problems of addiction and the social and criminal problems that go with it for the men and women stationed there.

Gambling addiction is a serious problem. We know that men are more likely to become addicted than women, that the appeal of gambling is greater for low-income people than those of above average income, that there are approximately 9 million adults and 1.3 million teenagers with some form of gambling behavior problem and that the availability of gambling enterprises—their closeness to where a person lives—causes a significant increase in the addiction problem. Nationally, less than 1 percent 0.77 percent of the population are compulsive gamblers, but when enterprises are located near a population, that number increases two to seven times.

The greatest growth is among teenagers. University of Maryland football fans were stunned recently to read that their all-American quarterback had been suspended by the NCAA for four games because of betting on college games. The spread of gambling among teenagers has spilled over onto college campuses, and Maryland's football problem is evidencing itself on many campuses, a highly publicized tip of a much more serious iceberg.

Costs to society of the problem gambler vary from the most conservative estimate of $13,200 to $30,000 per year. I have no idea which figure may be correct, but we know there are costs. Arnold Wexler and his wife, Sheila Wexler, did a study for Rutgers University and noted:

> Compulsive gamblers will bet until nothing is left: savings, family assets, personal belongings—anything of value that may be pawned, sold or borrowed against. They will borrow from co-workers, credit union, family and friends, but will rarely admit it is for gambling. They may take personal loans, write bad checks and ultimately reach and pass the point of bankruptcy. . . . In desperation, compulsive gamblers may panic and often will turn to illegal activities to support their addiction. (1992)

Prosecuting attorney Jeffrey Bloomberg of Lawrence County, SD, testified before a U.S. House committee on his experiences dealing with Deadwood, SD, a small community that became the first place outside of Atlantic City and Nevada to legalize casino gambling. He said they were promised ''economic development, new jobs and lower taxes.'' Instead, casinos flourished, but other businesses did not. Businesses that provide ''the necessities of life such as clothing are no longer available * * * and customers of the town's only remaining grocery store walk a gauntlet of slot-machines as they exit with their purchases. For the most part, the jobs which were created earn minimum wage or slightly better and are without benefits. As for the claim that gambling brings tax relief, this simply has not proven true. Real property taxes for both residential and commercial properties have risen each and every year since gambling was legalized. Crimes of theft, embezzlement, bad checks and other forms of larceny have increased. Our office has also seen an increase in the number of child abuse and neglect cases as a result of gambling. These run the spectrum from the children left in their cars all night while their parents gamble, to the children left at home alone while their parents gamble, to the children left at home alone while single mothers work the casino late shift, to the household without utilities or groceries because one or both parents have blown their paycheck gambling. Government is hooked on the money generated by gambling and in the long term the ramifications of this governmental addiction will be just as dire as for the individual who becomes addicted to gambling.'' (Sept. 21, 1994—House Committee on Small Business.)

One study conducted for insurance companies suggests that 40 percent of white collar crime can be traced to gambling. Usually those involved have no prior criminal record.

The suicide rates for problem gamblers is significantly higher than it is for the general population. One out of five attempt suicide, a higher rate than for alcoholism or drug addiction.

Pathological gamblers are much more likely to be violent with their spouses and abuse their children. Children of these gamblers generally do worse in school and have a suicide rate twice that of their classmates.

A survey of compulsive gamblers found 22 percent divorced because of gambling, 40 percent had lost or quit a job due to gambling, 49 percent stole from work to pay gambling debts, 23 percent alcoholic, 26 percent compulsive overeaters, 63 percent had contemplated suicide and 79 percent said they wanted to die. (Henry Lesieur and Christopher Anderson.)

Treatment for gambling compulsion is rarely covered by health insurance policies, though physicians often will simply list depression as the cause for needed therapy, and that may be covered. A national conference will be held in Puerto Rico in September to discuss the growing problem of gambling addiction.

State lotteries disproportionately receive money from—and target—the poor. While it is true that the purchases are voluntary and provide some entertainment, as a society we should be providing more substantial exits from poverty than the rare lottery victory. A bill before the Illinois legislature sponsored by Representative Jack Kubik to prohibit cashing welfare checks at race tracks, off-track betting parlors, and riverboat casinos died a quiet death.

