

1 not there because I like to watch the dealer flip
2 cards and take my chips. I think I might win some
3 money. If I have any sense at all, I know the odds
4 are badly against me, and our elected representatives
5 do know this. They know the house never loses.

6 How then can they condone this incredibly
7 losing proposition to our citizens? What wisdom is
8 there in approving such a scheme for our citizens,
9 particularly when we combine it with the glitches in
10 the glitz?

11 We wish you well in your efforts, and we'd
12 be happy to work with you in the future.

13 Thank you.

14 CHAIRPERSON JAMES: Let's see. That was
15 Mr. -- I'm sorry. I was distracted.

16 MR. ENRIGHT: Enright.

17 CHAIRPERSON JAMES: Enright.

18 Mr. Battisto.

19 MR. BATTISTO: Yes. I'm State
20 Representative Joe Battisto, and I thank the
21 Commission for giving me the opportunity to testify on
22 the issue of gambling.

1 My involvement with the issue of gambling
2 began in 1977. Then Nevada and New Jersey were the
3 only states where casino gambling had been legalized.
4 However, knowing that Pennsylvania would feel the
5 effects of casino gambling in New Jersey, I decided to
6 undertake a study of the issue of gambling to
7 ascertain how it would impact on Pennsylvanians.

8 It's important for you to know that I had
9 neither favored nor opposed gambling. Therefore, my
10 personal study was undertaken to gather information to
11 help me develop a position on this issue.

12 From my study I drew two conclusions.
13 First, I concluded that using gambling as an economic
14 development tool is not sound policy because the
15 introduction of gambling does not have a positive
16 pervasive effect on the economy. In fact, as
17 Professor Goodman said in his book *The Luck Business*,
18 casino type gambling has a cannibalizing effect on the
19 local economy in areas ranging from Atlantic City to
20 Natchez.

21 Moreover, Richard Siren, President of the
22 Federal Reserve Bank of Boston, considers gambling

1 expenditures as money diverted from other consumer
2 spending. "You're just taking money from one area and
3 putting it somewhere else," says Mr. Siren.

4 Also I found in my study that soon after
5 gambling is legalized in an area, social ills are
6 exacerbated. Over the years in the Pennsylvania House
7 of Representatives I have not changed my focus. I
8 have continued to emphasize the two conclusions I have
9 drawn from my study of gambling: that gambling should
10 not be considered as a worthwhile economic development
11 tool and, two, that gambling produces costly social
12 problems that outweigh any tax benefits derived from
13 gambling activities.

14 Furthermore, I have found the more people
15 take their time to study gambling, the more people
16 reject gambling as an economic development tool. The
17 problem is it has been difficult to obtain objective
18 research about the real economic and social costs and
19 benefits of legalizing gambling. In fact, Professor
20 Goodman found that much of the research used by policy
21 makers was prepared by industry related consultants to
22 support positions of officials who already favored

1 gambling.

2 As I stressed the importance of an
3 objective study of this issue, let me relate to you an
4 experience I had in the Pennsylvania House in the
5 spring of 1977 as the House was debating an amendment
6 on slot machines. Representative Mark Cohen from
7 Philadelphia, who had previously supported gambling
8 bills, rose to speak against the amendment to ban
9 gambling. At first I was stunned, but as
10 Representative Cohen explained his position, it became
11 clear to me that his personal study gradually led him
12 to change his position from a proponent to an opponent
13 of gambling.

14 Truly an objective study of gambling
15 allows one to see beneath the promise of casino jobs
16 by weighing these against the losses in other sectors
17 of the economy and against the social costs produced
18 by problem gamblers.

19 As Attorney General Curran of Maryland
20 said, the state should not adopt public policy which
21 will increase crime and exacerbate other social ills,
22 and neither should the nation.

1 Thank you.

2 CHAIRPERSON JAMES: This is Jana?

3 MS. McKEAG: McKeag.

4 CHAIRPERSON JAMES: McKeag. Welcome.

5 MS. McKEAG: Thank you.

6 Hi. Good afternoon. My name is Jana
7 McKeag, and I am Vice President for Government Affairs
8 of Inland Casino Corporation. It is a company that
9 assists Indian tribal governments develop, administer,
10 and market their gaming facilities.

11 From 1991 to 1995, I served as a Bush
12 administration appointee to the National Indian Gaming
13 Commission. I have worked in Indian affairs in
14 various capacities for over 25 years, and I am a
15 member of the Cherokee Nation of Oklahoma.

16 I'd like to address the Commission from my
17 experiences as a regulator, which as Commissioner
18 Bible can attest is a necessary, but usually thankless
19 job, and also as someone who has spent nearly half of
20 her life working to better the lives of her fellow
21 American Indians.

22 The 1988 Indian Gaming Regulatory Act