

provisions, and hopefully it will eliminate many of the objections before we move this legislation here in Congress.

But the people of Guam must not make the mistake of placing their faith in this process without some hope of success. If we do this, we will pursue commonwealth in a manner which will totally frustrate us. The frustration with the current process, since it has gone on for over 7 years, is sapping some of the strength to our commitment to commonwealth and is leading to the unfortunate feeling of a lack of confidence in the Federal Government's sincerity. But I remain confident, and certainly most of the people of Guam do, that we should not give up on commonwealth. Despite the lack of support and clarity of both administrations and from Washington in general, the people of Guam still remain remarkably united behind commonwealth.

The administration negotiations has gone on rather intensely for the past year, and we have seen a number of time deadlines set, but realistically I think the people of Guam have reached the point that if we do not see this make progress by spring, the people of Guam will be in a position to reevaluate whether the current process that we are engaged in is really the way that we want to go about it and whether indeed we want commonwealth or the kind of commonwealth that we propose.

So this is a very critical time in the negotiation process, and while I commend the Clinton administration for their forthrightness in bringing it to this point, and I also want to commend Governor Gutierrez and all the elected leadership of Guam for bringing it to this point, we have been near this point in the past, and we need to get on with it, and we need to get a clear, strong signal from the administration about their sense of what commonwealth for Guam means and whether they agree with our proposal.

Next year will mark the 100th anniversary of Guam being first a possession of the United States and now an unincorporated territory, but this process with the Clinton administration is not really the culmination of the Commonwealth Draft Act because, as most people in Congress know, and certainly I hope all of them will know by the time we deal with this piece of legislation, Congress retains plenary authority over the territories of the United States through the Constitution.

This is really a congressional call. Political status change is really a congressional call. Progress in the territories and the policies which the Federal Government adopts in the territories is really a congressional call. So I am really requesting the Members of Congress, and particularly the leadership of Congress and those who are particularly responsible for the insular areas, both in the House and in the other body, to take a good strong look

at the commonwealth proposal of Guam, to make it see the light of day, to allow the debate on its provisions to go forward, to give a clear and sensible answer to the people of Guam why their aspirations to be fuller Americans, Americans with more autonomy over their lives, continues to be frustrated after 7 years of discussions.

We have an opportune time in this Congress. We are facing the 100th anniversary of a war that most of us probably do not think about much. But I am certainly going to bring it to the surface as much as I can. In that war the Treaty of Paris of 1898 specifically entrusted the Congress of the United States with the exact obligation to determine the political status of the native inhabitants of Guam. We have not done that in a clear and concise manner, we have not done that in a respectful manner, and I do not think we have done that in a way that is commensurate with the value that Guam has been to the United States through its strategic location for the intervening 100 years.

I hope that as we see the 100th anniversary of the Spanish American War, I pray that the Members of Congress will bring attention to this issue, as I certainly will in collaboration with the leadership of the other territories, as well as, of course, the Commonwealth of Puerto Rico. The 100th anniversary of the Spanish-American War marks an important time period for the United States to, in a sense, come face to face with its imperial past and come face to face with what hopefully will be in the next century a more perfect union not only for the 50 States and the District of Columbia, but all the people who live under the American flag.

GAMBLING ADVOCATES SHOULD NOT BE PART OF THE NATIONAL GAMBLING IMPACT STUDY COMMISSION

The SPEAKER pro tempore (Mr. COLLINS). Under the Speaker's announced policy of January 7, 1997, the gentleman from Virginia [Mr. WOLF] is recognized for 60 minutes as the designee of the majority leader.

Mr. WOLF. Mr. Speaker, it has recently been reported that the President of the United States and the minority leader of the House are planning to appoint gambling advocates to the National Gambling Impact Study Commission. Should this come to pass, it would prevent a commission from doing any meaningful work. The President and the minority leader should not appoint individuals with a vested interest in the outcome of the report. They should appoint men and women of good will, able to make an objective and thorough review of gambling.

Why? Because gambling is known to wreak havoc on small businesses, families, and our governmental institutions, and it is time to learn gambling's true impact on the Nation.

