

P U B L I C H E A R I N G

before

ASSEMBLY STATE GOVERNMENT AND FEDERAL AND INTERSTATE RELATIONS COMMITTEE

on

ACR-126 (Which proposes an amendment to the Constitution
to permit gambling casinos in Atlantic City)

Held:
April 14, 1976
Assembly Chamber
State House
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Richard Codey (Chairman)
Assemblywoman Jane Burgio
Assemblywoman Mary Croce
Assemblyman Walter J. Kavanaugh

ALSO PRESENT:

Senator Joseph Mc Gahn
Representing Senate State Government, Federal and
Interstate Relations and Veterans' Affairs Committee

* * * *

DECLASSIFIED

Below

AMERICAN STATE GOVERNMENT AND FEDERAL AND INTERSTATE RELATIONS COMMISSION

on

the-1950 report proposed an amendment to the Constitution
to permit gambling casinos in Atlantic City

Re: 100-100000
April 24, 1950
Assembly Chamber
State House
Trenton, New Jersey

RECEIVED BY CHAIRMAN

Assemblyman Richard J. Hughes (Chairman)
Assemblyman John J. Hughes
Assemblyman Harry D. Hughes
Assemblyman Robert J. Hughes

Attest:

Secretary of the Senate
Honorable Joseph R. Connelley
Honorable Joseph R. Connelley, Federal and
Interstate Relations and Veterans' Affairs Committee

1 - 30:II
34-36 :I
1A-21A:III
22A-36A:II
37A-50A:I

I N D E X

Page

Assemblyman Steven P. Perskie District #2	1
Assemblyman Howard Kupperman District #2	5
Senator Joseph Mc Gahn District #2	9
Assemblyman Robert E. Littell District #15	9
Charles Marciante President New Jersey AFL-CIO	16 & 1x
Charles D. Worthington County Executive Atlantic County	17
Joseph Lazarow Mayor Atlantic City	21
Lillian Bryant Freeholder Atlantic County	23
Dr. Samuel A. Jeanes Legislative Secretary New Jersey Christian Conference on Legislation	24 & 5x
Jack Danahy Director of Security National Football League	29
Arthur Fuss Office of the Baseball Commissioner	30
John Rich Member, Executive Board South Jersey Labor Council	34
Pierre Hollingsworth Commissioner Atlantic City	35

(Index - continued)

	<u>Page</u>
Commissioner Edward Colanizi	1A
William Tenbrink Chief of Police Atlantic City	2A
Edmund Yard Representative of Atlantic City P. B. A.	6A
William Kohm Legislative Representative Playboy Clubs, International	7A & 7X
Clinton Pagano Superintendent New Jersey State Police	8A
Myron Kaminsky President Atlantic City Merchants Association	14A
Thomas Coggins President Greater Atlantic City Chamber of Commerce	15A
Reverend George R. Dawson Episcopal Diocese of Newark	17A & 17X
Jack Brown Local #54 Hotel/Motel Employees Union and President of New Jersey State Council of Bartenders, Culinary and Service Employees	22A
Richard Lavin Atlantic-Cape May Central Labor Council	24A
Canon Hall Executive Secretary Department of Christian Social Relations Episcopal Diocese of New Jersey	27A
Gerard Kauper Atlantic City Convention Bureau	30A
Charles W. Davis Executive Vice President and Chief Administrative Officer of the New Jersey Hotel and Motel Association	34A & 22X

(Index - continued)

Page

Anthony Rey 37A
President and Managing Director
Chalfonte-Haddon Hall
Atlantic City, New Jersey

Pauline Hill 38A
Director of Public Issues Committee
Greater Atlantic City Public Issues Committee

John Holzmer 40A
President
Atlantic-Cape May, and Parts of Burlington,
Ocean and Cumberland Counties Building Trades

George Stockinger 40A
Secretary-Treasurer
New Jersey State Electrical Workers Association

Mary C. Tanner 41A
Lawrence Township, New Jersey

Reverend Layton P. Anderson 44A
State Council of Churches

Thomas Cray 44A
President-Elect
Mainland Chamber of Commerce

William J. Downey 45A
Executive Director
Atlantic City Housing Authority and
Redevelopment Agency

Peter Lucchin 46A
Alliance of Chambers

Irene Leitz 47A
President, Women's Division
Greater Atlantic City Chamber of Commerce

Jack Johnson 47A
Chairman
Board of Church and Society
Methodist Churches of Southern New Jersey

Larry Lo Dico 49A
Resident
Atlantic City, New Jersey

John Reiss 50A
Resident
Atlantic County

(Index - continued)

	<u>Page</u>
ALSO SUBMITTED:	
Statement by Mildred Fox	32x
Letter from Reverend Jack Johnson Saint Andrew's United Methodist Church	35x
Letter from the Millville Ministerial Association Reverend Glenn Daisey - Secretary	36x
Letter from Michael T. Doorley President-Business Manager Waiters, Waitresses, Hotel, Motel Service Employees Cooks and Bartenders Union, Local No. 109, AFL-CIO	37x
Statement for Commissioner Hoffman	38x
Statement of the Episcopal Diocese of New Jersey Submitted by Reverend Canon Joseph H. Hall, III	39x

[SECOND OFFICIAL COPY REPRINT]
ASSEMBLY CONCURRENT RESOLUTION No. 126

STATE OF NEW JERSEY

INTRODUCED JANUARY 19, 1976

By Assemblymen PERSKIE, KUPPERMAN, PELLECCIA, STEWART, HERMAN, JACKMAN, FORAN, VAN WAGNER, BURSTEIN, T. GALLO, SCHUCK, ESPOSITO, CALI, PERKINS, McMANIMON, WOODSON, GEWERTZ, RAND, GORMAN, ADUBATO, Assemblywoman MISZKIEWICZ, Assemblymen NEWMAN, BARBOUR, LEFANTE, SCANLON, HURLEY, HAWKINS, DEVERIN, GREGORIO, CHINNICI, BROWN, WEIDEL and Assemblywoman CROCE

Referred to Committee on State Government, Federal and
Interstate Relations

A CONCURRENT RESOLUTION to amend Article IV, Section VII,
paragraph 2 of the New Jersey Constitution.

1 BE IT RESOLVED *by the General Assembly of the State of New*
2 *Jersey (the Senate concurring):*

1 1. The following amendment to Article IV, Section VII, para-
2 graph 2 of the New Jersey Constitution is agreed to:

PROPOSED AMENDMENT

2A ****Amend paragraph 2 of Section VII, Article IV by adding**
2B **thereto a new subparagraph D, as follows:**

2C **D. It shall be lawful for the Legislature to authorize by law the**
2D **establishment and operation, under regulation and control by the**
2E **State, of gambling houses or casinos within the boundaries, as**
2F **heretofore established, of the city of Atlantic City, county of**
2G **Atlantic, and to license and tax such operations and equipment used**
2H **in connection therewith. Any law authorizing the establishment**
2I **and operation of such gambling establishments shall provide for**
2J **the State revenues derived therefrom to be applied solely for the**
2K **purpose of providing reductions in property taxes, rentals, tele-**
2L **phone, gas, electric, and municipal utilities charges of eligible**
2M **senior citizens and disabled residents of the State, in accordance**

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.

2s *with such formulae as the Legislature shall by law provide. The*
 2o *type and number of such casinos or gambling houses and of the*
 2v *gambling games which may be conducted in any such establishment*
 2q *shall be determined by or pursuant to the terms of the law autho-*
 2r *rizing the establishment and operation thereof.***

3 ****[Amend paragraph 2 of Section VII, Article IV, so that the**
 4 **same shall read as follows:]****

5 ****[2. No gambling of any kind shall be authorized by the Legisla-**
 6 **ture unless the specific kind, restrictions and control thereof have**
 7 **been heretofore submitted to, and authorized by a majority of the**
 8 **votes cast by, the people at a special election or shall hereafter**
 9 **be submitted to, and authorized by a majority of the votes cast**
 10 **thereon by, the legally qualified voters of the State voting at a**
 11 **general election, except that, without any such submission or au-**
 12 **thorization;]****

13 ****[A. It shall be lawful for bona fide veterans, charitable, educa-**
 14 **tional, religious or fraternal organizations, civic and service clubs,**
 15 **senior citizen associations or clubs, volunteer fire companies and**
 16 **first-aid or rescue squads to conduct, under such restrictions and**
 17 **control as shall from time to time be prescribed by the Legislature**
 18 **by law games of chance of, and restricted to, the selling *or* of***
 19 **rights to participate, and the awarding of prizes, in the specific kind**
 20 **of game of chance sometimes known as bingo or lotto, played with**
 21 **cards bearing numbers or other designations, five or more in one**
 22 **line, the holder covering numbers as objects, similarly numbered,**
 23 **are drawn from a receptacle and the game being won by the person**
 24 **who first covers a previously designated arrangement of numbers**
 25 **on such a card, when the entire net proceeds of such games of chance**
 26 **are to be devoted to educational, charitable, patriotic, religious or**
 27 **public-spirited uses, and in the case of senior citizen associations**
 28 **or clubs to the support of such organizations, in any municipality,**
 29 **in which a majority of the qualified voters, voting thereon, at a**
 30 **general or special election as the submission thereof shall be pre-**
 31 **scribed by the Legislature by law, shall authorize the conduct of**
 32 **such games of chance therein.])****

33 ****[B. It shall be lawful for the Legislature to authorize, by law,**
 34 **bona fide veterans, charitable, educational, religious or fraternal**
 35 **organizations, civic and service clubs, volunteer fire companies and**
 36 **first-aid or rescue squads to conduct games of chance of, and re-**
 37 **stricted to, the selling of rights to participate, and the awarding**
 38 **of prizes, in the specific kinds of games of chance sometimes known**
 39 **as raffles, conducted by the drawing for prizes or by the allotment**

40 of prizes by chance, when the entire net proceeds of such games of
 41 chance are to be devoted to educational, charitable, patriotic, re-
 42 ligious or public-spirited uses, in any municipality, in which such
 43 law shall be adopted by a majority of the qualified voters, voting
 44 thereon, at a general or special election as the submission thereof
 45 shall be prescribed by law and for the Legislature, from time to
 46 time, to restrict and control, by law, the conduct of such games of
 47 chance, and¹***

48 ²***[C. It shall be lawful for the Legislature to authorize the con-
 49 duct of State lotteries restricted to the selling of rights to partici-
 50 pate therein and the awarding of prizes by drawings when the entire
 51 net proceeds of any such lottery shall be for State institutions,
 52 State aid for education.]***

53 ³***[D. It shall be lawful for the Legislature to authorize the estab-
 54 lishment and operation of gambling casinos located in the city of
 55 Atlantic City, county of Atlantic. The site, type and number of
 56 such casinos, the gambling games which may be conducted therein,
 57 and the manner of regulation or operation of such casinos by the
 58 State or any instrumentality thereof shall be determined by or
 59 pursuant to law. The entire net proceeds accruing to the State from
 60 any such casinos shall be set aside in a special fund administered
 61 by the State Treasurer, to be appropriated by the Legislature ac-
 62 cording to law for the reduction of property taxes, rentals, and
 63 telephone, electric, gas and municipal utilities charges of eligible
 64 senior citizens and disabled residents of the State.]***

1 2. When this proposed amendment to the Constitution is finally
 2 agreed to, pursuant to Article IX, paragraph 1 of the Constitution,
 3 it shall be submitted to the people at the next general election
 4 occurring more than 3 months after such final agreement and shall
 5 be published at least once in at least one newspaper of each county
 6 designated by the President of the Senate and the Speaker of the
 7 General Assembly and the Secretary of State, not less than ⁴***[2]⁵
 8 ⁶*** months prior to said general election.

1 3. This proposed amendment to the Constitution shall be sub-
 2 mitted to the people at said election in the following manner and
 3 form:

4 There shall be printed on each official ballot to be used at such
 5 general election, the following:

6 1. In every municipality in which voting machines are not used,
 7 a legend which shall immediately precede the question as follows:

8 If you favor the proposition printed below make a cross (X),
 9 plus (+) or check (✓) in the square opposite the word "Yes."

- 10 If you are opposed thereto make a cross (X), plus (+) or check
 11 (✓) in the square opposite the word "No."
 12 2. In every municipality the following question:

	Yes.	<p style="text-align: center;">CONSTITUTIONAL AMENDMENT CASINOS IN ATLANTIC CITY FOR THE BENEFIT OF SENIOR CITIZENS AND DISABLED RESIDENTS OF THE STATE</p>
	No.	<p>Shall the Constitution be amended, as agreed to by the Legislature, to authorize the Legislature to establish <i>**and regulate**</i> gambling casinos in Atlantic City, with the State's <i>**[proceeds]</i> <i>revenues**</i> therefrom being <i>**[paid into a special fund]</i> <i>applied solely**</i> to reduce property taxes, rentals, and telephone, gas, electric and municipal utilities charges of eligible senior citizens and disabled residents of the State?</p>

ASSEMBLYMAN RICHARD CODEY (Chairman): Good morning, I would like to welcome everyone here this morning. This is a joint hearing of the Assembly Committee on State Government as well as the Senate Committee on State Government for the purpose of a public hearing on SCR-103 and ACR-126, commonly referred to as the Atlantic City casino gambling resolutions. I would like to introduce the members of the Committee here this morning, on my left is Assemblywoman Jane Burgio, on my immediate left is the distinguished Senator from Atlantic City, Senator Mc Gahn; on my far right is Assemblywoman Mary Croce, and on my immediate right is Assemblyman Walter J. Kavanaugh; and I am the Chairman, Assemblyman Richard Codey.