Compounding all of this, State and local governments who receive revenue from legalized gambling often are its promoters, both to bring gambling in and to sustain it. Governments get hooked. While States receive revenue from alcohol and tobacco sales, no governmental unit—to my knowledge—promotes alcohol and tobacco. Generally governments appeal to our strengths, not our weaknesses. But gambling is different. Billboards are erected in poor areas to promote the Illinois Lottery. ‘‘This could be your ticket out,’’ one proclaimed. If the State of Illinois had billboards promoting whiskey, beer or cigarettes, there would be a public outcry. The Pennsylvania lottery unashamedly advertises: ‘‘Don’t forget to play every day.’’ And of course the poor are the ones who succumb to that lure.

Industries that want to bring in casinos are generous with their promises. The poverty of Atlantic City would be virtually eliminated, the scenario read, but it did not happen. Poverty has not diminished, and problems with gambling addiction are up. Since the advent of the casinos, 40 percent of the restaurants not associated with the gambling enterprises have closed, and one-third of the city’s retail business has closed. Unemployment in Atlantic City is now the State’s highest. Crime is up significantly—almost tripled—and the population has dropped by one-fourth. Industrial consultant Nelson Rose told U.S. News and World Report: ‘‘Atlantic City used to be a slum by the sea. Now it’s a slum by the sea with casinos.’’ (March 14, 1994.)

But not only Atlantic City has been affected. A study of crime patterns along non-toll roads between Atlantic City and New York City and Atlantic City and Philadelphia found a significant increase in crime rates (SIMON Hakim and Joseph Friedman.)

The Better Government Association of Illinois survey of 324 businesses in towns with riverboat casinos found that 51 percent of the firms said riverboats had either no effect or a negative effect on their business. Of the 44 percent who gave a positive response, half said the lift their businesses got was minimal. Three percent said their business has been ‘‘helped a lot.’’ (1994 survey.) A Chicago Tribune survey found a similar result. An Aurora, IL riverboat casino gets all but 1 to 2 percent of its business from within the State, and the Tribune reported:

> ‘‘The casino is killing the small businesses in this area, and they claimed it would help us,’’ said Mario Marrero, former owner of the Porto Coeli Cafe and Bakery, a block from the casino.
>
> As soon as the casino opened a year ago, Marrero saw his business drop by half, from about $4,000 a month to $2,000 a month, he said.
>
> In May, he was forced to close after nearly five years in business. (June 28, 1994.)

Gambling’s effect on government is more than income from gamblers and expenditures for dealing with problem gamblers and increased crime. Gambling operators are major contributors to campaigns—in the millions—and employ expensive lobbyists at both the State and Federal level. A few gambling enterprises have formed the American Gaming Association and employed a former chairman of the Republican National Committee as its chief executive. Gaming is an influence to be reckoned with in dozens of State capitals, and its influence will grow markedly in Washington. In Illinois, the lobbyists for gambling include a former Governor, a former attorney general, two former U.S. attorneys, a former director of the State police, a prominent former judge, a former mayor of Chicago and at least seven former State legislators. All of this is legal.

But gambling in Illinois has also been associated with the illegal. Back in 1964, as a State legislator, I co-authored an article for Harper’s magazine titled, ‘‘The Illinois Legislature: A Study in Corruption.’’ It did not enhance my popularity in that body, but it did some good, and I am pleased to report that today the Illinois Legislature—in ethics, and in quality—is a much improved body over that period. But whenever there is easy money floating around, the temptation for corruption is present. We have had two Governors in our State’s history go to prison, one because of payoffs from legalized gambling. I recall particularly the deal worked out in which—on the same day—the sales tax in our State was increased from 2 cents to 3 cents, which then included food and medicine, and the tax on two politically well-connected racetracks was reduced by one-third. Every State legislator knew what was going on.

Organized crime has frequently been a problem with gambling, whether legal or illegal. Big money attracts them. And it is big money.