As the Washington Post editorialized today, the commissioners were sup-

posed to be appointed on October 2, 1996, prior to the election. Now we have learned that the gambling interests that once gave millions of dollars to both political parties also had a coffee with the President of the United States as some of the infamous White House coffees.

□ 1445

The Wall Street Journal reported last week that the Oneida Nation donated \$30,000 to the Democratic National Committee on the day that Oneida Chairwoman Deborah Duxtator attended a White House coffee event.

This administration is being scrutinized for the campaign contributions it has received in the campaign-related meetings it has had within the White House. Americans are rightly concerned, Americans of both political parties are rightly concerned, about the President meeting with drug dealers in the White House. They are concerned that China's biggest arms merchant, Mr. Wang, head of the Poly Corp. in China, who was trying to sell assault weapons to street gangs in California, was meeting with the President of the United States in the White House. What a disgrace. The president of the corporation that was selling assault weapons and even shoulder missiles to street gangs in California was meeting with the President of the United States.

Their concern was favor-seeking Indonesian businessmen, and as everyone knows, the Lippo Bank in Indonesia, and I just returned from Indonesia 2 weeks ago where we went to the island of East Timor, where the first Catholic Bishop ever in the history of the world, a winner of the Nobel Peace Prize, and I might say he was appointed and recommended by the gentleman from Ohio [Mr. HALL], from this side of the aisle, won the Nobel Peace Prize. The feeling out in Indonesia and now in the United States is that the Lippo Bank, which is an Indonesian bank, through the Riady family, which is close to the Clinton administration, gave money to the Clinton administration, which has now changed their policy on Indonesia. And we know that in Indonesia, in a little island of East Timor where 700,000 people of the Catholic faith are now being persecuted and the military fear that runs through the island as they are taking young people away in the middle of the night.

So the American people are concerned about this. They are concerned about a reputed Russian mobster, Russian mobster in the White House with coffee, and as this administration says they are concerned about drugs, drug dealers at the White House. So therefore, they are concerned about this whole issue of campaign financing.

Anything the White House does, rightly or wrongly, will be scrutinized in light of these factors.

I call on the President to appoint three honest and decent Americans, people the American people can trust

to conduct a credible study of the gambling industry. I urge the President to avoid the charge that his picks are political payola, mere kickbacks for financial support during the election. I agree with the gentleman from New York [Mr. LAFALCE], who urged the President in a February 6 letter in saying, "to place the National Gambling Impact Study Commission above politics and to consider appointments that the public can rely on to conduct a comprehensive and fair review of gambling." Because what we wanted in the commission, since gambling is spreading rampantly through the country, is an objective group of men and women who would study the issue of gambling and to see: has there been a problem on corruption, has there been a problem on crime, has there been a problem on addiction, whereby localities and State legislators and Governors could come to an objective place to see. And now we see that maybe the White House is talking of putting gambling interests on as their appointments.

I am not suggesting, and let me say for the record, that the President should appoint antigambling people to the commission. He ought not appoint antigambling people, but the test should be whether the appointees are objective, whether they are connected to the industry in some way or any way, or are proponents of gambling. The American people are watching; the editorial writers and the newspapers of this country are watching in hopes that the President will do the right thing.

In an October 31, 1995 letter to Senator Paul Simon the President wrote the following:

I deeply appreciate your efforts to draw attention to the growth of the gambling industry and its consequences. Too often, public officials view gambling as a quick and easy way to raise revenues without focusing on gambling's hidden social, economic and political costs. I have long shared your view about the need to consider carefully all of the effects of gambling, and I support the establishment of the Commission for this purpose.

I had an opportunity a year ago to be at the White House, where the President came and said to me he supported completely what we were trying to do on the National Gambling Commission. If the President was saying what he believes to me and to Senator Simon, why are they now talking appointing people connected to the gambling interest to be on the commission? Is this White House out of control? Does the President not know what his staff is doing? Is the President aware that his staff is making these recommendations? Are these on his desk? Will he speak out? Will he be involved?

Mr. Speaker, I take the President at his word that he supports the need to consider carefully all of the effects of gambling. This can only be done, Mr. President, by an objective group of individuals willing to make a thorough and considered review of gambling. The Congress and the President may join

together to establish other commissions in the future, to study issues such as Medicare and Social Security. Those commissions should not be loaded up one way or another so meaningful research is somehow thwarted. They should be above politics.