To start off, I would just like to say that many people in the State of New Jersey sometimes think of the casino gambling bill as a revenue raising measure, and I know the sponsor will speak to this point, but I just wanted to say that this Resolution is in no way intended to be a revenue raising measure. The reason I say that, being in government for the past three years, everyone comes up to me and the other Legislators and says, "Where did all the lottery money go." So the reason I make the statement that this is not a revenue raising measure is so that five or six years from now, if this happens to pass, I don't want anyone coming up to me and saying, where did all the casino gambling money go? With that in mind, I will ask the sponsor of the Assembly Resolution, Assemblyman Perskie, to please step forward.

A S S E M B L Y M A N S T E V E N P. P E R S K I E: Mr. Chairman, ladies and gentlemen, we have a somewhat long list of witnesses today, and I am going to try to structure my remarks, as the sponsor of the bill, in such a way so as to leave some of the arguments, in which I firmly believe, to be articulated by those who will follow me. There are a few points that I would like to make in a general way.

In the first place, picking up, Mr. Chairman, where you left off with your initial remarks, with which I heartily agree, I would like to make a few points as we did in the Committee hearing before this Committee some weeks ago as to what this bill is not, and what this bill will not do, so that you may hear later from others as to what, in a certain sense, it will do and what it is. In the first place, you will probably hear later, as we have already heard, that this bill is simply the first step, and that if you pass this bill we are going to have casinos all through the State of New Jersey, as was rejected in 1974, and I point out to you, and of course for public consumption, that the language of this bill is specific, and that the language of this bill limits the location of any casinos to the existing boundaries of the City of Atlantic City and the County of Atlantic, and that therefore, any concept that there will be casinos located elsewhere in the State of New Jersey if this bill passes is false. It would require a that to be done in another bill at another time, again, submitted to the voters of the entire State of New Jersey. I wanted to make that point quite clear.

Another point that I feel should be touched upon is that the proposal would authorize the Legislature to establish gambling houses or casinos in Atlantic City. It would not authorize off-track betting; it would not authorize dog tracks; it would not authorize sports betting of any kind; it would do nothing other than to authorize the specific form of gambling which is specified in this language with particularity. I think that should be kept in mind with regard to some of the positions that may later be articulated.

The bill, as well, contains some specific language about what use will be made of the proceeds that accrue to the State of New Jersey from the casinos. I don't intend to elaborate upon that at length, because I believe Mr. Kupperman who is to follow will have some comments on that, but there is specific language in this bill dealing with what

use will be made of those proceeds that do accrue to the State of New Jersey from the casinos.

Having made those points with regard to the structure of the bill, what it is, and more importantly what it is not, let me take a little bit of time - the time that I would have remaining - to explain, as I did and Mr. Kupperman did before your Committee earlier what this bill is all about. You may have noticed that we brought some of our friends along this morning. In fact, if I may, I would like all the residents of Atlantic County who are here please very briefly to stand. Thank you very much. Ladies and gentlemen of this Committee, these people are what this bill is all about. You have a long list of witnesses who are here. You have elected officials. You have police officials, and you have business officials, labor officials. We have in the audience today young and old, black and white, rich and poor. We have even Republicans and Democrats and some Independents, but the point is that while I am not necessarily articulating that there is complete and absolute unanimity in Atlantic City and Atlantic County - there is not - the overwhelming opinion in the community is that this proposal is vitally necessary in order to provide - and I was going to say insure - in the years to come a responsible economic structure for that community.

We have had the luxury in the past of being known as not only the premiere resort city in the State of New Jersey, which is one of the premiere resort states in the nation, but also one of the premiere resort cities in the nation. That luxury is no longer ours, and it is no longer ours by reason in many instances of circumstances and facts that were thoroughly beyond our control. Admittedly there were some mistakes made in the City of Atlantic City on a long-term planning basis by the people who were there - by some of the leaders - but those mistakes are past history. And what is important now for the people of Atlantic City and the people of Atlantic County, and also, I submit, for the people of the State of New Jersey is where do we go from here; what can we do as the people of the State of New Jersey once again for the benefit of the people of the State of New Jersey and of the United States to provide a first-class, viable resort economy with the natural resources that Atlantic City has always had, such as the beach, the boardwalk, the climate, with the kind of economic base for the people who reside in that area? As a result of all this, this proposal is being placed before you.

You will hear today from the community that is represented here, and I submit for your consideration that the people we have here are a broad cross-section of the people who live and work and are Atlantic County and Atlantic City. You will hear from them many of the particulars. You have city officials here who will explain to you that we have an 80% collection rate on property taxes - which property tax is approaching a \$9 rate. You will hear that we have some 20% or 25% of the land area in Atlantic City no longer on the tax rolls. You will hear from some of the officials of the Housing Authority who have been trying to market a large tract of land that it is difficult, if not impossible, to attract the investment capital to build in Atlantic City. You will hear from some of the merchants and some of the working people, the labor people in the Atlantic City community who will say that without this kind of proposal they have no resources with which to attract the kind of investment capital that will give us again the type of full-based tourist economy upon which the people of Atlantic City can build.

I should emphasize at this point that no one, least of all I as the sponsor of this bill, is articulating that gambling, or casinos, rather, are going to be a be-all or an end-all for all of Atlantic City's problems. Atlantic City will continue, if we have casino gambling authorized, to have some of the problems that face the urban areas of the State of New Jersey. The gambling will give us the resources, an access, to the

resources to enable us to fight those problems on a bit of an even basis. Without it we do not have that option; we do not have that opportunity. What you are seeing here today through the people who have come not just to testify but more particularly those who came to do nothing other than by their presence - and this is why they are here - indicate the need and the depth of the feeling and the support that exists in Atlantic City and Atlantic County for this proposal. (Applause)

ASSEMBLYMAN CODEY: I would like to remind those in the gallery that demonstrations are not allowed. We understand why you are here, and we understand why you support it. It is not really necessary. We appreciate your coming here, but in the future we hope you can hold down your enthusiasm somewhat. Thank you.

ASSEMBLYMAN PERSKIE: Mr. Chairman, on their behalf, let me indicate that that demonstrates exactly what I was trying to say. There is a tremendous amount of not just simply enthusiasm and support- that, I think, is self-evident from the people that are here, and from what you just heard, and I think you can document that in any number of ways - but there is something more, and that is the message I want to close with in making this presentation.

There is a sense that the people of Atlantic City and Atlantic County need the support and hope and expect to get the support of the people of the State of New Jersey in this time of what is considered by every leader of our community to be a time of genuine need and genuine crisis. We have to have that if we are to continue to survive as a viable economic force, as a part of this State, as the linchpin of the second largest industry in this State which is the tourist industry. We cannot do it alone. We ask nothing of the people of the State of New Jersey by way of dollars and cents. We ask only that they authorize this proposal to allow us to pull ourselves up and to invest in our own community and to attract the kind of capital that will enable us to accomplish that. We are not seeking any exclusivity with regard to the State's proceeds to be garnered from these operations. We are willing to provide the kinds of limits and restrictions on the proposal that will ensure that its focus is limited to the tourist industry in general and to Atlantic City in particular. Those are not problems for us. We are willing to share the benefits, and we ask only the helping hand and the willing vote of the individuals in this house and in the Senate, of course, and most importantly at the polls in what could be a referendum this November.

I thank you for your attention. If you have any questions with regard to the particulars of the bill, I would be glad to answer them at this time.

ASSEMBLYMAN CODEY: Are there any questions from anyone on the Committee?

ASSEMBLYWOMAN BURGIO: There is no question, the people in Atlantic City and Atlantic County support this referendum. Do you have the figures of the breakdown of the 1974 referendum from Atlantic City and Atlantic County?

ASSEMBLYMAN PERSKIE: I do not have Atlantic City, although I believe the vote in the City was approximately three to one. The vote in the County was approximately 37,000 to 17,000 - that is in favor. And I might note that there was a lot of sentiment in Atlantic County, as I think was also evident throughout the State, that the question in 1974 was not the most appropriate means of accomplishing the goal that I have articulated this morning, and that is, there were a good many people, particularly from the western more rural aspects of Atlantic County who then, as now, were willing to support Atlantic City and will do what must be done to help Atlantic City, but who are very concerned about the language of that question with regard to the possibility of locating casinos other than in Atlantic City. And I come back to the same point that you will hear, I'm sure, again and again today that this language is not capable of two interpretations. It

is not capable of a loophole. It is as strong as the English language permits. And it states that the only authorized location in the State of New Jersey under this proposal is within the boundary as heretofore established as the City of Atlantic City and the County of Atlantic County. So I would anticipate that the vote in Atlantic County this November will be more demonstrative even than the vote last November.

ASSEMBLYMAN KAVANAUGH: Assemblyman Perskie, are you ready to define or is there someone else who is going to be on the program who will define exactly what you mean by casinos and the hours of operation and what have you?

ASSEMBLYMAN PERSKIE: We are in the process of preparing - and we will have it prepared. We don't have it today. It probably won't be ready for some weeks - what I would submit as a working proposal for the enabling legislation that would have to follow this authorization. The enabling legislation would specify, among other things, the hours of operation, the form of licensure and taxation of the casinos themselves, the method of regulation, and the method of granting licenses, the types of games that would be authorized within the casinos. I would hope also and expect that it will also specify with some particularity the physical structure; that is to say, that it will be required to be a part of some other facility, either a hotel or some other type of comparable facility or in some means assure that we do not have anything that approaches what I would call an open-street operation. I am thinking of the model, for example, that exists in the islands of the Caribbean and in Europe where there are specific rooms or specific locations within other facilities into which the authorized casino operations would be limited. And the enabling legislation would spell out all of those particulars, and we will have such a draft prepared sufficiently in time for the November referendum to permit public discussion.

ASSEMBLYMAN KAVANAUGH: Just one other question, what is the present percentage of unemployment in Atlantic City?

ASSEMBLYMAN PERSKIE: You will hear testimony specifically on that, but I believe the data will show that it is somewhere, seasonally adjusted, in the neighborhood of 25%.

ASSEMBLYMAN CODEY: Are there any further questions? I have a few. Assemblyman, your Concurrent Resolution states casino gambling for Atlantic City and Atlantic City only.

ASSEMBLYMAN PERSKIE: Yes.

ASSEMBLYMAN CODEY: So there is no provision that says it will be allowed in Atlantic City for a certain period of time, and then open up other parts of the State?

ASSEMBLYMAN PERSKIE: There is no provision to that effect whatsoever. Any extension to any other part of the State, at any time, in any form, categorically would require another Constitutional Amendment to be submitted to and approved by the people in the State of New Jersey through a referendum.

ASSEMBLYMAN CODEY: So it is your inclination to believe that the reason that the original casino gambling proposal was soundly defeated at the polls was maybe a fear of the people throughout the rest of the State of New Jersey that casino gambling would come into their towns, their cities; and on that basis they may have voted no, and now they may change their vote based on the fact that it wouldn't be in any other place but Atlantic City?

ASSEMBLYMAN PERSKIE: This is not only my hope but frankly my expectation. I traveled, as did a number of others, to 21 counties in New Jersey in 1974 seeking support for the question, and in each place that I went my argument was, as it is today, the needs and the requirements of the City of Atlantic City and the place which Atlantic City has in the economy of the State of New Jersey, and in each instance I was met even in Atlantic County with the response, "Well, we don't really object to helping Atlantic

City. We think Atlantic City needs it, and we think Atlantic City deserves it." Many people would say, "I used to go to Atlantic City and it was a lovely place, and now I go there and it is not as lovely." We found that reaction and a tremendous reservoir of sympathy and support for Atlantic City in every one of the 21 counties, but we were always faced with this: "That isn't what the proposal says; this proposal doesn't say Atlantic City; this proposal doesn't limit it to Atlantic City; this proposal says that you can have it anywhere in New Jersey, and the Legislature would put it anywhere if we approve it. And if we approve it for our community, the next town is going to want it, and the end result is that you are going to have it in 567 municipalities." And there was no answer to that.

But there is an explanation for how it happened, which explanation is no longer relevant because it dealt with the political realities in the Legislature two years ago, but there was no answer to those people. Those people, I am satisfied, in substantial numbers determined that notwithstanding their desire to help Atlantic City, they could not support a bill that would even possibly allow for gambling throughout the State. This bill was specifically designed with that in mind. We made some other changes, but the premiere change that we have discussed and that we have guaranteed is that there is no possibility for that in this legislation.

ASSEMBLYMAN CODEY: Thank you, Assemblyman.

SENATOR MC GAHN: I don't have a question, but I have a comment. Mr. Chairman, specifically with reference to the question that you asked, as you well know, and for the record, the Constitution of the State of New Jersey specifically prohibits gambling, except in those instances in which it had been placed in the form of a referendum and which had been specifically approved by the vote of the people; namely, bingo, lottery, games of chance and more recently senior citizens bingo, as far as that is concerned. So, very frankly, yes, this bill specifically states Atlantic City only. It will require another additional change in the State Constitution, via referendum, to have it any other place.

