Thank you very much.

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

Ms. Dietrich.

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

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

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

A dependence on tax revenue from gambling
is troubling in that it puts in jeopardy all three of
these principles for a fair and reliable method of
raising the money to operate government. We all know
that any level of government is in trouble when the
reliability of its tax base erodes. Ironically it is
just such erosion of the tax base in our big cities
that leaves many people to view gambling revenues a
panacea.

However, despite the large amounts of
gambling profits in some states and communities, the
pitfalls are already visible. Casino profits spiral
downward as competition increases. As Illinois
gamblers are wooed by boats in Indiana and Lake
Michigan, as much as $20 million in taxes may be lost
to the State of Illinois and towns with river boats.

Competition makes markets grow old quick,
says Duncan McKensie, who has been sent to rescue the
Hilton owned river boat casino in Kansas City.

Also, there does not seem to be any
evidence that the presence of gambling nourishes other
businesses. In fact, there is evidence that
businesses in the vicinity of new gambling
establishments begin to lose money.

The loss of variety in the business tax base creates an over-reliance on gambling revenues for the local government. This is a precarious situation in any case, but particularly when the public must depend on government to regulate the industry.

To call gambling revenues an equitable source of revenue might seem questionable since gambling is an elective activity. Wealthy and poor people alike may become problem gamblers or fully addicted gamblers. Betting has never been confined to one income group, but one can easily surmise that it takes relatively smaller amounts of gambling losses to destroy the livelihood of a low to medium income family.

Let's look at the fairness involved for taxpayers in paying for the losses incurred by gamblers, a small percent of whom will become addicted to what started out as entertainment.

In a congressional hearing on July 21st, 1994, John Kent, professor of economics at the University of Illinois, said that research indicates
that for every dollar gambling contributes in taxes it usually costs the taxpayers at least $3 in infrastructure, regulatory, criminal justice, and social service expenses.

The idea that lottery revenues would provide better schools or services to senior citizens as dedicated revenue is the sales pitch that sold citizens of most of the 36 states with lotteries on the idea that they could improve services without raising taxes. It is --

CHAIRPERSON JAMES: Ms. Dietrich, I'm going to have to ask you to stop at that point, but would ask you to enter the remainder of your comments for the record.

MS. DIETRICH: We do have them. Thank you very much.

CHAIRPERSON JAMES: Thank you very much.

Ms. Lilian Bryant.

MS. BRYANT: Good afternoon. Thank you for the opportunity to speak to you.

My name is Lilian E. Bryant. I live at 1917 Horace Bryant, Jr. Drive in the City of Atlantic