If the President appoints gambling interests to this commission, can you imagine who he will appoint to the Medicare commission? Can you imagine who he will appoint to the Social Security commission? It will destroy the confidence that the country will have in his ability for objectivity and fairness.

Likewise, the National Gambling Impact Study Commission will not be able to do its job if the panel is stacked with individuals linked to the industry. And it should be above politics.

I urge the President, in the words of a February 5 Dallas Morning News editorial, it says not to "give henhouse guard duty to the foxes." It says, do not "give henhouse guard duty to the foxes."

All the States that are holding referendums on this issue are all turning gambling down but one this last time, and they passed it 51 to 49. The President's own home State of Arkansas has turned gambling down, and now we hear that the White House is thinking of appointing gambling-interest people to this commission.

I also would like to insert in the RECORD the Washington Post editorial where it says,

The big money gamblers are betting a bundle on President Clinton to do their bidding today. Maybe Mr. Clinton will have some second thoughts, and well he should, about stacking a Federal commission established to examine the impact of gambling activities on the country. But that is not a very safe bet, given the background situation.

Start with the guess-who's-coming-to-coffee list at the White House. Last March, for example, one White House coffee guest was the chairwoman of the Oneida Nation, an Indian tribe with gambling interests. On the same day, according to the Wall Street Journal, the Oneida Nation donated \$30,000 to the Democratic National Committee. Coffee guest lists show at least 10 representatives of Indian gambling interests since mid 1995.

Then it goes on to quote Mr. LAFALCE, a supporter of our bill, to set up the national commission, and he wrote to the President last fall urging him to name individuals without vested interests in the outcome of the commission. In the followup letter last Thursday, Mr. LAFALCE expressed his concern about the reported White House list urging the President to place the commission above politics.

This is the end of the Washington Post editorial:

Given the squalid state of money-ordered politics pervading Washington, that would be refreshing news.

Also, Mr. Speaker, in closing, I would like to insert the article from the January 25 Economist magazine where it talks about the reality of dawning in this Nation with regard to what is taking place on the gambling interest. It says,

Many places have failed to understand that casinos, more than other forms of gambling such as lotteries, cause what economists call negative externalities. There is a price to pay in the rising costs of such things as law enforcement, street cleaning, and, some argue, the extra social services needed when gambling leads to the breakup of families. When these additional costs are taken into account, it is far from clear that gambling benefits anyone except the casino operators.

Now the President stands here to address the Nation and talk about families. In fact, if you listen to both political parties, they talk about families and family values. Would it be a family value for the President to appoint three gambling-connected people to the Gambling Commission? Of course it would not be a family value for this administration to do that.

The article goes on to say,

Perhaps one-third of Americans never gamble, reckons Mr. Grinols. Many people who do are cautious, but a small percentage, perhaps 2 to 4 percent of the American adult population, are problem or pathological gamblers. These account for a disproportionately large share of the activity's costs. One study in Minnesota found that 10 percent of bettors, 10 percent of bettors accounted for 80 percent of all the money wagered.

The article goes on to say,

Their numbers may be small, but their impact is not. Problem gamblers have a high propensity to commit crimes, in particular, forgery, theft, embezzlement and fraud. These crimes affect both immediate family and colleagues at work. The American Insurance Institute estimates that 40 percent of white collar crime, 40 percent of white collar crime has its roots in gambling. Gamblers often descend in a spiral of increasingly desperate measures to finance their habit in the hope of recouping their losses. Further, even before they turn to crime, problem gamblers are unproductive employees, frequently absent or late, and usually distracted. A 1990 study in Maryland estimated that the State's 50,000 problem gamblers accounted for \$1.5 billion in lost productivity, unpaid State taxes, money embezzled and other losses.

It ends by saying, and I will insert the whole article in the RECORD,

All this is potent evidence that casinos are a bad bet. But even if the effects of problem gambling are discounted, the fact remains that casinos are not a development tool either. The risk, which everyone was aware of at the outset, is not paying off. Without resorting to moralizing and even without mentioning organized crime, those who would clamp down on gambling can now make a formidable economic case.