ASSEMBLYMAN CODEY: Thank you, Senator. Our next witness will be the Assemblyman from District 2, the Republican Assemblyman, Howard Kupperman.

A S S E M B L Y M A N H O W A R D K U P P E R M A N: Good morning. I also would like to try to limit my remarks because there are a number of witnesses here that would like to testify, and I think that each one should have their turn and not have this hearing go into the late hours of the afternoon. It is a religious holiday, and I am sure many of the people who want to testify would like to testify and be able to go home and start their holiday, so I will try and keep my remarks as brief as possible.

The first thing I would like to talk about, of course, is the bill itself, which I think cannot be explained enough times. There are three separate and distinct parts of this bill, each of which is very important. The first part of the bill limits casino gambling to Atlantic City only. And that is very important to mention again and again, because one of the reasons I believe that the bill did not pass the referendum several years ago was because most people, even though they may have been in favor of casino gambling for Atlantic City and Atlantic City only, were afraid that gambling would be prevalent throughout the State and would be in everyone's backyard. Those people who did not want gambling in their own backyard or in their cities were very much afraid of it, and I think for that reason voted against it.

This bill specifically limits it to Atlantic City only. There is no way any other city can get casino gambling unless they also seek a Constitutional referendum and a Constitutional amendment by a new bill limiting casino gambling to their particular

city. That bill would have to pass the Assembly, the Senate, be signed by the Governor, and go on a referendum, and be balloted on by the people in the general election. It is very important that this bill cover Atlantic City and Atlantic City only.

The second part of this bill relates to the control and regulation of gambling, and the bill specifically includes provisions regarding the manner of regulation or operation of such casinos shall be by the State, and that means from my interpretation of it that the State will not have to invest any money in gambling. The State will not build casinos. The State will not have to extend any funds. But yet the State, similar to the race tracks, will have a control over it, control over licensing, regulations, and can even derive the profits.

This brings me to the third part of the bill, which is the profits. There will be profits derived from casino gambling, not only for Atlantic City, but for the State. The State will have a take from the very top, and this money very specifically is set forth. The proceeds will be used not in the general treasury, so they can be lost, as has been done with proceeds from other revenue sources, and people years from now can come back and say, "What happened to the money," but these proceeds will be specifically dedicated, and I quote from the bill, "...for the reduction of property taxes, rentals, telephone, gas, electric, and municipal utilities charges of eligible senior citizens and disabled residents of the State..." So the senior citizens and disabled persons will get the benefit, and this money will not be in a general fund, but will be specifically used for this purpose, and as such, whatever money is raised, whether it be \$5 million or \$10 million or \$20 million or \$50 million, it will have a definite impact upon these areas.

I think most of the people who will testify here today will talk about the benefit to Atlantic City. I don't think that can be emphasized enough. I think we see with this bill the tip of the iceberg. I think this will have the effect of a stone thrown into a lake. It will have the rippling effect of all the benefits that Atlantic City will derive from this. The first and immediate benefit I see that Atlantic City will get will be the influx of new hotels. There is a lot of money waiting to come into Atlantic City to be invested there, to be spent there if casino gambling comes to Atlantic City. We have already had many inquiries from people out of state. There are people just waiting to come in and revive our City. What happens when you build new hotels? You have new people come in; you have restaurants having to be built, new theatres, nightclubs, and all this means one thing: Outside of making Atlantic City the queen that it once was, it means employment.

You heard Assemblyman Perskie tell you in response to a question that the unemployment rate in Atlantic City is about 25%, and it seems unbelievable, but yet that is true. We have an extremely high unemployment rate. With the addition of casino gambling and all the ripple effect that we will have from this, I think it can have a tremendous impact on the unemployment situation in our State. Jobs will now be open. People will get off the unemployment lines. People will get off welfare, and I think that is an indirect benefit to be derived which can help the State.

Another thing that can happen, as more people come into town, Atlantic City can redeem its position as the foremost tourist city perhaps in the entire country. When people think of New Jersey, the first thing that comes to their mind is Atlantic City. They don't think of Trenton; they don't think of any other cities. They think of Atlantic City. Atlantic City to me, and I think to most people in the country, is a show window for New Jersey. Right now our show window is in need of repairs. Our show window is a little bit drab. I think the addition of casino gambling would bring Atlantic City back to where all of us in New Jersey can be proud of it. When people throughout the country think of

Atlantic City and think of New Jersey, they will have good thoughts. This, of course, will be fantastic for one of our largest industries, and that is the tourist industry.

Not only will the tourist industry in Atlantic City get better and better, but it will certainly have an effect on the tourist industry throughout the State; other cities will benefit. People will come to Atlantic City on conventions, and they may stay in Ocean City; they may stay in nearby places such as Asbury Park. The entire tourist industry of the State of New Jersey will get a tremendous benefit, a tremendous boost by the passage of this bill.

Mr. Perskie, I think, said that it may not be the panacea to cure all of Atlantic City's ills, and I have to agree with him somewhat on that. However, I don't think that any of us can realize the possible panacea that it really might be. Here is a chance for the State to take one of its cities, which is having a problem- as are most large cities throughout the country- and without the expenditure of a dime, without any funds being appropriated from the budget, without any other part of the budget being cut to put funds into Atlantic City, with the passage of this law we can bring an entire area back to where it should be, and not only bring the area back to where it should be, and bring it out of the red and into the black, but we can derive a benefit to the entire State of New Jersey.

This bill will not only, as I said, boost the tourist industry, but also the monies are to be used for senior citizens and disabled residents. As I said, I don't know how much money will be used, but whatever money does come in, it will certainly go a long way toward helping in these areas, and toward helping with some of the fiscal crisis and financial crisis that exists in the State of New Jersey.

I think another benefit that we may have in our area would be the continuation of the Lindenwold High Speed Line, because as more tourists come into our City, we will need better transportation. I think the High Speed Line would be a natural result, a natural fallout from casino gambling. And that in turn can bring you people from the Philadelphia-Camden area to come live in our area and come share our beautiful weather, and our beaches, free air, clean air, and live there and be less than an hour away from the major metropolitan area.

As I said, there is no question, and no one can see the full impact that this bill may have. I think it goes further than anybody in this room may even realize. I would like to urge this Committee to listen favorably to it. I would like to urge the Assembly to pass it when it comes up for a vote. I would urge the Senate also to pass it when it comes up on their floor. I would urge the Governor to sign it, and most importantly, in November when it comes on the ballot, I would like to urge all the people in this State to support it. It is for the good of Atlantic City, and ultimately for the good of the entire State. If you have any questions, I will be more than happy to answer them.

ASSEMBLYMAN CODEY: Thank you, Assemblyman. Are there any questions?

ASSEMBLYMAN KAVANAUGH: Assemblyman, you had mentioned figures, and probably, I think, you don't want to be held to those, but when you mentioned \$5 million, \$10 million, \$15 million, has there been any study or review on this as far as these figures? Is this a figure that really could have some basis? Because, and correct me if I am wrong, Nevada with all of its gambling returned to the State something in the area of \$50 to \$60 million.

ASSEMBLYMAN KUPPERMAN: That's correct.

ASSEMBLYMAN KAVANAUGH: In the proposal, as I understand it, we are not talking, as Assemblyman Perskie said, about the strip-type gambling atmosphere, so that we wouldn't have the number of casinos. I am just wondering where these figures were derived from as far as the return to the State.

ASSEMBLYMAN KUPPERMAN: I know of no study that has been conducted as to what the actual revenues in New Jersey would bring to the State from gambling, but I would say conservatively, based on other areas, and based on gambling studies that have been held in Puerto Rico and Las Vegas - which, incidentally, I think brought in something like \$58 million last year - a conservative estimate would be at least \$15 million. That is very conservative. With this mushrooming and rippling effect that I am talking about, and the other benefits and the other monies that the State would have, I think it would go much, much higher than that.

ASSEMBLYMAN KAVANAUGH: Also, how many new jobs do you anticipate with this development?

ASSEMBLYMAN KUPPERMAN: Well, we have a 25% unemployment rate now, and if we can put half of these people back to work, and I think we can put more than half these people back to work, maybe all of them back to work---

ASSEMBLYMAN KAVANAUGH: Well, my next question would be, of these new jobs, how many people, Atlantic City citizens, would be qualified for these positions that would be established?

ASSEMBLYMAN KUPPERMAN: I don't think there is any limit on that, because the people who would be qualified for jobs are from unskilled laborers, bus boys, waiters, to the highly skilled personnel, chefs, entertainers, carpenters, so there is no limit. It will go from the lowest form of unskilled labor to the highest type of executives that you could think of.

ASSEMBLYMAN KAVANAUGH: And you have these all available within your city?

ASSEMBLYMAN KUPPERMAN: I think there are plenty of people there who can fill all these jobs, and we can attract more people, too.

ASSEMBLYMAN KAVANAUGH: Thank you.

ASSEMBLYMAN CODEY: Assemblyman, you allude in your remarks to what would happen to the proceeds that would be derived from casino gambling, and the Resolution states that it would be for the purpose of property taxes, rentals, telephone, gas, electric, and municipal utilities charges of eligible senior citizens and disabled residents of the State. I think you know that I have voiced some concern about this. I am concerned because of the fact that it would seem to me that in order to properly carry out that kind of a program, it would be a bureaucratic nightmare. How do you get your gas bills or telephone bills and electric bills and so forth and so on? It just seems to be an enormous task for the State to carry out, and I think maybe that some of the people would say, "Well, you are just going to create a whole bureaucracy, and there goes all the money." As you have stated before, the proceeds will not be all that large.

ASSEMBLYMAN KUPPERMAN: Well, the problem that I see the State always having is not how to spend money - since I have been a legislator, there has never been a problem in spending money. There has always been the problem of raising money. And it reminds me of the story of a person who is sick, and he is offered by a relative a bowl of chicken soup. The person who is sick asks, "Can this soup help?" And the person offering it says, "I don't know if it can help, but it couldn't hurt."

ASSEMBLYMAN CODEY: I don't know if that answers my question, though.

ASSEMBLYMAN KUPPERMAN: In two years that money will come in, and I don't think we will have any problems administering a program spending the money for these purposes.

ASSEMBLYMAN CODEY: So you would be opposed to just simply having the proceeds go to the reduction of property taxes throughout the State?

ASSEMBLYMAN KUPPERMAN: I don't think it would have enough of an impact that we could point to it in a year or two or three and get a property tax for everyone, thereby making it

feasible. I think if it was dedicated to a specific thing like it is, it would have much more of an impact.

ASSEMBLYMAN CODEY: Thank you, Assemblyman. Our next witness will be Senator Mc Gahn.

SENATOR JOSEPH MC GAHN: Mr. Chairman, members of the panel, thank you very much. I'll waive much of my time and simply make a few comments. I reserve the right to make comments on the remarks of the speakers as they come up.

First of all, in response to Assemblyman Kavanaugh, yes, there is a feasibility study on casino gambling in New Jersey, and in there an estimate was made concerning the revenues that might be coming from different casinos. Also the Senate two years ago published a report which was done also by the Senate staff, by Pete Luse and Robert Purcell, in which they also made those particular estimates. I think the situation as far as Las Vegas is concerned--- This year they had taken in almost \$68 million in taxes from gambling operations which constitutes about 44% of the total state budget, so that, really, the take from Las Vegas, as far as the State is concerned, is extremely low. Those sources are available, and I will make them available to you.

What we are talking about here, we are talking about two identical bills at the present time, one in the Senate and one in the Assembly. The bills have been amended, so that the bills are identical. The Senate Concurrent Resolution 103 this year is sponsored by myself, co-sponsored by Senator Dumont, Senator Musto, and Senator Dugan. Two years previously, of course, Senator Musto and Senator Dumont were likewise co-sponsors of the bill. This was statewide. At the present time, both Senators would favor statewide casinos. However, in the interest of the realization that it would actually be better to confine it to one particular area, even though Senator Dumont represents the area in which the Playboy Club is located, he has agreed to go along and be a co-sponsor. We have also additionally picked Senator James Dugan who opposed the referendum, and voted against it, spoke out against it, the last time --- Senator Dugan is, of course, from Hudson County, and also happens to be the Chairman of the State Democratic Committee.

I think these are essentially important points as far as we are actually concerned. The reason this is a joint meeting today, is so hopefully, then, the bills can be acted upon in both houses without too much of a loss of time. One bill, then, can be substituted for the other. There is no particular problem, as far as that is concerned.

I have no further comments at this time. I will be most happy to make comments concerning the testimony of the various individuals who are appearing as witnesses today.

ASSEMBLYMAN CODEY: Thank you, Senator. Our next witness will be Assemblyman Robert Littell.

ASSEMBLYMAN ROBERT E. LITTELL: Thank you, Mr. Chairman, colleagues. In deference to my colleagues and friends from Atlantic County, I want them to know that I always used to go to Atlantic City, and I still enjoy going to Atlantic City. I think it is a great city, and like all the other cities in our State, it is important that we help rebuild it. But I have a problem with this legislation as it now exists, and because of that, I have to testify the way I am going to testify.

My record is certainly one that has been very clear. In 1968, my first year in the State Assembly, I introduced a constitutional amendment that at that time would have allowed casino gambling on a statewide basis. Many of my friends and colleagues told me I was out of my cotton-picking mind to do so. I felt very strongly about it, and I still feel very strongly that it is hypocritical to try and prohibit people from gambling when in fact they have a desire to gamble, and they should have a decent, clean, honest facility

that they can attend and know that they are being treated fairly and honestly. And they will also know that the money is not going toward organized crime, and know that whatever they do there is not going to be a source of problems as far as their personal lives are concerned. I think that its analogy is probably as close to prohibition as anything that I can think of.