Last year, one riverboat casino in Illinois netted—not grossed—$203 million. The Chicago Tribune (March 28, 1995) reported that two politically well-connected Illinois men were offered $20 million if they landed a casino in our State for a Nevada firm. When contacted by the Tribune, they said they had other offers that were higher.

The gambling elite are not only generous employers of lobbyists, they are multimillion dollar donors to political campaigns, and the combination makes them politically potent. The unsavory and unhealthy influence of lobbyists and legislators as a protector of this rapidly growing industry means sensible restraint will not be easily achieved.

But there is another side to that story. Public opinion is not with the gambling gentry. Even after well-financed campaigns, when there are referenda on whether legalized gambling should be expanded in a State or community, rarely do those initiatives win. Every referendum on a gambling casino held last year lost, and in the big one, Florida, it lost decisively. Donald Trump may have helped when he told the Miami Herald a few weeks before the referendum: ‘‘As someone who lives in Palm Beach, I’d prefer not to see casinos in Florida. But as someone in the gambling business, I’m going to be the first one to open if Floridians vote for them.’’ Florida Commerce Secretary Charles Dusseau did an economic analysis of gambling possibilities in Florida and came to the conclusion it would hurt the State.

Opposition to legalized gambling also brings together an unlikely coalition. For example, Ralph Reed, executive of the Christian Coalition, and the liberal State Senator Tom Hayden of California, agree on this issue.

To those who wish to go back to an earlier era in our nation’s history when legalized gambling was abolished, my political assessment is that is not possible. But restraint is possible.

I have introduced legislation, cosponsored by Senator LUGAR, to have a commission, of limited duration and a small budget, look at this problem. Congressmen FRANK WOLF and JOHN LAFALCE have introduced somewhat similar legislation in the House. My reason for suggesting the limited time—18 months—and the small budget, $250,000, is that commissions like that often are the most productive. One of the finest commissions the Nation has had, the Commission on Foreign Languages and International Studies, produced its report in a little more than 1 year on a small budget and had significant influence.

Let a commission look at where we are and where we should go. My instinct is that sensible limits can be established.

For example, what if any new gambling enterprise established after a specific date had to pay a tax of 5 percent on its gross revenue. Those who are already in the field who are not too greedy should support it because it prevents the saturation of the market. Financial wizard Bernard Baruch said of those who invest in the stock market, ‘‘The bears win and the bulls win, but the hogs lose.’’ Gambling enterprises that are willing to limit their expansion are more likely to be long-term winners. And those who know the problems that gambling causes should support this idea because of the limitations.

Or suppose we were to move to some form of supplement to local and State revenue again. States, Indian tribes, and local governments that do not have any form of legalized gambling would be eligible for per capita revenue-sharing assistance. It would require creating a source of revenue for such funding, but would bring some relief to non-Federal governments who do not want gambling but are desperate for additional revenue. There is no way—let me underscore this—of reducing the gambling problem without facing the local revenue problem.

Congressman JIM MCCRERY, a Republican from Louisiana, has proposed that lotteries—now exempt from Federal Trade Commission truth-in-advertising standards—should be covered. Why should the New York lottery be able to advertise: ‘‘We won’t stop until everyone’s a millionaire.’’

These are just three possible ideas. The commission could explore others. The commission can look at how we deal with gambling opportunities that will surface later this year on an experimental basis on cable television and the Internet. How significant could this become? None of us knows.

We do know that two-thirds of problem gamblers come from a home where at least one parent had a problem with alcoholism. Should we be dealing more seriously with alcoholism, in part to deal with the gambling phenomenon?

These and other questions could be studied by a commission.

What should not be ignored by Congress and the American people is that we have a problem on our hands. We need to find sensible and sensitive answers.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, do I have time reserved under a previous order?

The PRESIDING OFFICER. The Senator has 15 minutes.