In closing, Mr. Speaker, I periodically will get calls from loved ones in a family who call and say, my husband committed suicide or my wife got addicted and committed suicide, and we will also hear from other families. And has the President had the opportunity to sit down and talk to some of the families who have lost loved ones because of this addiction?

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He sits down with the Oneida Indian tribe, he sits down with the gamblers from all around the United States, he takes their political money, but he will not sit down with a mom who calls

about her son, or the wife who calls about her husband, and all of those who have been impacted.

So I call on the President, I call on the President today to make a commitment to the American people not to appoint anti-gamblers; and let there be no misunderstanding, I personally am not for gambling, but I am not asking that anti-gamblers be on the commission. But I certainly am saying that pro-gamblers and those connected with the gambling interests in any way ought not be on the commission.

When I think of all the good, honest, and decent people in this country, Republican and Democrat, liberal and conservative, who would be outstanding appointments to this commission, I call on the President to find three people like that, who have no connection, to demonstrate that the political contributions in this fall's campaign have had no bearing on it.

Because I will tell the Members, we will scrutinize who is appointed to this commission. We will dig and we will follow it out. We will find out, whether it be through subpoena power or whatever, if there has been any connection. If there is any connection, we will demand that this Congress act, and we will demand that this administration act.

Mr. Speaker, I include for the RECORD the following documents.

The material referred to is as follows:

[From the Washington Post, Feb. 10, 1997]

GAMBLING PAYOFF?

The big-money gamblers are betting a bundle on President Clinton to do their bidding today. Maybe Mr. Clinton will have some second thoughts—as well he should—about stacking a federal commission established to examine the impact of gambling activities on this country. But that's not a very safe bet given the background situation.

Start with the guess-who's-coming-to-coffee list at the White House. Last March, for example, one White House coffee guest was the chairwoman of the Oneida Nation, an Indian tribe with gambling interests. On that same day, according to the Wall Street Journal, the Oneida Nation donated \$30,000 to the Democratic National Committee. Coffee guest lists show at least 10 representatives of Indian gambling interests since mid-1995.

Last week, the president's short list of choices for three seats on the gambling commission included attorney Tad Johnson, reportedly a registered member of an Indian tribe that has a casino in Minnesota. But according to Saturday's Las Vegas Review Journal, after some critical publicity on the commission appointments, this nomination may be pulled.

Other names that have been topping the Clinton list are former New Jersey state treasure Richard Leone, who is close to New Jersey Rep. Robert G. Torricelli, a strong supporter of the Atlantic City gambling industry; and Bill Bible, chairman of the Nevada Gambling Control Board. According to the Las Vegas Sun, Sen. Harry Reid of Nevada was assured by a top White House aide last October that Mr. Bible's selection was a "done deal."

The deals for these three commission seats and six others chosen by Senate and House leaders were all supposed to be done by Oct. 2, before the elections. Word last week was that Mr. Clinton would announce his choices

today. But if a second look is in progress, that could be good news.

One of Speaker Gingrich's choices is the chairman and CEO of a Las Vegas casino company. House Minority Leader Gephardt, who gets one selection—and whose political committees received at least \$46,500 from gambling interests along with another \$4,500 from the three women listed as homemakers from Las Vegas—reportedly favors the head of a union representing casino employees.

In a letter to House and Senate colleagues, Rep. Frank Wolf of Virginia, a sponsor of the commission bill, calling the gambling leaders' effort to seek "a return on their investment" a "disgrace." Another supporter of the bill, Rep. John J. LaFalce of New York, wrote to President Clinton last fall urging him to name "individuals without vested interests in the outcome of the commission's study." In a follow-up letter last Thursday, Mr. LaFalce expressed his concern about the reported White House list, urging the president to place the commission "above politics." Given the squalid state of money-ordered politics pervading Washington, that would be refreshing news.

THE WHITE HOUSE,
Washington, DC, October 31, 1995.

Hon. PAUL SIMON,
U.S. Senate,
Washington, DC.

DEAR SENATOR SIMON: I deeply appreciate your efforts to draw attention to the growth of the gambling industry and its consequences. Too often, public officials view gambling as a quick and easy way to raise revenues, without focusing on gambling's hidden social, economic, and political costs. I have long shared your view about the need to consider carefully all of the effects of gambling, and I support the establishment of a commission for this purpose.