So since 1968 I have supported casino gambling referendums in the State of New Jersey. I supported the statewide referendum two years ago, and I campaigned widely for it. We all know that it was defeated, and it was defeated because the public felt that they did not want casino gambling in the State of New Jersey. I don't know whether this one will meet with any better acceptance because it is limited to Atlantic City and Atlantic County or not, but it is my guess that it will not change much, the way it is written now. I think you have to recognize that the people who were opponents of the legislation then were opponents on a moral issue, and one of their personal, deep feelings was that the subject was not acceptable to them under any circumstances, whether it be limited to Atlantic City or statewide.

What I think you have to have here are two amendments to this bill. I think you have to recognize that tourism is not limited to Atlantic City and Atlantic County. We have developed an excellent tourist trade in Sussex County, and I know the competition probably has been felt in Atlantic City, but I don't think that that is any reason for Atlantic City to have an unfair advantage over our area of the State. The area known as the Hackensack Meadowlands is now developing as one of the recreation and tourism parts of our country, whether you realize it or not. We in this State are building a football stadium and a horse race track, which is presently under construction and will be open this year, that will attract many sports enthusiasts to our area, and it will also attract development of that Hackensack Meadowlands. You will see, I am sure, in the future the development of large hotel complexes with shopping centers, so that people can come there for conventions and attend all sorts of facilities in the Hackensack Meadowlands, as well as adjacent Newark and New York City.

I think that you have to recognize that to limit it to Atlantic City would be saying to that new section of the State and to our section of the State that we don't want any expansion, and we don't want any improvement in tourism or recreation in those areas, and I don't think that is what you intend to say, but that is what in effect you are saying by limiting it to Atlantic City.

I think that you have to recognize that if you put a gambling casino in the Hackensack Meadowlands--- I suggested this several years ago, when we were being challenged for our bonds by the New York financial market in that area. I suggested to some of Governor Cahill's people that we ought to talk at that time about putting a gambling casino in the Hackensack Meadowlands, and I said that that in itself would have an effect of shaping up the people in New York who were trying to keep the buyers from buying our bonds for that sports complex, and I think if we had done that then, we would have scared off the people who were trying to destroy our credibility in New Jersey, and our bond market at that time.

I think that a facility that is available and very adequate for casino gambling on an interim basis would be the third terminal building at Newark Airport. That would be something that could be moved into almost immediately. It is adequately controlled by parking and in and out access, and you would have ideal control on a limited basis until something could be developed some place in North Jersey, either up our way or in the Hackensack Meadowland area.

Now, that talks to the problem of the area, and I hope that you recognize the fact that I am not trying to be provincial and just protect our area, but I think you have to at least be able to provide for one more location in North Jersey. And you can say that the Legislature and the Governor will have the power to pick that location, and I think that would be a significant step in gaining support from people who are now going to oppose this legislation because it will drive everything to Atlantic County and Atlantic City.

The other part of the change in the legislation which I think is absolutely necessary is, I think that you need another bill to provide for a one-day license for the so-called Monte Carlo nights, which are in effect gambling casinos set up for one day. That should be allowed for charity organizations, education, religious, and fraternal organizations such as there are now. For instance, you can have a Monte Carlo night for non-public schools. Non-public schools do a great job in this State of providing education that we would otherwise have to pay for with tax dollars. This would provide them an opportunity to go out and raise funds with the Monte Carlo night for non-public education. You could have hospitals and cancer and heart drive funds holding Monte Carlo nights throughout the State raising funds for their very good, charitable causes. I think that that is something that this Committee ought to and has to consider before this bill is released for a floor vote.

I have, as I said, always supported the concept. I think that the idea makes sense. I think that we should drive organized crime out of the gambling business in the State of New Jersey. I think that what we have to do is make it fair and equitable to all areas of the State, and I think you have to take that into consideration, and I think you have to take the Monte Carlo night or the one-day licenses, if you please, into consideration. I think that by doing that that you will attract more of the people opposed to this type of legislation to support it, because they know they could have that type of one-day license for their charitable organization. I think that would go a long way towards getting widespread support statewide. Thank you, sir.

ASSEMBLYMAN CODEY: Thank you, Assemblyman. Are there any questions?

ASSEMBLYWOMAN BURGIO: Assemblyman Littell, could you tell me how the voters of Sussex County voted on the 1974 referendum?

ASSEMBLYMAN LITTELL: Yes, I can. The voters in Sussex County voted against the statewide referendum.

ASSEMBLYWOMAN BURGIO: Do you have any idea of the figures?

ASSEMBLYMAN LITTELL: No, I don't.

ASSEMBLYWOMAN BURGIO: Was it close or what?

ASSEMBLYMAN LITTELL: It was fairly close. I don't recall the exact numbers.

ASSEMBLYWOMAN BURGIO: One other question. On these one day licenses, has there been a separate bill introduced on that?

ASSEMBLYMAN LITTELL: I propose that it be part of this bill, because I think in order to get some of the people that have opposed this type of legislation in the past to support this type of legislation, you need that, combined with this, in order to get statewide acceptance. I think that is of material importance. You have to take that into consideration; otherwise, if those two types of amendments are not considered by your committee, and they don't come out as part of the legislation, I promise you that I will oppose this constitutional amendment with all my vigor, in spite of the fact that I have always supported the concept of casino gambling statewide.

SENATOR MC GAHN: Assemblyman, I was most happy to hear your remarks concerning an amendment to allow worthy cause gambling, such as Monte Carlo nights

for charitable organizations. There is incidentally a bill for that, SCR-97, which happens to be my bill. I think also involved is the constitutional prohibition against including two questions on the same referendum that do not directly bear upon one another. These legalized games of chance, such as Monte Carlo nights, would come under a different procedure, which is SCR-97, and which is currently in the Senate Judiciary Committee. The next time they meet, I would hope to get that out.

I would assume, now, from your remarks that you have no objection to casino gambling per se?

ASSEMBLYMAN LITTELL: That is right, Senator.

SENATOR MC GAHN: While you are not provincial, nevertheless you would like to see it at the Playboy Club?

ASSEMBLYMAN LITTELL: No, sir, I didn't say it that way. I said one location in North Jersey.

SENATOR MC GAHN: All right, fine. I think you must realize also that basically when you are talking about the Hackensack Meadowlands complex, this is a very definite regional area which in essence is being supported and subsidized by the State, because actually the proceeds from the horse tracks up there are going to pay off the bond indebtedness, the amortization. I think, since I am representing South Jersey, that we feel as a competitive edge that we are at a competitive disadvantage to the Hackensack Meadowlands, if and when they are actually operating. And, as you say, they are going to be building hotels, and this will actually be a convention center. We feel, and I say this personally, I feel under those circumstances, when they already have an advantage, gambling is not something that is necessary for them to attract people. They have other entertainment up there within ten or fifteen minutes.

I think we view this not only as a resurgence of Atlantic City, but we view this not only as casino gambling itself, but as a formal part of entertainment, and a highly placed type of entertainment. It is the kind of entertainment that is not going to attract the low income group, the man off the street. I think as Assemblyman Perskie mentioned, we do not anticipate this, because the implementing legislation would be drafted so that there will not be slot machines on each and every corner. We do not anticipate this, frankly. Everybody here will have an opportunity, assuming passage this November, to vote upon enabling legislation. That is also subject to veto by the Governor- if something happens there. There is enabling legislation.

We do feel that of all the cities in Atlantic County, the one name that is nationally and internationally recognized is Atlantic City. It is a Mecca, just as, let's say, Las Vegas is. We can call it the Las Vegas of the East in attempting to get gambling in Atlantic City, but we don't envision this. Recall, if you will, it took Las Vegas 35 years to get to the stage they are today. This did not occur overnight, and even should this pass, should Atlantic City get gambling, we do not anticipate an immediate resurgence of Atlantic City. It is going to be an incentive, a keystone, to attract capitalization to a resort, and an attempt to rebuild it. Actually, if you will, we want to attract conventions back to Atlantic City. With changes in lifestyle, with changes in mobility, as far as transportation is concerned, you must come up with something new. People will no longer be going back to the same place. I think you in Sussex, with the Playboy Club have experienced this same thing.

I agree in effect that, yes, there are certain areas that should have it, but there must be a starting point. I think as a result of the referendum on a statewide basis two years ago, they did not want it statewide, even though there were protections as far as municipal and county referendums. And I think, as you said, Sussex itself

did not approve it. As a matter of fact, only two counties approved it, Hudson and Atlantic County at that time. So even if you had it statewide, there is no actual guarantee at the time that it would pass in your own particular county, and you would then find yourself being stymied. I am asking you to be reasonable about this situation. We now have a new situation. Of all the places that we feel it could be best controlled, we feel that place would be on a small island down in South Jersey which already has a reputation, as far as being a convention center, and which is actually within a 250 to 300 mile radius of one-third of the entire population of the United States.

ASSEMBLYMAN LITTELL: Senator, can I say one thing?

SENATOR MC GAHN: Yes.

ASSEMBLYMAN LITTELL: Your concern about merging the one-day license for Monte Carlo nights in with this bill, I am sure it could be handled very well by Assemblyman Perskie, because he is an expert at merging constitutional questions.

SENATOR MC GAHN: For your information, I have a bill like that already drafted with the merging, but I think it is inappropriate to do that. I think this would be basically -- I think it would be a fault. And I think very honestly when you are tying in groups that want this, actually holding this over their heads is blackmail. I don't think this is actually what it should be.

I think as far as the people of this State are concerned, they should be very specific. I think they should specify whether they want gambling in one particular area and not another. If so, you must then go back on the Constitutional route with another referendum, and therefore you will have a track record to depend upon. You will be able to see how it is working in one particular area, and you can see whether the fears of the opponents of gambling are being realized. Are these not fears? Are they simply myths? And can this in effect be actually controlled? If so, there is no cause for alarm by the people who oppose this proposition.

ASSEMBLYMAN LITTELL: Senator, I think that rather than calling it blackmail you have to be realistic and recognize the fact that the fear that you are creating with charitable organizations is that you will dry up their sources of revenue, or some of their sources of revenue, and they will be unable to compete in the market with you. I think that is the realistic approach to this whole situation, and you ought to take that into consideration. It can be worked out, and I urge you to try and do that.

SENATOR MC GAHN: Let me say again, we are talking about in one instance a specific location, but as far as worthy cause gambling, you are talking about something that is statewide. This is an inconsistency in that particular respect. I realize one thing, and Bob, I think you know this, it can be worked out, because basically we passed an unconstitutional question on the referendum last November, if you want to be perfectly honest. Let's not kid yourself, if these two questions were combined, you would be hauled into court right away.

ASSEMBLYWOMAN BURGIO: Bob, on your other amendment, you suggest that one other place in North Jersey be designated for casino gambling?

ASSEMBLYMAN LITTELL: Yes, that is right.

ASSEMBLYWOMAN BURGIO: And that would be designated just by the Governor?

ASSEMBLYMAN LITTELL: No, by the choice of the Legislature together with the Governor.

ASSEMBLYWOMAN BURGIO: There would not be a referendum for people in that area?

ASSEMBLYMAN LITTELL: It would certainly have to go through a referendum as part of the procedure for establishing it, but as to the location, I think that location ought to be picked jointly by the Legislature and the Governor. Then you would have to first

put it up for a referendum for voter approval. That still would be a requirement, but I think you need the latitude to pick the location in North Jersey. You certainly wouldn't expect the Legislature and the Governor to impose gambling on any municipality that didn't want it. Thank you for clarifying that.

ASSEMBLYMAN KAVANAUGH: Bob, I am just wondering, do you think it is fair that we as Legislators take a thing that didn't fly the last time, and now because we have a group who is interested, ask the citizens of the State of New Jersey to vote on a referendum to give them the opportunity to rejuvenate their city? This is the kind of situation where you are damned if you do and you are damned if you don't. I don't think that we have the crystal ball or can hedge the bets on this. Just because back in '68 you started supporting this --- Now, in '76 we are coming up with it again, and the problem I see is if we once again open this up --- When you talk about North Jersey and all, once again, the people, the credibility of the amendment, I think, would be questioned. But I think, it is my own personal feeling, that this time the discussion should center around SCR-103 and ACR-126 - the way it has been originally drafted - and we should be allowed to make the judgement on that basis alone.

ASSEMBLYMAN LITTELL: Well, Assemblyman, if you limit it to one place in North Jersey, that's a big difference than what we voted on a couple of years ago. What we voted on a couple of years ago would have allowed it in any municipality that wanted it and approved it, so I think to limit it to one place in North Jersey is certainly different than that. And I don't think that that would destroy the credibility of what they are trying to do here. I think to do this is going to deprive this referendum, when it is on the ballot, of widespread statewide support, because I find that there are many people in the northern part of the State that feel that this is very discriminatory and that Atlantic City is being singled out for special treatment. And I have always tried to help cities, whether they be Newark or Jersey City or Camden, and Atlantic City with their problems. I have voted very consistently for legislation that would help rebuild and strengthen our cities, because I think that the viabilities of our cities are really important. I think this is a matter of fair play. I think that is what we are talking about. I think that North Jersey is entitled to one location if South Jersey is entitled to one location.