GAMBLING

Mr. DORGAN. Mr. President, as always, the Senator from Illinois raises for this Senate the right questions and in a very sensitive way. I have said previously on this floor in discussing some other items that one of the growth industries in America, regrettably now, is gambling. There is more spent, at least for the more recent year I have seen, there is more spent for gambling in America than is spent on America’s national defense. In a recent year, it was $400 billion-plus just on legal gambling. We spend less than $300 billion on America’s defense. I think all of the questions that relate to this issue of gambling need to be asked and need to be studied.

It was interesting to me one evening when I had the television set on, though I was not really watching it much—and on one of the local stations in the Washington, DC, area they were doing their live drawing for their lottery. They do that live with these little ping-pong balls with numbers on them. It was on the screen. I never participated in those things. This was on the screen, and then across the bottom of the screen scrolled an urgent news bulletin. It was not so urgent that they would take the lottery selection off, because they were doing that live, they did not want to interrupt that.

So they kept on picking the lottery balls out and announcing the numbers. The news scrolled across the bottom of the television screen that Gorbachev had just resigned in the Soviet Union. I was thinking to myself, this is incredibly bizarre. Here is something that will affect the lives of virtually everyone in the world. The leaders of one of the major powers in the world resigns, but instead of cutting in with a news report, they cannot interrupt the lottery, so they scroll it across the bottom of the screen.

That is what we have come to, with respect to this issue of gambling in America today.

Mr. SIMON. Mr. President if my colleague will yield for an observation. I thank him. As usual, Senator DORGAN is right on target on this issue.

Today, I regret to say, we have topped $500 billion now in total gross income. It is a fast-growing industry in the United States.

Mr. DORGAN. That is probably legal wagers. There is substantial illegal wagering in America.

Mr. SIMON. That does not count what happens illegally. The second thing, the Senator mentioned in passing—as you saw them take these balls for the lottery—that you do not spend any money on it. Most people of our income level do not. It is the poor that they try to appeal to. And it is very clear, both from studies and from the advertising, that this is an attempt to extract money from the poor. We ought to be able to get revenue in a better way for our Government.

Mr. DORGAN. I do not come to the floor suggesting that gambling is always wrong or ought to be made illegal. I think it is very useful to study, and I think that the commission approach makes a lot of sense. We ought to be evaluating what does all of this mean for our country? Who is affected by it, and how? That is what I think the Senator from Illinois was saying. I think it is timely and important. I have indicated that to Congressman WOLF and others, as well.

Mr. SIMON. I thank my colleague.

LINE-ITEM VETO: WHERE ARE THE HOUSE CONFEREES?

Mr. DORGAN. Mr. President, I came to the floor to visit about two other items. One is the line-item veto. As the Presiding Officer knows, we passed a line-item veto here in the Senate in March. I voted for it, as I have on a dozen or 2 dozen occasions previously, because I think we ought to have a line-item veto. I voted for the line-item veto when President Reagan and President Bush were Presidents because I, as a Democrat, think that Presidents, whether Republican or Democrat, ought to have a line-item veto.

The House passed a line-item veto bill on February 6 of this year, and the Senate passed a line-item veto bill in March of this year. Now, there has been no progress since then because there has been no conference between the House and Senate. Why has there not been a conference? Because the Speaker of the House, who always told us he wants a line-item veto, decided he is not going to appoint conferees. So there will be no line-item veto until the Speaker decides he wants to appoint some conferees, and there is a conference and agreement, and then it comes back to both the House and the Senate.

Now, some will probably say that this is because the new majority and the Speaker may want to put their own spending projects in these bills and not have a Democratic President veto them.

This is a newspaper published on Capitol Hill. It says, ‘‘Gingrich Gets $200 Million in New Pork,’’ describing what was written, apparently, in appropriations bills that will benefit the Speaker. He may not want the President to target that $200 million that was written into a bill that the Pentagon does not ask to be spent. Maybe the President would use a line-item veto to say this is $200 million that the taxpayers should not have to spend on things the Pentagon did not want.

I noticed this morning in the Washington Post, ‘‘Extra Pentagon Funds Benefits Senators’ States.’’ It describes in some detail the extra funds put in for projects that the Pentagon has not asked for. These are things that will be built that the Pentagon says we do not want built. But money is added to