My Administration is eager to work with you in designing such a commission and ensuring that its work is completed in a timely and effective manner. Your and Senator Lugar's bill, S. 704, and Congressman Wolf's bill, H.R. 497, provide a very sound basis for this process, which I hope will include further discussion of the exact composition of the commission and the exact scope of its duties and powers.

Again, I applaud your efforts to place this important matter on the nation's agenda.

Sincerely,

BILL CLINTON.

[From the Economist, Jan. 25, 1997]

A BUSTED FLUSH

HOW AMERICA'S LOVE AFFAIR WITH CASINO GAMBLING TURNED TO DISILLUSIONMENT

In 1995, 177m Americans went to watch the baseball, football, hockey and basketball matches, not to mention golf tournaments and car races, that make up what most people think of as away-from-home entertainment. Yet almost as many Americans, 154m of them, walked through the doors of the country's casinos. Americans in 1995 wagered an eye-popping \$550 billion on all forms of gambling, handing the gambling industry a record \$44.4 billion in profits, 11% more than the previous year. Around 40% of that activity took place in casinos. On the face of it, casino gambling has become the most popular leisure activity—well, maybe the second most popular—in America.

It is at least as popular with Wall Street and American business. In the past year or so, Goldman Sachs and Morgan Stanley, two blue-chip investment banks, have set up research and banking teams to serve the "gaming and leisure" industries, as the gambling organisations like to be called. Respectable firms such as Hilton Hotels and ITT have ac-

quired casino operators. Las Vegas and Atlantic City are expanding faster than ever before. To all appearances, casino gambling is a rich, successful and untroubled business.

It may seem strange, then, to argue that America's love affair with casinos is essentially over. Strange, too, to assert that the gambling industry is largely responsible for ensuring its own eventual decline. But there is growing evidence for both arguments. And the irony is that the roots of gambling's failure lie not only where one might expect—in moral objections—but in the consequences, expected and unexpected, of the economic success which helped the casinos' emergence into respectability.

Plenty of people are still willing to roll dice, draw cards and, most of all, play slot machines. But there has been a change of heart among the legislators whose tolerance of casino gambling gave it legal sanction. Since mid-1994, anti-gambling groups, led by the National Coalition Against Legalised Gambling, have helped to defeat more than 30 state legislative or ballot proposals to legalise or expand gambling businesses. Despite spending a fraction of their opponents' budgets on lobbying politicians and voters, the lobby against gambling has proved remarkably effective.

The gambling industry is hitting back. In June 1995 it organised itself into the American Gaming Association; it spends serious money trying to limit further damage to its fortunes. But it is likely to be a bruising and losing battle.

In August 1996 President Clinton signed a law establishing a national commission whose nine members will, for the next two years, study the impact of gambling on American society. That is quite a change for an administration which had previously seemed to look on gambling simply as a source of revenue. In 1994, Mr. Clinton floated the idea of a 4% federal tax on gambling revenues to create a fund for welfare reform. No fewer than 31 state governors replied that the tax, by lowering their own tax-take, would do great damage to their already stretched state budgets. The proposal was shelved. Now Mr. Clinton, turning the other way, has set up his commission, and most people reckon its questions will make the casino firms squirm.

THE FALSE EXAMPLE

To understand the reason for casino gambling's coming failure, start with the reason for its success. In the 1940s, when Bugsy Siegel turned to Las Vegas as the place to set up a gambling empire, he made a shrewd guess; if you build a casino in the desert, people will flock to it. After a shaky start, the experiment proved a success. That was in part because Las Vegas at the time had a country-wide casino monopoly (the next casinos, in Atlantic City, New Jersey, were not approved until 1976).

The frenzied expansion of Las Vegas in the late 1980s and early 1990s caught the politicians' eyes. So too did the economic impact of casinos on equally isolated Indian reservations. As sovereign nations, tribes were for a long time allowed to run gambling operations when these were forbidden elsewhere. In the early 1990s, the economy of many parts of the country was stagnating, and state politicians were under pressure either to cut services or to raise taxes. Many suddenly had the same idea. Why not legalise casinos, thereby creating employment as well as a firm base for future taxes on the profits of the chosen local monopolist?