ASSEMBLYWOMAN CROCE: Bob, if this bill didn't pass two years ago in North Jersey, what makes you think that they would pass it now for one municipality or one city up in North Jersey, say in Sussex County?

ASSEMBLYMAN LITTELL: I think the difference is that it would be limited to one location.

ASSEMBLYWOMAN CROCE: Do you think they would go for that?

ASSEMBLYMAN LITTELL: I think it would be much more acceptable on that basis.

ASSEMBLYWOMAN CROCE: Don't you think the people of New Jersey at this point might like to see how it works in Atlantic City for a couple years, and then if it works out fine there, then we can put it in a city up in North Jersey?

ASSEMBLYMAN LITTELL: I'm not even convinced that you can convince the majority of the public that that ought to happen. There is a very good chance that if it is passed the way it is now, put on the ballot, it will not be accepted by the majority of the people of the State of New Jersey any more than it was two years ago. I think that the concept that you are dealing with is one that has very deep-seated feelings and the people who are here today who are going to oppose it are going to oppose it on those deep-seated feelings, and they are not going to change their feelings because of location or because of the

limitation to Atlantic City, in my opinion, so that the battle will not be any easier and it will not do any better than it did two years ago.

ASSEMBLYWOMAN CROCE: Don't you think it would be worth the chance to just try?

ASSEMBLYMAN LITTELL: Well, I can't support it on the basis that it is presented. If it were amended to allow one location in North Jersey and amended to provide for the charitable organizations, then I could support it. I have found that many people that I talked to the last time we campaigned were disappointed that the part that would allow for Monte Carlo nights for charitable organizations was left out. They felt that they would rather go to that type of a casino where they know that the money is going for a charitable organization than to go to a statewide casino or state casino, because they don't want the money going to the State Treasury, or whatever it is earmarked for. They would rather spend money to go to some charitable organization. I think that is a very important factor.

ASSEMBLYWOMAN CROCE: Thank you.

ASSEMBLYMAN CODEY: Assemblyman, you mentioned organized crime in your presentation, could you just very briefly expand on that somewhat?

ASSEMBLYMAN LITTELL: Well, I don't think there is any secret in the State of New Jersey that organized crime does in fact run illegal gambling operations. We read about it all of the time in our newspapers, and we hear about it on our television and radio stations. Our prosecutors, our State Police, and our law enforcement agencies across the State spend a great deal of their time and effort in trying to break up organized crime gambling operations that start probably with the numbers business and go right up to casino-type gambling in some cases. But the organized crime doesn't get into casino type gambling. They are involved in poker games and games of that type, but not of the lavish type like roulette tables and crap tables and things you would normally find in a casino, and I think to provide a legal outlet for dealings of that type would tend to eliminate organized crime. I don't propose to sit here and tell you that it would wipe it out, but it would certainly put a crimp in their operations. If I were to sit here and say it would wipe it out, you would say to me, if that's the case, why haven't our race tracks or our statewide lottery wiped out the booky, and why haven't they wiped out the numbers game. You can't sell that type of a philosophy, and I am not trying to sell it, but I think if you provide a legal place for our citizens, it would do that.

ASSEMBLYMAN CODEY: I don't know if I could agree with you, because I think certainly the Pick-it has hurt the horse racket, and I don't know whether I can agree with you on organized crime being so prevalent anymore, but I would note that two weeks ago the Governor made a statement that organized crime has been driven from the State, and whether that is true or not, I don't know. Maybe some others can allude to that in the later testimony, but thank you very much, Assemblyman.

ASSEMBLYMAN LITTELL: Yes, I am sure that Attorney General Hyland will dispose of any of those illusions.

ASSEMBLYMAN CODEY: The Attorney General is not disposed to speak at this hearing. He has declined.

ASSEMBLYMAN LITTELL: He should. That is part of his ---

ASSEMBLYMAN CODEY: I agree with you, but unfortunately he didn't agree with us.

ASSEMBLYMAN LITTELL: Well, then you should call in the Colonel of the State Police.

ASSEMBLYMAN CODEY: He will be here this afternoon. Thank you for your time. Our next witness will be Charles Marciante, President of the New Jersey AFL-CIO.

C H A R L E S M A R C I A N T E: Mr. Chairman, I deeply appreciate the opportunity of being able to come here today and express the support of our organization for the concept of having casino gambling in Atlantic City.

This is not a new position for our organization. We have been on record in many, many conventions, and have adopted resolutions in support of such a concept. I won't attempt to read the four pages of testimony that we have prepared. You will find it excellent, but I will just comment on the idea of casino gambling, and what it can do for the city itself. I am not going to try to elaborate on the very eloquent testimony of the two Assemblymen from Atlantic County, because they certainly know their county well and have expressed their point of view, I think, very fine.

I have been privileged to live in the central part of the State and I would be considered a southerner by those people in North Jersey. My family has owned property down in Atlantic City for many, many years until the death of my father when they sold the property. So I am very familiar with the City. I know what a very fine city it was, and what a fine convention town it was, and I guess it is just pride in the State of New Jersey, in fact, that we hold our annual conventions there. We constantly go back to Atlantic City in spite of the fact that there are a number of facilities around the State that are a little more attractive.

I think it is a belief on my part and certainly on the part of the organization that I represent to return to Atlantic City and try and help that city as much as possible. There is very little the Legislature can do to financially aid a city such as Atlantic City. They really have no place to go, and the unfortunate thing is the going has all been downward. It is very sad when you have watched a city that has probably been the proudest and probably one of the finest cities in the nation degenerate to what it is today. I try to make a point to you, as Chairman of the Committee, and to the members of the Committee, that the only true salvation is for the adoption of the resolution that would permit casino gambling in Atlantic City.

Many years ago when we first testified on this subject, our idea was constantly that Atlantic City be the designated area for casino gambling. It was the perfect spot. The idea of organized crime doesn't worry me one bit. We have one of the finest police enforcement groups in the United States right here in New Jersey, and they are certainly capable of making sure that this is a clean operation. I know that you and the members of the Committee will insist that it be such. The trade union movement in New Jersey, as you know, is in pretty bad shape as far as jobs are concerned. We hear figures that the unemployment rate in New Jersey is only 11.4% at the present time. It is down from 13.7%. In fact the unemployment rate in New Jersey is somewhere in the area of 18 to 20%, and in Atlantic City I guarantee you it is well into the 30%. This is due to the fact that we exhaust some 4500 people per week from the unemployment compensation rolls, so that they are no longer a statistic.

Casino gambling in Atlantic City would dramatically change the state's posture and the unemployment picture in the State of New Jersey. It is for those reasons, and the great amount of employment that it would permit, not only in our construction unions and our service unions, our public employee unions, and all other unions, working people in that area who have been too long without a job, that I urge you to give favorable consideration to this resolution. Thank you.

ASSEMBLYMAN CODEY: Thank you, Mr. Marciante. Are there any questions from any member of the Committee?

Mr. Marciante, let me first compliment you on the fact that when you hold your convention that you hold it in the State of New Jersey as opposed to some state organizations

which in recent years have gone outside the State to hold their conventions. Let me just ask you, if this Concurrent Resolution does pass both houses of the Legislature and is signed by the Governor, and is on the ballot in November, will you and your members actively work on behalf of its passage?

MR. MARCIANTE: We will be most happy to do so, as we did the last time on the ill-fated issue that did not pass. I assure you we will be there.

ASSEMBLYMAN CODEY: Thank you, Mr. Marciante. (Prepared Statement appears on page 1x in the Appendix.)

Our next witness will be Mr. Charles Worthington, the County Executive of Atlantic County. He was also a former member of this house.

CHARLES D. WORTHINGTON: It is like a homecoming day for me. This is a lovely place to visit. I might say that I was one of the co-sponsors of the ACR-128 two years ago which placed the question on the ballot, and we really had to revise that question because what we faced was the inability to get that bill out. This was the bill that we wanted to get out, but because there were so many legislators like my friend Bobby who wants an opportunity for his district, we had to amend that bill and make it broad enough so that everyone had an opportunity. I think we all know what happened. We in Atlantic County certainly were in favor of the casino gambling bill, and now that I am the County Executive I have a little bit different perspective. I would like to be mercifully brief in my remarks, because I have sat through a lot of these hearings, so I know what you are going through.

We in Atlantic County did support the gambling referendum at the last go-round. The people of our county have indicated that they support the legalization of casino gambling in Atlantic City. I would like to concentrate on some of the economic and social benefits that would occur from the legalization of casino gambling strictly in Atlantic City. I would like to point out that I would like to re-focus the attention of the intent of this bill. What we are looking for - we are not looking for legalization of sports betting, and we are not talking about wholesale gambling across the State, and we are not talking about Monte Carlo nights in this bill. We are talking specifically about the legalization of casino gambling in Atlantic City for a specific purpose, and that specific purpose is the revitalization of the tourist industry in Atlantic City. And that is what we think we need, and that is what this bill is geared at. I think we should be very careful not to diffuse the issue here.

Economically and socially, the benefits of Casino Gambling far outweigh the costs. Atlantic City is unique as a prime location in that it possesses the positive tourist appeal and the ideal capacity to achieve immediate benefits.

Economic Aspects:

The first boon would be the reversal of trend of capital investment in the area. More capital would flow for physical plant upgrading and expansion. Undoubtedly, this capital investment would help all area industries with its creation of new jobs.

The Construction industry would be a major benefactor, albeit for a lesser time period than the rest of the service industry.

These other sectors of the economy - the service industry - would benefit broadly. These sectors are most in need in Atlantic County. We have a depressed Hotel/Motel/Restaurant service economy, which since 1970 has lost over 3,000 jobs in Atlantic City alone, according to a recent telephone survey. The skills are there. The capability remains, as we can attest to be one of the highest unemployment areas in the State.

Casino Gambling would bring new hotels, restaurants and entertainment spots. Most important, it would re-activate the 3,000 jobs lost in the Hotel/Motel industry since 1970. I have outlined for your perusal some of the hotels and the total number of jobs lost.

Dennis Hotel	521
Claridge Hotel	400
Colony Motel	275
Midtown Motel	172
Breakers Hotel	200
Traymore Hotel	500
St. Charles Hotel	94
Mayflower Hotel	232
Beachfront Garden Motel ...	195
Boardwalk Motel	42
Grosvenor Motel	<u>70</u>

2,701 Total Jobs Lost

This does not take into account the number of restaurant jobs lost by the demise of such famous dining spots as the 500 Club, Hackney's, Three Temps and Conrad's. Nor does it take into account the loss of jobs through Motel conversion into Condominiums, such as the Malibu, Monte Carlo, California and Montclair. The total is well over 3,000 jobs. In short, Casino Gambling is labor intensive.

The ripple effect of demand from without would flow through all these sectors. Some new employment in new skills would appear also. Croupiers, computerized data services ... such diversity would be new to the resort. In total, this multiplier would affect other suppliers in the resort, and add to a new general well-being.

The extent of recovery because of Casino Gambling is hard to estimate, but the unique features are impressive. Atlantic City would be the only other area in the country to compete with Las Vegas. This opens demand everywhere east of the Mississippi.

Secondly, slowly perhaps, the resort industry would become less seasonal, for Casino Gambling would have appeal year-round. This would augment the Convention trade, and help its competitive effort at a time when such cities as Atlanta and San Francisco have invested heavily to make themselves Number One over New York and Chicago. Atlantic City currently competes with these cities, but with the lack of new investment, we must realistically conclude that within five years we would lose considerable competitive position. Casino Gambling would change that situation considerably.

Another feature that we feel will be evident is a change in clientele that visit the resort. Casino Gambling would attract a higher economic status of visitors ... visitors with more recreation dollars to spend. The whole leisure industry would benefit, including receipts at other gaming establishments, i.e. the local Race Track. At first glance, these elements seem competitive, but we predict that Casino Gambling would actually enhance the latter.

Social Aspects:

Socially, many things would happen, almost all positive. A new resurgence in the local economy would likely manifest itself in better over-all treatment of all visitors, an element not to be regarded lightly, and one for which we must accept criticism in the recent past. New residents would find their way to the area, bringing fresh ideas and new approaches to old problems.

More visitors would mean more shoppers, and a more sophisticated buyer would produce its counterpart in merchandising.

Perhaps the most revolutionizing would be the change in the entertainment industry. Atlantic City would once again compete for top entertainment, and would attract nationally-known stars. Revival of theater would also be a distinct probability.

Resort population would grow rather than decline, and new housing investment would find its way to Atlantic City. This beautification process is needed, and socially-rewarding as any positive growth is.

This is the sum of the positives of Casino Gambling.

We feel the benefits far outweigh the costs, and urge the adoption of ACR-126/SCR-103, which would permit Casino Gambling in Atlantic City.

Thank you, Mr. Chairman.

ASSEMBLYMAN CODEY: Thank you, Mr. Worthington. Are there any questions?

ASSEMBLYWOMAN CROCE: If this referendum passes in November, how long will it take for gambling to start in Atlantic City?

MR. WORTHINGTON: I think that depends upon the Legislature. It would take some time to draft the bills and get the bills passed. It would be up to you to determine what functions and where and how this would all proceed. I think that Senator Mc Gahn suggested that it would take about two years, the last time I talked to him.

