

1 CHAIRPERSON JAMES: Congressman Ensign.

2 CONGRESSMAN ENSIGN: Thank you, Madame Chair. I'd  
3 like to thank the entire Commission for coming to our state;  
4 those of you who are not from our state, anyway, and bringing  
5 this Commission here to see really some very positive aspects of  
6 the gaming, gambling industry, whatever you want to call it. I  
7 remember growing up as a child, it was actually Bill Harrah who  
8 coined the term "the gaming industry". It was his attempt to  
9 more legitimize the industry instead of what people had in their  
10 Bugsy Seigal type of reputation, and gaming has become a  
11 legitimate industry that's on Wall Street. We just have to look  
12 at the companies that are represented. It used to be, it was  
13 more of a mom and pop type of an operation most of these places,  
14 and it's now very sophisticated, high finance-type of operations  
15 that we see all over the country that it has spread, but  
16 especially dominated here in the state of Nevada.

17 Now, I will tell you up front that I do have some  
18 personal bias. Obviously being a representative from the state  
19 of Nevada, my family's in the gaming industry, and I paid my way  
20 through school dealing 21; so I do have some personal bias and  
21 my mom, when my parents were divorced when I was a small child,  
22 she got a job working for Bill Harrah up in Reno, Nevada,  
23 carrying change, and that's the way that she supported three  
24 small children at the time. So I've seen some of the positive  
25 benefits of the gaming industry, and I would be the first one

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1 though to tell you that there are problems with this industry as  
2 there are problems with a lot of industries.

3 I'm a veterinarian by profession. The reason I even  
4 bring that up is simply because even as a veterinarian there  
5 were people that would bring their animals in and pay more for  
6 their animals than they would for their own children. But you  
7 know what that was, that was something that that there was their  
8 decision. There's something called personal responsibility that  
9 we all have to realize in life. There are problems with people  
10 being addicted to credit cards, to jogging too much, to a lot of  
11 different things in life that we can become addicted to, and  
12 gambling is no different. Now, there is a small percentage of  
13 the population that we need to address, and I'm glad actually  
14 for this Commission study, because it is bringing more of that  
15 out, and I think that the industry itself needs to do a better  
16 job, and I applaud your efforts for encouraging them to do a  
17 better job as I have been encouraging them to do a better job  
18 addressing the problem that we have with addicted gamblers.

19 But there are things that I think we have to keep in  
20 mind with this Study Commission. I argued vehemently against  
21 the formation of the Study Commission for a couple of reasons.  
22 It isn't that I'm afraid of what you all may find out. What I'm  
23 afraid of is what people will do with the information that you  
24 bring forward. The two things that I'm most afraid of is, one,  
25 federal regulation and the second one, federal taxation. I came  
26 to Congress in 1994 as part of that, you know, freshman class

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1 that came in and said you know what, government's too big, it's  
2 too intrusive. We've ignored the Constitution for too long. As  
3 I study the Constitution under the Tenth Amendment it becomes  
4 very clear to me that our founders intended for a very limited  
5 central government. It even says in the Tenth Amendment that  
6 those powers specifically not given to the Federal Government,  
7 as enumerated in the Constitution, those powers are reserved for  
8 the states and/or the people. The general welfare clause in the  
9 Constitution for 60 or 70 years -- and I've heard Dr. Dobson --  
10 I've heard you talk about this before -- that that general  
11 welfare clause has been used to expand the Federal Government.  
12 Even sometimes when people believed it was the right thing to do  
13 it was against what our founders intended. And while people may  
14 think that it's laudable to do something against the spread of  
15 gambling and casino gambling, we also have to remember you are  
16 making your recommendations to Congress. And as I read it, the  
17 only two areas that I see that Congress' responsibility would  
18 include would be, one, is Indian gaming and the other one would  
19 be gambling on the Internet, because gambling on the Internet  
20 involves interstate commerce.

21 We're not talking about state regulated gambling  
22 involving interstate commerce. We do a very good job right here  
23 in the state regulating it and taxing it right here, and the  
24 Federal Government just has no role. So when you are  
25 formulating your report, I wish you would keep that in mind as  
26 part of your recommendations on problem gambling and some of the

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1 things that states should do about that, and if a state is  
2 looking to expand plus or minuses, I think it's good that you  
3 bring out the pluses and minuses of the spread of gambling  
4 because there are pluses and there are minuses and that's fine  
5 to bring out. And so if a state wants to make its own decision  
6 on whether to go forward with it or a local community whether to  
7 go forward with legalized casino gambling, then they'll have  
8 that information that you have provided for them. But if your  
9 report contains recommendations for federal involvement in state  
10 regulated state tax gambling, you're continuing this process of  
11 expanding the federal government beyond what the founders had  
12 intended.

13 I talked a little bit about personal responsibility  
14 because it is something -- one of the things that I fought so  
15 hard for was welfare reform is because I believe we are taking  
16 away people's personal responsibility. Part of the thing that I  
17 see in our society is we have become a society of victims. It's  
18 always somebody else's fault, and I keep having to come back to  
19 where is the personal responsibility? When are we responsible  
20 for our own actions? In gambling -- gambling itself whether  
21 you're -- I played high school golf. We used to go out on the  
22 golf course and, you know, we would bet. That was kind of  
23 harmless. I still like to bet a little bit on the golf course,  
24 and I think many people across the nation do. Football pools  
25 within their offices and things like that. Gambling in itself,  
26 entertainment like that, is that a problem? Well, I think

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1 that's up to each and every individual to decide whether that is  
2 a problem or not. But when it comes to moralizing whether  
3 gambling is in fact right or wrong, I think that that's where we  
4 have to get into that's a personal choice, but it's also a  
5 choice for the citizens of an individual state. Our founders  
6 left that up to us as individual states to decide. Nevada  
7 decided a long time ago that it was something that we were going  
8 to allow. Other states have now followed suit. I personally  
9 would love to see it not spread to any other states. I would  
10 love it if there had been a federal law. It would have been  
11 beneficial for Nevadans not to have it spread to any other  
12 state.

13 Having said that, it still is not under the  
14 constitutional jurisdiction in the powers enumerated in that  
15 Constitution for the Federal Government to be involved in the  
16 way that some people are calling. And on the floor of the  
17 Congress many discussions were made about what is this Study  
18 Commission going to do. And our biggest fear, and I mentioned  
19 before, were the two things; federal taxation and federal  
20 regulation.

21 And let me just conclude with this. That I think  
22 that this Study Commission can be very, very valuable because  
23 Internet gaming is exploding and it's going to explode much  
24 more, and we as a federal government don't know what to do about  
25 it, because first of all the government is not very good with  
26 technology, and keeping up with that technology is very, very

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1 difficult. The spread in an unregulated market like that is  
2 very dangerous. How do you keep kids away from it? All those  
3 types of things. There's a lot of question out there, and I  
4 wish that  
5 your resources that you have here you would concentrate more on  
6 Internet gaming.

7 And then, of course, the other thing is Indian  
8 gaming, because Indian gaming, as my colleagues have pointed  
9 out, is so unregulated in this country compared to what state  
10 run gaming is. California right now has illegal devices  
11 operating all over the state, and this Justice Department, Janet  
12 Reno and the rest of them, have not enforced the current law.  
13 And this Study Commission, I wish, would look into and bring  
14 recommendations for the Congress much more on Indian gaming as  
15 well.

16 And I want to thank you once again for allowing us  
17 to testify.

18 CHAIRPERSON JAMES: Thank you.

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