Gambling firms were quick to share the idea, promising lavish improvements in the infrastructure of run-down urban centers. Would-be operators of new casinos talked smoothly of repaved streets, splendid shops

and thriving "eateries". And the politicians, for their part, found a further way to draw attention to the supposed advantages of legalised gambling. They could earmark gambling-tax revenues for some of the things voters wanted: for example, by 1991 13 states, including New York and California, had allocated some or all of their lottery receipts to education.

Look at Connecticut. Few states have had more bruising battles over whether to extend casino gambling. But since 1992 Connecticut has been home to America's most successful casino, Foxwoods, which sits on land belonging to the Mashantucket Pequot tribe of Indians. Thanks in part to the fact that 22m people live within 150 miles of Foxwoods, the casino gets around 45,000 visitors a day and makes an estimated daily profit of \$1m.

Not surprisingly, other gambling interests have sought a share of the Connecticut pie. In the early 1990s, Steve Wynn, chief executive of the Mirage Corporation, a big casino operator, tried to win casino licenses in Connecticut's state capital, Hartford—which has suffered from the decline of the big insurance firms that once dominated its economy—as well as the decrepit town of Bridgeport. Despite generous spending, and his gleaming vision of what gambling would do for the economy, both of Mr. Wynn's attempts failed. Yet casino operators are still seeking other places to expand. A lively debate is going on at present over proposals to legalize casinos in New York, specifically to draw "the gambling dollar" away from New Jersey and Connecticut.

HOW THE REALITY DAWNED

The trouble, as some New York legislators are pointing out, is that the supposed casino miracle has two big problems in practice. First, with few exceptions, legalizing gambling has failed to stimulate the expected economic miracle. According to Harrah's Casinos, which publishes an annual survey of the industry, casinos employed 367,000 people in 1995, more than half of them in Nevada. That was a 24% increase since the start of 1994. But the jobs created by the arrival of casinos are too often menial—money-counter, cleaners—and have all too often been cancelled out by the jobs that are lost as the newcomers drive older firms out of business. Moreover, bare statistics that show the growth of gambling jobs ignore the job creation that would have happened in the absence of a casino.

Belatedly, the politicians who welcomed casino gambling for its economic spin-offs have realised that it takes more than a few superficial improvements to revitalise a struggling city centre. Moreover, as more and more casinos have opened, so competition has diminished the amount of business each one can expect. The once-sunny economic projections have faded. In Deadwood, South Dakota, for example, an initial flush of profitability was destroyed by the speedy arrival of dozens of competing casinos, so that bust quickly followed boom.

Second, many places failed to understand that casinos, were more than other forms of gambling such as lotteries, cause what economists call "negative externalities". There is a price to pay in the rising cost of such things as law enforcement, street cleaning and (some argue) the extra social services needed when gambling leads to the break-up of families. When these additional costs are taken into account, it is far from clear that gambling benefits anyone except the casino operators.

Both these problems were predictable. It was naive to extrapolate from the success of Las Vegas a guaranteed economic stimulus for any city that opened its doors to a casino. Robert Goodman, a professor at Hamp-

shire College in Massachusetts who writes on the economics of the gambling industry, argues compellingly that Las Vegas was a misleading model for the rest of America. To experience the seedy glamour of that city in the desert, most visitors have to come from a long distance away. A trip to gamble therefore becomes a full-scale holiday, complete with a stay in a hotel, visits to local restaurants and no doubt a little shopping thrown in. In Las Vegas, casinos genuinely support the service economy.

Contrast this with, say, Atlantic City in New Jersey. The place is a bus ride away from New York city, and perhaps 30m people live close enough to visit its casinos for a day at a time. Many even cut their own sandwiches at home; they are the "brown-bag gamblers". As is all too evident in the seedy downtown area with its paucity of restaurants, Atlantic City collects relatively few non-gambling dollars.

The contrast is greater still in places such as Joliet, Illinois, or Gary, Indiana. There is little in such cities to attract visitors from any distance away. It is the locals upon whom the casinos have to rely. Earl Grinols, an economic professor at the University of Illinois, points out what this means. Because local people are spending money on gambling that they would otherwise have spent of, say, buying clothes or going out for a meal, many non-casino firms suffer from reduced turnover and profits. This not only limits the number of people they employ; it also means that they pay proportionately less tax to local and state governments.