ASSEMBLYWOMAN CROCE: Thank you.

MR. WORTHINGTON: Is that true, Senator, about two years, a year and a half?

SENATOR MC GAHN: Assemblywoman, I think that with the rate at which the Legislature enacts legislation, luckily we would have, possibly, implementing legislation through by June of 1977, and the start-up time on a casino would be approximately one year's time--plus the fact that if we implement a system of control similar to Las Vegas, the application for licensure to operate a casino would take approximately nine months.

ASSEMBLYWOMAN CROCE: Thank you.

ASSEMBLYMAN CODEY: Mr. Worthington, you mention the local race track as a beneficiary of casino gambling. Do you know that to be a fact, that you don't have a race track that would be in favor of the casino gambling, realizing that it is another game of chance, that it could quite possibly draw away from ---

MR. WORTHINGTON: I don't know that as a fact, but I know that with the declining number of people who are coming, attracted by the industry in Atlantic City, the race track locally is having a difficult time now making ends meet. What we are talking about is a revitalization of the entire tourist industry, not only in Atlantic City, but in Atlantic County and the adjoining counties. There would be a lot of people who would come, perhaps, to the Jersey Coast for vacation who would want to take a one-day trip there. They may come and stay in Long Beach Island or Asbury Park or wherever they would like, and they would have that as an attraction. That would attract them not only to the Atlantic City proper, but to the entire recreation and tourist industry that we have to offer in this State.

ASSEMBLYMAN CODEY: Do you realize, though, that Atlantic City is going to night racing, which would be a direct conflict?

MR. WORTHINGTON: It also means a direct drawing of people. You need people in order to make any enterprise work well, and if the people are not there, in Atlantic City or in those environments, they won't be there also to participate in night racing.

ASSEMBLYMAN CODEY: The only other question I had, in your statement you said that socially many things would happen, almost all positive. What are the negative?

MR. WORTHINGTON: What are the negative? I don't foresee any negative influences. I know that many of them are mentioned, such as the crime rate. It seems to me that crime is prevalent in areas where you have a thriving ongoing kind of business atmosphere. Investment capital is what is needed in Atlantic County, and specifically in Atlantic City. And needed, I might say, in all of the urban areas throughout the State, but there is no urban area in this State that has the very same kind of situation as Atlantic City. Atlantic City depends on the tourist convention business, and without that kind of an attraction we are just out of business.

ASSEMBLYMAN CODEY: In other words, are you saying that crime would be on the increase?

MR. WORTHINGTON: I think we have a significant crime rate now, simply because we have so many people living on the poverty level. I don't see that there would be any serious increase in the crime rate.

ASSEMBLYMAN CODEY: I thought you said that it would be prevalent.

MR. WORTHINGTON: No, I say that some people claim that, and I don't.

ASSEMBLYMAN CODEY: Okay, thank you.

ASSEMBLYMAN KAVANAUGH: Mr. Worthington, one question on crime rate. Since 1970 with the downfall of many of your hotels, do you have any figures on the increase in the crime rate in Atlantic City?

MR. WORTHINGTON: I know that our Police Chief, Bill Tenbrink, is going to testify later. I don't have any specific figures on the crime rate. I am sure he would be in the position to answer those questions.

ASSEMBLYMAN KAVANAUGH: Thank you.

SENATOR MC GAHN: Mr. Chairman, let me address myself to two questions I think you asked Mr. Worthington. As far as the tracks are concerned in the State, the tracks have already reaped a benefit from legislation this past year insofar as they are getting a 1% increase now over what they did before, as far as purses are concerned, and certainly as far as Jersey breeders are concerned, they are getting increased amounts of money. The tracks that will go into night racing get an additional 1% break, so that the Atlantic City track, of course, actually tends to realize some \$1.5 million this forthcoming year, just on night racing, over what they had the time before it.

I think there are a lot of myths concerning gambling. There are a lot of myths concerning the profile of a gambler, and that is that -- Sociological and psychological studies have shown that while there are compulsive gamblers, and there are some socially negative aspects of this entire situation, this must be admitted-- nevertheless, it is not a fact that an individual other than a compulsive gambler - and we are talking about an atypical gambler when we are talking about compulsive gamblers - does not necessarily go to the track in the afternoon and go to casino gambling at night. There is a completely different profile as far as this is concerned, as there is a different profile for those who play the numbers, who play the lottery, all sports bettors, so I think we cannot draw the parallel between the fact that it would be in direct competition as far as the tracks are concerned, and the gambler who comes down for entertainment, leisure, and doing a little casino gambling on the side would also necessarily go to the tracks at night. I think the greatest example of this is what is happening in Nevada today. Casino gambling is the greatest operation and the tracks are a marginal operation, and the gamblers who play the casinos do not actually go to the tracks.

ASSEMBLYMAN CODEY: Thank you, Mr. Worthington. Our next witness will be Joseph Lazarow, Mayor, Atlantic City.

J O S E P H L A Z A R O W: Mr. Chairman, members of the Committee, ladies and gentlemen, I advocated a new approach in the efforts of this great State to reverse the trend of urban deterioration and decay. Up to now the Federal Government and the State have approached these problems on a wholesale basis with sort of a shotgun effect. In other words, they have had millions of dollars in grants to all cities and treated them pretty much alike, and I have been up here to accept those grants for playgrounds, and we built our playgrounds, and it has been wonderful, but that has not gotten to the root cause of our urban troubles.

So I believe a new approach should be to study each city on an individual basis and try to determine what made this city tick when it was ticking. Atlantic City should be studied on an individual basis. In 1930 we had a population of 66,189 people, but Atlantic City has had a reputation and has built its reputation for catering to all tastes in recreation. We catered to the family trade, the family that comes down with the children to enjoy the ocean breezes and the beach and the boardwalk. We catered to the young ladies who wanted to come down to meet young gentlemen, and vice-versa. We catered to those people who found their relaxation at a gambling casino. That is how Atlantic City grew.

Gambling is nothing new to Atlantic City. There were gambling casinos in Atlantic City. They were not legal, so we are trying to do things in a legal and proper and wholesome way. We have had a race track for 30 years, and I remember when that question came up, and we had to debate - that was in high school - as to whether the race track would bring a bad element to Atlantic City. It has not brought a bad element to Atlantic City. It has helped Atlantic City. It has brought millions of dollars of taxes to Atlantic City.

I say we have to treat Atlantic City - and Chuck Worthington said it - as unique in this State and unique in the United States. It has a beautiful beach and boardwalk that accommodates hundreds of thousands of people. It has unemployed, and at the same time it has 50 to 80 acres of prime land which could be built upon tomorrow, and we need to build. So we must treat Atlantic City differently. Now, Atlantic City has a large proportion of senior citizens, and we serve them. We provide housing units for them. We don't get enough taxes on those housing units. I think the Legislature and the people of this State ought to understand just what is going on in Atlantic City. There are not many cities in this State who have so many senior citizens or who provide services for these senior citizens. Atlantic City does that. A lot of cities don't want to have that burden, because therefore they would have a low tax rate. We have these people; we cater to them; we have a very, very serious and back breaking tax rate. And that is why we need the help of the people of New Jersey, and we need the help of this Legislature.

As far as crime is concerned, I think that casino gambling in Atlantic City would bring a situation where you would have less crime. I walk on the streets, and I am on the streets every night in Atlantic City. You can walk on the streets and the boardwalk in Atlantic City, but I say when we put more people to work, that is, with casino gambling, we will have a lot less crime in Atlantic City. Atlantic City is going to prosper. This is not just a dream that we are dreaming. I think we are approaching it in a businesslike way, in an intelligent way. Atlantic City holds a lifetime of experiences for me. I have practice law there for 26 years, and I have been a City official for the past 4 years, and I think that the best thing that people of New Jersey can do for Atlantic City is to permit us to help ourselves. We want to help ourselves, and we can do that by getting casino gambling in Atlantic City. Thank you.

ASSEMBLYMAN CODEY: Are there any questions? I have only one question, Mayor. What would your response be to a mayor of another city who would say to you, "Why should the State of New Jersey bail out Atlantic City and not me."

MR. LAZAROW: Well, somebody did ask me that outside, why is Atlantic City different. Atlantic City is different because this is our bag. This is what we have been trying to do, and this is what our reputation is, to accommodate people, and to give recreation to people who come down and need recreation.

Let's talk about gambling itself a little bit. I see women sitting at night for two or three hours playing bingo. It is not hurting anybody. They are actually getting away from their daily chores, and their daily worries, and I think that is

doing them some good. It is a form of therapy. Everybody has his own form of relaxation. Some people play tennis, some play golf, and yet others ride bicycles. But there comes a time in every boy's life when he gets tired of playing with bicycles, and he wants to get into other things. Atlantic City has provided all these things and should be treated differently. That's why I think this bill is good for requesting that casino gambling be confined to Atlantic City for the first few years until we see how it goes. The other parts of New Jersey have other industries. They have petrochemical industries, manufacturing, and this is something that Atlantic City does not have, and that's why we need casino gambling.

ASSEMBLYMAN CODEY: Thank you, Mayor. Our next witness will be Lillian Bryant, Freeholder from Atlantic County.

L I L L I A N B R Y A N T: Thank you. To the Committee and to the people assembled, I represent Atlantic County, the first district of Atlantic County, which is all inclusive in Atlantic City from Maine to California Avenue. The people who live in that area and that work in that area are going to be the prime benefactors from casino-type gambling in Atlantic City.

Atlantic City at this stage has possibly the highest, if not one of the highest, unemployment rates. You asked a question about another mayor or another official from a municipality in New Jersey, speaking to Atlantic City, and asking why they should bail us out, and they don't realize they are bailing us out now; they are bailing us out in terms of the unemployment rate. Because if we have such a high rate, certainly the other municipalities in this State are helping to contribute toward the payments of these funds. The welfare system is increased in Atlantic County, because when the unemployment extended benefits are terminated, there is nothing else for a person to do but to look forward to the welfare system.

Therefore, we want casino gambling, because my constituents in Atlantic County would tend to benefit more. They would rise above the mediocre existence that they are now assuming. And they would again be able to be contributors to the financial, economic, and social well-being of Atlantic County. Crime is on the increase when people lay idle. We have so many natural resources, such as our ocean and our boardwalk, and some beautiful hotels, and I am quite sure that new investors would come in and start to look again at the playground of the world to see what they could do to help in the rebuilding process.

We are in dire need of help, but to help us is to help the entire State, because the people from all over the world come to Atlantic City to partake of some of our pleasures. They will also be partaking of New Jersey's pleasures on a whole. We are the Garden State, and Atlantic County represents those from farming to the resorts, so therefore we have so much to offer, just as the State has so much to offer. I am thinking mainly of the jobs, jobs that are going to be provided for our people, so that they can participate on all levels of the casino gambling spectrum.

Also, we join many people in the economic and employment sector of Atlantic County in this effort. Atlantic City with our tax rate is looking for new ways to revitalize an old town. It is an old town in which everybody has a vested interest, and therefore we would encourage that this bill be passed, and that Atlantic City be singled out so that it can return as the playground of the world, but also bring New Jersey new, abundant recognition throughout the country and throughout the world. We are trying to do it ourselves. We need some assistance, but most of all we need the joining together of this State behind Atlantic City, so that casino gambling will flourish and will help all of us. Are there any questions?

ASSEMBLYMAN CODEY: Are there any questions from the Committee? Thank you. Our next witness will be Dr. Samuel Jeanes from the New Jersey Christian Conference on Legislation.

DOCTOR SAMUEL A. JEANES: Mr. Chairman and members of the Committee, I am Samuel A. Jeanes from Merchantville, New Jersey, the Legislative Secretary of the New Jersey Christian Conference on Legislation. Today I received a special delivery letter, Mr. Chairman, which is not a part of my testimony, from the American Baptist Churches in New Jersey who have 216 congregations in the State, and I am going to turn this over to the reporter, and I trust it will be part of the record. (Letter appears on page 5x in the Appendix.)

Just two years and twelve days ago we appeared before the Judiciary Committee of the Assembly and Senate to oppose the legalization of gambling houses and casinos anywhere in the State of New Jersey. Many citizens took time from their work and at their own expense they came here to register their opposition. They did not have anything to gain except the satisfaction that they did what they could to protect their homes, their children and their state from the moral, sociological and economic perils that could be encountered. It is doubtful that their efforts, let alone their testimony, ever got to the members of the Legislature because just three days after the Public Hearing the proposal was scheduled for a vote in the Assembly. That Public Hearing seemed to be a futile way to waste the Taxpayers' time and money. But the gambling proponents, who were already getting together their campaign kitty which was reputed to have been a half million dollars, must have been much more persuasive for the Assembly voted the gambling resolution very quickly. The New Jersey Senate took a little longer to pass it by a margin of one vote...a vote which the press graphically described saying that the deciding vote was cast after some delay in which one member was on his knees in front of the vacillating Senator and another member was in back of him urging him to vote "Yes".

Perhaps the sponsors of this new concurrent resolution do not appreciate the time and effort that was put into bringing the gambling house - casino question to a resounding defeat. Of course, the pollsters were all wrong...just as wrong as the politicians who wanted to bring Las Vegas to New Jersey. Nineteen of the counties of our State said positively, "WE DO NOT WANT GAMBLING HOUSES AND CASINOS ANYWHERE IN NEW JERSEY."

