

1 religious system. Government sponsorship of gambling  
2 might even be seen to violate the separation of church  
3 and state by promoting a particular religious belief  
4 system.

5 Thank you.

6 CHAIRPERSON JAMES: Mr. Weissman.

7 MR. WEISSMAN: Thank you.

8 My name is Robert Weissman. I'm Co-  
9 director of Essential Action, an organization which  
10 works on combatting abuses of corporate power. I'm  
11 also editor of Multinational Monitor Magazine, which  
12 is a Ralph Nader founded publication that focuses on  
13 multinational corporations.

14 I recently wrote an article on casino  
15 gambling for Multinational Monitor, and I brought  
16 copies of the issue in which that article appears for  
17 the Commission.

18 Essential Action views the gambling  
19 industry as it's evolved in this country over the last  
20 decade or two as a case study in corporate greed and  
21 predation. Gambling interests prey on communities.  
22 Focusing on down trodden and de-industrialized

1 states and communities, the predatory casino, lottery,  
2 and associated companies swoop into states and locales  
3 promising riches, but the gambling companies play with  
4 a stacked deck. They make money while communities  
5 lose.

6           Casinos function as economic enclaves,  
7 much like mines or plantations in Third World  
8 countries, and just the way a foreign mine may extract  
9 gold and diamonds from a poor Third World nation  
10 without providing meaningful linkages to the  
11 surrounding area, so the casinos extract great wealth  
12 while spreading little to the local economy.

13           Gambling interests prey on the poor.  
14 While the gambling companies assert that all  
15 socioeconomic classes gamble in equal numbers, the  
16 poor gamble proportionately higher stakes and lose a  
17 much higher percentage of their income.

18           Moreover, the poor gamble differently than  
19 the rich do. What is entertainment for the rich is  
20 ill advised investment for the poor. The infamous  
21 lottery billboard located in a poor Chicago  
22 neighborhood, which read, "Your ticket out of here,"

1 was an aberration only in the blatantness of its  
2 appeal. The sentiment underlies much gambling  
3 promotion and expresses the real attraction of  
4 gambling for many lower income people.

5           Gambling interests also prey on democracy.  
6 As the industry has mushroomed in recent years, it has  
7 become a stunningly aggressive political player ready  
8 to dig into its overflowing coffers to influence  
9 public policy. The industry spent nearly \$5 million  
10 in the '96 federal election. A recent Mother Jones  
11 study found the industry has spent more than \$100  
12 million in political contributions and lobbying fees  
13 to influence state governments in the last five years.

14           In the Ohio Initiative to Legalize Casino  
15 Gambling held last year, seven commercial interests  
16 hoping to run casinos contributed more than \$125,000  
17 to the pro legalization campaign. Three that were  
18 hoping to win casinos contributed more than \$1 million  
19 each.

20           The growing political power and influence  
21 of the gambling industry makes now a propitious time  
22 for the Commission study, for if gambling is not

1 reigned in soon, the economic and political power of  
2 the industry will make it very difficult to do so  
3 later, the public interest in doing so  
4 notwithstanding.

5           One final note. I want to commend the  
6 Commission for the open approach it has adopted in  
7 commencing its study. To further the goal of  
8 obtaining citizen input, I would like to recommend  
9 that you include on your Web site a means for citizens  
10 to E-mail comments directly to the Commission.

11           We recently successfully encouraged the  
12 Federal Trade Commission to adopt such a policy while  
13 it was in the midst of considering the Staples-Office  
14 Depot merger. The FTC received hundreds of comments  
15 which FTC staff indicated were generally thoughtful  
16 and useful. Some of those comments came from company  
17 whistleblowers, took advantage of a simple way to  
18 communicate directly With the FTC.

19           CHAIRPERSON JAMES: Mr. Weissman, I'm  
20 going to ask you to draw to a close.

21           MR. WEISSMAN: You're likely to have  
22 similar experiences.

1 Thank you very much.

2 CHAIRPERSON JAMES: And if you have  
3 further comments, you can give them, and they will be  
4 entered into the record.

5 Ms. Dietrich.

6 MS. DIETRICH: Good afternoon. I'm  
7 Barbara Dietrich. I am President of the League of  
8 Women Voters of Philadelphia, representing the  
9 President of the League of Women Voters of  
10 Pennsylvania.

11 The League of Women Voters of Pennsylvania  
12 opposes the legalization of additional forms of  
13 gambling in Pennsylvania, such as river boats, slot  
14 machines at race tracks, gambling machines in  
15 establishments with liquor licenses, et cetera.

16 We oppose the spread of the gambling  
17 industry because we think it violates sound government  
18 policy as a method for collecting revenue in several  
19 respects. The League's position on taxes holds that  
20 any tax system must be equitable, flexible, and able  
21 to reliably produce adequate revenue.

22 A dependence on tax revenue from gambling