Similarly, many of the people employed by a casino live outside the city where the casino is sited—and spend their money outside it, too. Nearly 60% of the staff of Joliet's casino live outside the city, and half of those outside the country. This does not mean that nobody benefits. In Joliet, nine people paid some \$7m for the town's casino franchise. Their investment paid for itself in six months, and each now collects a monthly dividend of some \$900,000.

At last, it has started to dawn on the rest of the city's people that the economic benefit from a casino depends largely on where it is. Add the fact that, the more casinos there are, the smaller the share of America's gamblers any one of them will be able to attract, and it is plain how the dreams have been punctured. Even the gambling industry, which used to boast of the market's almost infinite potential, has become more circumspect. Casino firms have begun to consolidate as stronger competitors buy weaker ones. And industry analysts say that these days the growth prospects of many "gaming" firms come more from non-gambling sidelines (such as food, shops and shows featuring well-known crooners) than from gambling itself.

THE PRICE OF GAMBLING

As casinos have failed in many cases to revive local economies, so something else has happened. The old moral doubts about gambling, which were swept under the carpet when it seemed to offer a key to success, have resurfaced. In the process, whatever respectability gambling had recently acquired has been eroded.

Gambling-related social costs are extremely difficult to quantify. Nevada has the highest suicide rate in America; it also has among the highest number of accidents per mile driven, and deplorable crime and high-school drop-out rates. New Mexico, however, which is almost free of casinos, can rank alongside Nevada on all these counts. A causal link between gambling and these indicators is hard to prove. But it is becoming easier to establish that damage is done by gambling in general and by casinos in par-

ticular, largely because they contain slot machines, which are highly addictive.

Perhaps one-third of adult Americans never gamble, reckons Mr. Grinols. Many people who do are cautious. But a small percentage, perhaps 2% or 4% of America's adult population, are "problem" or "pathological" gamblers, and these account for a disproportionately large share of the activity's costs. One study in Minnesota found that 10% of bettors accounted for 80% of all money wagered.

Their numbers may be small; but their impact is not. Problem gamblers have a high propensity to commit crimes, in particular forgery, theft, embezzlement and fraud. These crimes affect both immediate family and colleagues at work. The American Insurance Institute estimates that 40% of white-collar crime has its roots in gambling. Gamblers often descend in a spiral of increasingly desperate measure to finance their habit in the hope of recouping their losses. Further, even before they turn to crime, problem gamblers are unproductive employees, frequently absent or late and usually distracted. A 1990 study in Maryland estimated that the state's 50,000 problem gamblers accounted for \$1.5 billion in lost productivity, unpaid state taxes, money embezzled and other losses.

All taxpayers contribute towards the cost of policing, judging and incarcerating criminals. Casino gambling increases those costs. Since the Foxwoods casino opened in 1992, one police chief in a small Massachusetts town two hours' drive away reckons that local crime related to the casino has cost some \$400,000. Multiply that figure by thousands, and the national impact of casino gambling begins to emerge.

Are casinos alone to blame? After all, gambling in America extends far beyond crap tables and slot machines. State governments themselves encourage gambling by spending millions to advertise lottery jackpots on television. But not all forms of gambling are equal: in Minnesota, for instance, two-thirds of people seeking help for their gambling problems blamed casinos for their addiction. A mere 5% cited lotteries.

The casino industry itself acknowledges its role in the problem. The American Gambling Association helps to finance a national Centre for Problem Gambling. Several firms promote programmes designed to help gamblers kick their addiction, and most casinos post free telephone numbers where people can find help. Gambling interests have also suggested that tax revenues from casinos could be used to pay for treatment for recovering gamblers. But even on conservative measures (reached by assuming that the average casino visitor loses \$200 annually), problem gamblers would account for three-eighths of casinos' revenues. How badly does the industry want to cure them?

All this is potent evidence that casinos are a bad bet. But even if the effects of problem gambling are discounted, the fact remains that casinos are not a development tool, either. The risk—which everyone was aware of at the outset—is not paying off. Without resorting to moralising, and even without mentioning organised crime, those who would clamp down on gambling can now make a formidable economic case.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WOLF) to revise and extend