With this clear expression from the voters of our State it is surprising to see that twenty-four of the thirty-three sponsors of ACR 126 have come from counties which soundly defeated the casino gambling proposal. These elected officials certainly are not representing their constituents on this question. We might ask, "whom do they represent?"

ACR 126 is asking the people of New Jersey to give the members of this Legislature and every other Legislature that might be elected a blank check to establish as many gambling houses and casinos as they choose in Atlantic City. Such

power is a wide-open invitation to corruption...and New Jersey has seen too much corruption with public officials under indictment, in jail or on the way. The public is disgusted with it. And what a horrible example to give to our youth - the future citizens of our State and Nation.

ACR 126 further provides that such gambling houses and casinos would be under the "regulation and control" of the State. This is evidently just what the gambling proponents wanted...their own privately owned and operated gambling establishments. How much State control are we prepared to give and how much would ever penetrate these operations? The Governor is indicating the phasing out of State control of alcoholic beverage licensed establishments because of a lack of funds. Would the control of such gambling houses privately owned be left in the hands of the local police...the same police force from which thirty-one members resigned in November of 1975 rather than face charges of corruption?

Of course, this gambling proposal has a carrot designed to capture the support of the Senior Citizens. It says that the State revenues from the gambling houses will provide reductions in property taxes, rentals, telephone, gas, electric and municipal utilities for eligible Senior Citizens and disabled residents. However, one of the sponsors of this resolution said on New Jersey television that the revenue from all the race tracks in New Jersey was but "a drop in the bucket". The rosey predictions of our politicians for the lottery never materialized. And by the time the State funds another Bureau to handle whatever revenue it might collect, the Senior Citizens and disabled residents will find that this carrot has a great big hole in it. By this time our Senior Citizens are beginning to believe the saying that "there is no free cheese in a mouse trap."

Now we know that the gambling proponents will urge its adoption as a means of solving the unemployment problem in Atlantic City. But before we accept this as a solution to the unemployment problem for Atlantic City, why not see what gambling casinos have done for Las Vegas whose casinos have been bolstered by the fortunes of men like the late Howard Hughes.

The most recent published report of the United States Department of Labor on area trends in employment and unemployment (page 22) lists Las Vegas and Clark County as an area of SUBSTANTIAL UNEMPLOYMENT. It defines Substantial unemployment as "a labor area in which the current and anticipated local labor supply substantially exceed labor requirements." As a further definition it says that -

- "1. Unemployment in the area is equal to 6% or more of its labor force discounting seasonal and temporary factors," and
- "2. It is anticipated that the rate of unemployment during the next two months will remain at 6% or more discounting seasonal and temporary factors."

Two years ago Las Vegas was in the same unemployment plight that it is now. The casinos have not solved the unemployment problem there. And the current report of the United States Department of Labor also places Atlantic City in the same substantial unemployment category.

In fact, apart from the written testimony, the Department of Labor says that in a four-year period unemployment in Las Vegas went from 15,900 to 21,400 while in Atlantic City in a four-year period it went from 4,500 to 6,100. I thought those statistics might be interesting. We heard the figure 25% unemployment or 30%. Something must have happened since June because the Department of Labor says that in June, 1975, the unemployment rate in Atlantic City was 9.2% and in July it was 8.6%. Now, I will continue with the written testimony ---

SENATOR MC GAHN: Doctor, may I interject at this time? I think that you realize at this time Commissioner Hoffman is suing the Department of Labor concerning the statistics that have been used as far as the unemployment figures are concerned. Now, regardless of the figures that you use, the unemployment rate in Atlantic County is approximately 13.2%. We do not buy the figures that you articulated there, nor does Commissioner Hoffman.

DR. JEANES: Well, that is your problem.

The Department of Labor, citing both Las Vegas and Atlantic City as areas of concentrated underemployment and unemployment, offers federal aid to stabilize their economy by declaring them eligible under the Public Works and Economic Development Act for all kinds of assistance under Title IV because they both meet the unemployment criteria. Certainly Atlantic City should explore these possibilities or are they faced with a situation where the gambling proponents have a "mind set" to favor their personal profits and give little thought to the unemployed whose plight would not be alleviated but rather worsened by legalized gambling houses.

A new day could be dawning for the New Jersey coast if those in places of leadership would get their sights off the dubious profits of gambling houses and utilize the resources of the United States Department of Labor. The ocean has always been a God-given asset to the New Jersey coast and hidden in that same resource are hitherto unknown blessings that could grow out of an acceptance of the report of the Nuclear Regulatory Commission. That report urges the granting of a construction permit for the world's first floating nuclear power plant whose benefits would be a blessing, not only to the unemployed, but the people across the State.

The United States Attorney and the Attorney General of New Jersey have both spoken clearly regarding the crime problem, that will be encountered by legalizing gambling casinos. Las Vegas, with its police force employees of 1,080 for a population of 311,153 in a four year period had its crime index per 100,000 population more than double from 4,356.2 to 9,317.9. Atlantic City, with a law enforcement staff of 373 for an area population of 178,507 has the highest crime

index figure in New Jersey - 6,111.2 per 100,000 population. Imagine what gambling casinos would do to that rising crime rate! Two years ago we called your attention to a massive crackdown instituted by the sheriff of Clark County, Nevada when a 21 man task force during an eight week period arrested over 800 pimps, prostitutes, two bit hoodlums, loan sharks and drug pushers. And still their crime rate continues to climb. Imagine how these representatives of the enemies of decency would flock to Atlantic City with the encouragement of casino gambling.

Mr. Chairman, I will summarize here. The crime figures are here before you. These were taken from the FBI reports. I would say that two years ago we called your attention to a massive crackdown instituted by the Sheriff of Clark County, Nevada, when a 21 man task force arrested over 800 pimps, prostitutes, loan sharks and drug pushers, and still the Las Vegas crime rate continues to climb. Imagine how these representatives of these various institutions would flock to Atlantic City with the encouragement of casino gambling.

Now, the members of our Legislature are supposed to make moral decisions. You are sworn to promote the welfare, not of special interests, not of the gambling syndicates, but the welfare of all the people, the good of our citizens. This generation and generations yet unborn can be jeopardized by the enactment of this resolution. The people have voted it down overwhelmingly once. They said that they did not want gambling casinos in this State. Who then really does want it?

And if you follow the intent of the sponsors of this resolution, which one of you would pay to tell the people the story of its dangers and pitfalls? Someone has said that the people of America need release from the subtle thralldom of referendum morality. Never forget that wrong by consensus is still wrong.

We concur with the editorial of the Monitor, the official Catholic newspaper of the Diocese of Trenton which says ... "It's still no on casino gambling. It should be laid to rest this time for good." Thank you very much.

ASSEMBLYMAN CODEY: Thank you, Doctor. Any questions?

SENATOR MC GAHN: Yes. Doctor, I would assume then that you are opposed to this?

DR. JEANES: If I didn't make that obvious, then I will present some more facts.

SENATOR MC GAHN: I have a little difficulty in trying to determine on what basis. I got caught up in the Department of Labor statistics.

DR. JEANES: I know you did. Would you like me to give you the crime figures?

SENATOR MC GAHN: No, I am not concerned with the crime figures. I am concerned -- you are talking about morality. You are talking about the Legislature making a moral decision. I don't know if you are aware of the fact that last November the citizens of Atlantic County on an unbinding referendum voted against an offshore nuclear generating plant. May I ask you philosophically and morally what is your opinion of nuclear generation? Do you feel this is a moral issue? If so, should it be equated, as far as you are concerned, with the issue of gambling?

DR. JEANES: Senator, I mentioned the offshore nuclear power as a potential means of employment for the people of Atlantic City, and the people of New Jersey. We are always finding new things. I am also very interested in the environment. But I am sure there has to be a happy medium for us to preserve our environment, to preserve business, and also to be able to find new jobs, because the gambling business is not producing jobs, whether it be in New Jersey, whether it be in Las Vegas. The figures are accurate. They have unemployment. In fact, a year ago the New York Times said that the unemployment

rate in Las Vegas was 20%.

SENATOR MC GAHN: The unemployment figures in Las Vegas have to do with increasing population. It is a center which draws all people. The labor market can simply absorb so many people. I am not concerned with that relevancy. I will read to you your statement here, "That report urges the granting of a construction permit for the world's first floating nuclear power plant whose benefits will be a blessing..." Unfortunately, the people of Atlantic County do not think that it would be a benefit, not only the unemployed but people across the State. In other words, we could have a nuclear generating plant off of Atlantic City, off of Brigantine, 2.8 miles out at sea, that would benefit the State, but the high risk would be to the people in that immediate area. We are asking you the exact opposite. We are asking for permission to put a casino in Atlantic City mainly to solve some of these problems. I am saying that you are talking about this strictly on a moral issue. You are asking your Legislature to make moral decisions. I would like to say that we operate in a democratic democracy, and it is the majority rule. We are operating in a society in which some of the values have changed. The values concerning gambling have changed. There is no doubt about that.

Frankly, we do not set these values. The Protestant ethic has changed. The values have changed. Do you feel that actually it is much better to have repressed legislation on the books permitting people to do something which is an illegal activity and which you well know the police departments cannot control that type of activity, and under these circumstances you are putting the police in an extremely precarious situation where, if they don't do their job they are criticized, and if they pick up somebody shooting crap on the corner of the street, then they are also criticized. You may have high-rolling poker games and crap games in every country club in the country today. This is discriminatory. If you are talking about moral issues, where do you draw the line?

DR. JEANES: Senator, you were right that the opinion of the public has changed, because two years ago is the first time that the State of New Jersey voted down a gambling proposal, indicating that the people evidently were saying that we have gone far enough. Let's stop; let's go no further on this.

SENATOR MC GAHN: Doctor, the question at that time was for statewide casinos. We do not know what the people will vote this time to limit or restrict these to one particular area, namely, the City of Atlantic City. You cannot draw a parallel to that particular instance. I think you yourself will admit that logic does not follow.

DR. JEANES: No. However, Senator, even though the resolution did not say one place, the general statements coming out of the Governor's Office and other places was, "Let's try it for five years in Atlantic City."

SENATOR MC GAHN: Thank you. I have no further questions. I have one further comment. I am sure the Chief of Police of Atlantic City could address himself to the figures you have here. And I will make no further comment concerning that. But when you say that Atlantic City has a law enforcement staff of 373 for an area population of 178,507 - Atlantic City's Police Department has nothing to do with the area population. It is only Atlantic City.

DR. JEANES: But most of the law enforcement men are in Atlantic City, I'm sure.

SENATOR MC GAHN: Thank you.

ASSEMBLYMAN CODEY: Are there any further questions?

ASSEMBLYMAN KAVANAUGH: Yes. Doctor, you said in your prepared statement here, and I quote, "We do not want gambling houses and casinos anywhere in New Jersey." The thing you then mention is that the Legislature is to look after the welfare of the people of the State of New Jersey. As a Legislator, I think that when you look at Public Question

Number One and see in Atlantic County close to 38,000 yes's and 16,988 no's, it is because of legislation and because of the Constitution people in Atlantic County have asked for casino gambling in their area, and I think as a Legislator we should not bind the hands where local control now has the opportunity to come forth with something which they feel will rejuvenate and revitalize their area.

DR. JEANES: I appreciate your point. However, we must also think of this: What other things will they come and ask for some other day? For instance, there are some areas in the State of Nevada where they have legalized prostitution. Are we ready for this in New Jersey?

ASSEMBLYMAN CODEY: Sir, that is not on the bill.

SENATOR MC GAHN: Would you suggest that as an amendment? (Laughter)

DR. JEANES: No, I would not.

ASSEMBLYWOMAN BURGIO: Can I change the subject? Dr. Jeanes, you mentioned a letter that you received. Is there anything additional in the letter, or is it mainly similar to your testimony?

DR. JEANES: I would say that it would be similar. But it will be a part of the testimony, which I am sure you are all going to study.

ASSEMBLYWOMAN BURGIO: Oh, yes. When you quote someone who said that the people of America need release from the subtle thralldom of referendum morality. Who said that?

DR. JEANES: This is an old quote that came through Quote Magazine. It was a leading citizen whose name I can't remember. (Laughter) What we have today is --- Here we are in this holy season, just think of it for a minute, and I suppose one of the worst possible referendums was when Pilate said, "What shall I do with Jesus?"

ASSEMBLYWOMAN BURGIO: Thank you.

ASSEMBLYMAN CODEY: Thank you, Doctor.

SENATOR MC GAHN: I think in this year of the Bicentennial, the two hundredth anniversary of the freedom of America from Great Britain, I am not too sure that if the consensus of the people to be governed by elected representatives that represent what they want is not relevant today, I do not subscribe to that quote.

ASSEMBLYMAN CODEY: Thank you, Senator. Mr. Arthur Fuss, the Assistant Director of the Baseball Commissioner's Office, as well as Jack Danahy, the Security Director of the National Football League.

JACK DANAHY: My name is Jack Danahy. I am Director of Security for the National Football League. I am accompanied by Mr. Arthur Fuss, Assistant Director of Security for the Baseball Commissioner's Office.

I want to express our appreciation for allowing us to appear here. I recognize the fact that you have a very busy schedule, so we will be as brief as possible. Our basic position is that we do not take a moralistic view as to gambling. We leave that to the people and their representatives in the Legislature to do. We do take the position that this is a badly drawn up resolution because of one minor flaw, but it leaves open the possibility of sports gambling in the casinos. We take no issue with the establishment of the regulation of gambling in Atlantic City. But we feel it is a problem for the Legislature to solve. But we do take issue with the fact that the resolution as drawn does not exclude sports gambling from the operation of the proposed casinos, so in fact the casinos, if the Legislature saw fit, could open sports books and permit betting on professional sports, to which we strongly object. We feel that the legalization of sports gambling or the possibility of legalization of sports gambling is an unwarranted intrusion into our sports, which we neither have asked for, or desire, or want. We therefore

would respectfully request that the Committee considering this, who have proposed this resolution, and the Legislature who are considering voting on it, consider the possibility of amending it either to specifically in a positive way spell out the games which would be permitted in the casinos, for instance, games of chance, roulette, dice, what have you; or on the negative side, specifically exclude sports gambling. I believe that this basically represents our opinion. We have been before you Legislative Committee. Commissioner Rozelle and Commissioner Kuhn have appeared before you to express our opposition to legalization of sports gambling, and I believe all of you Legislators are aware of that, so I will not take up your time other than that. Perhaps Mr. Fuss has something he would like to add.

ASSEMBLYMAN CODEY: I would just like to add that you are speaking this afternoon on behalf of Commissioner Roselle, is that correct?

MR. DANAHY: I am, sir. Unfortunately Commissioner Roselle is tied up with a few court cases this morning.

ASSEMBLYMAN CODEY: Thank you. Mr. Fuss.

A R T H U R F U S S: Thank you, Mr. Chairman. My name is Arthur Fuss. I am with the Office of the Baseball Commissioner in New York City. Thank you for inviting me. The Commissioner is a resident of the State of New Jersey, and is most interested in this legislation.

I would just like to echo what Jack Danahy has said concerning the way that this bill is drawn. First of all, I would like to compliment Assemblyman Perskie for the extremely skillfully drawn title in the bill. Anyone who can combine reduced property taxes, rentals, telephone, gas and electric utility rates, with our revered senior citizens and disabled residents in the title is a genius, and if he ever needs a spot as a "PR" man on a baseball team, we would be very happy to have him.

We are afraid that if the citizens of the State of New Jersey reverse their role or reverse their opinion as expressed in 1974 that there is no check on what this legislative body, in whom we have great faith, of course, will do. But the temptation will be to open the entire Las Vegas bag, and once you do that, I think you will regret it.

The Resolution says only those games which the Legislature may direct or may supervise, and I am certain that the day after the State of New Jersey approves the amendment, if this goes through, you will be besieged by individuals who will give you the full gamut of gambling activities including sports betting. I am not going to read you the litany of why we object to sports betting in professional sports, but I want you to know that we are joined by amateur sports throughout the country, by athletic directors of our universities and colleges, who do not want their student athletes to become the object of high action sports betting.

If you were ever inclined to put sports betting in as a legal vehicle, please understand that it is far different than horse racing or roulette. Head on head betting requires a balanced book, and I don't think the State of New Jersey is prepared to balance off the book. For example, what would you do on 31 winning Rutgers games this year? We do join football and we are also joined by the Basketball Commissioner and the President of the National Hockey League in objecting to legalized sports betting.

We feel that Assembly Concurrent Resolution 126, as it stands at the present time, would permit the Legislature to legalize sports betting in the State of New Jersey. Thank you very much.

ASSEMBLYMAN CODEY: Thank you, Mr. Fuss. Just let me point out to both you gentlemen that this is a joint hearing on two bills, and both are written the same. One is a Senate Concurrent Resolution which Senator Mc Gahn is sponsoring, and the other

one is one that you included in your remarks. I guess the Senator would like to ask some questions.

SENATOR MC GAHN: Gentlemen, I agree with you as far as all sports betting is concerned. I would like to reassure you at this particular point in time, do not compare this bill with what happens in Nevada. Nevada has eliminated the prohibition against gambling, period, and any type of betting no matter what - albeit track, all sports, or whatnot - can be conducted at any particular time. The Constitution of the State of New Jersey specifically prohibits all types of gambling except those specific types that have been approved.

Now, there are accepted forms of gambling, and these are specifically spelled out. They are lotteries, number, bingo, raffles, casinos, slot machines, sport pools, exotic wagering, and offtrack betting. There is nothing in this bill which would permit casinos - and the implementing legislation would be the vehicle in which this would be articulated - to have all sports betting. I myself do not support that concept at this point in time. Forget the language. We are talking about the games of chance that are included primarily under casino gambling. There would have to be a specific referendum in this State providing that all sports betting be legalized.

MR. DANAHY: I appreciate your remarks, sir, and I am very glad to hear that. The major reason that I was concerned is that all the prior amendments to the Constitution which legalized the lottery, the bingo, and so forth, specifically spelled out the specific games that would be permitted. I thought possibly it would clarify this legislation if they either spelled it out or specifically excluded it.

SENATOR MC GAHN: The only one referendum that would actually, if you will, have sufficient flexibility in it to permit an additional type of gambling would be the lottery referendum, where, very frankly, they could run legalized numbers if they wished to under that. All the others have been very specifically drawn, but also, if you will, in this we are referring to those games of chance that are normally a part of the operation of a casino. In this, forgetting Las Vegas, Nevada, is not all sports betting. This is a category that is specifically exempt from that. It would take a particular special referendum to permit all sports betting. That would give you reassurance. As far as I am concerned, even though I am the sponsor of this and support this, I would not and cannot at this time support legalization of all sports betting in the State of New Jersey.

MR. DANAHY: Senator, I appreciate your opinion, but my heart would rest more easily if you would put that slight amendment in. Because I recognize the needs of Legislatures to raise money. We are all faced with that, although I am not a citizen of the State of New Jersey, I know it is a problem. Thank you, gentlemen.

ASSEMBLYMAN CODEY: Are there any other questions? I just wanted to ask you, on the referendum that appeared in the State in 1974, did both Commissioner Kuhn and Commissioner Rozelle speak out in opposition to that?

MR. DANAHY: Yes. I happen to have a copy of Commissioner Roselle's remarks at the time. Of course, this was a referendum to the people, and we put it on a public broadcast.

ASSEMBLYMAN CODEY: Let me ask you this: As the Concurrent Resolution stands now, would they both be opposed?

MR. DANAHY: As it stands now, yes.

ASSEMBLYMAN CODEY: And they would speak out against it?

MR. DANAHY: Yes, sir. With the exclusion of sports betting, we would take no position. We would feel that we have no point in the issue.

ASSEMBLYMAN CODEY: But lest that be written into the bill now, the position would be opposition as it was in 1974.

MR. DANAHY: Right.

ASSEMBLYMAN CODEY: Well let me just ask you, what effect has it brought to baseball and football? Because I believe there is sports betting in Nevada.

MR. DANAHY: The fact of the matter is that sports gambling as permitted in Nevada is not the heavy threat, because of the fact that the majority of the sports betting is concentrated in your major cities. The east coast, for instance, is a big sport area, and Dallas is a large sport area for primarily the college games, and the west coast is where you find the professional games. The average bettor -- one of the issues that a lot of people discuss when they discuss the legalization of all sports betting is that they are going to drive the illegal bookmaker out of business. The degenerate bettor who leaves New York on a junket to Las Vegas for the weekend because he wants more action does not play the sports betting parlor in Las Vegas, because he needs credit. He has a bookmaker in New York and he has a toll free number to call him, so he puts his action back with the illegal bookie. He doesn't want his wife to know and he doesn't want his partner to know what he is betting. I don't think that the sports faction in Las Vegas has had any appreciable effect on the income to the State of Nevada. By the same token, it does create rumors within the baseball and football security. Gamblers are degenerate braggers. And when they get into a gambling atmosphere such as Las Vegas, and they are betting on games of chance, and an occasional sports bet - which I say are not too publicized in Las Vegas - they begin bragging about how they did on this game and the other game. Ninety percent of my investigations concern unfounded rumors of alleged betting pools or fixed games, which we have to pursue. We feel that the legalization of gambling would create a whole new or different type of fan. We would have -- as Bob Tucker, one of your citizens testified here several years ago with me, we would hesitate to see the new stadium up in Hasbrouck Heights, in the Meadowlands, filled with 75,000 betting fans rather than 75,000 fans who were rooting for or against the Giants.

ASSEMBLYMAN CODEY: Well, wouldn't you admit that when they play half the stadium is bettors anyway?

MR. DANAHY: Yes, but we do not deny the fact that betting exists in football. We are not novie. We are not ostriches, and we do not have our heads in the sand, but what we are considering is the professional gambler, or the gambler who bets with the professional bookmaker. I recognize the fact - and I see it every game that I go to - that the people who sit next to me, brother or brother-in-law, father and son are betting with each other on family bets as to games. We would be novie if we didn't recognize that fact.

But we also recognize the fact that any time the State gets into legislating gambling, they begin to legislate and control the sport. We don't want para-mutual windows in the football stadium up in the Meadowlands. We believe that they belong where they are, at the track which was designed for betting.

ASSEMBLYMAN CODEY: I just have one other comment. In New York with OTB, and I don't mean our Governor, has that had any great effect on bookies in the State of New York?

MR. DANAHY: It has provided the bookmaker in the City of New York with the finest outlet for laying off that he ever had. He avoids the Federal law by it, and I would be happy to take you on a tour of some of the finest OTB parlors. They all have their resident bookies outside. A fellow runs out of scratch at the end of the week - the retired firemen, the retired civil service employee, mason, plasterer, or whatever he is - and he comes out after the third race, and the bookie, built in shylock, is waiting there for him. He knows he is good. He lives in the neighborhood. Remember, they don't put OTB parlors on Park Avenue. They are in the ghettos, the middle class and lower

class neighborhoods. It has not put the bookie out of business. The bookie takes too much action on the lunch hour from twelve to one. He walks in and bets that action at his neighborhood OTB and he is insured, as long as he is getting 10% of the action, he is in. It is the finest thing that came down the track for a bookie. They have blessed it.

SENATOR MC GAHN: Is it not fair to say that your concern is primarily as far as the public image of professional sports? If it were just a question of win or lose or point spread, I think your position might be a little different.

MR. DANAHY: There is no question, Senator, that our concern is with the image. We thrive on the image. That is why people come to see us, because they believe in the integrity of the sport. When you publicize gambling - and here I don't want to attack OTB, although they have tried to give image to us - you have to get truth in advertising. And when OTB advertises that Jose won \$14,000 last friday at Yonkers and there was no \$14,000 pay off, every state organized gambling situation has to reproduce itself by advertising, and this is where we get into our business, and we feel that affects the public image.

SENATOR MC GAHN: I just wondered, and I don't say this is possible, but it is a possible compromise, I wondered if an opinion from the Attorney General on the fact that all sports betting will not be a part of the casino gambling unless it went on a separate referendum would satisfy your group?

MR. DANAHY: I am sure that Commissioner Rozelle - and probably Art can speak for Commissioner Kuhn - certainly would be happy with such an opinion, but we would have to have our attorneys advise us. I could not make a determination at this point as to how we would ultimately feel.

ASSEMBLYMAN CODEY: We thank both you gentlemen for coming.

J O H N R I C H: Mr. Chairman, ladies and gentlemen: My name is John Rich. I am the Business Agent of the Bricklayers and Allied Crafts, Local 33, Atlantic City, New Jersey. I am speaking to you as a member of the Executive Board of the South Jersey Labor Council on behalf of our Chairman, John Greeley, who regrets that he could not be here personally today because he is at this very moment in negotiations.

The South Jersey Labor Council represents approximately 100,000 union workers and their families in the counties of Camden, Cape May, Salem, Gloucester, Atlantic and Burlington. In the various unions of which the South Jersey Labor Council is composed, our present rate of unemployment ranges between 25 and 50 percent. All the unions which are a part of the South Jersey Labor Council, including the teamsters, the various building trades, the culinary workers and all others, in six South Jersey counties, have voted their unanimous and unstinting support of casino gambling for Atlantic City.

To those strange souls who don't think that bingo, for example, is immoral, who don't think that the fifty-cent lottery ticket which makes its money from the poor, not from the rich, is immoral, but who somehow for some strange and mysterious reason think casino gambling where the profits are derived from the well-heeled, not the poor, is immoral -- to those strange souls who somehow feel that taking fifty cents from a hotel porter or a welfare mother for a lottery ticket is a good way to raise money for the State without raising taxes, but allowing a New York dress manufacturer or a Pittsburgh lawyer or the owner of some big Philadelphia jewelry store to enjoy his particular pleasure in an Atlantic City casino instead of flying over it on his way to the islands - that somehow this is immoral -- to those strange souls, the 100,000 workers and their families of the unions of which the South Jersey Labor Council is composed have a message on the nature of morality.

We say to you that the unemployment rate of 25 to 50 percent is immoral. We say to you that poverty and deprivation is immoral. We say to you that standing around with your arms folded, preaching a hypocritical morality while you do nothing to save Atlantic City or even allow Atlantic City to save itself in the only way that is open to it, is immoral. We say to these people that, if you don't want to let Atlantic City save itself by becoming competitive with the resorts that do have casino gambling to offer - if you are perfectly willing to let New York or Pennsylvania beat us to the punch so that casinos instead of bringing income in, our own people and citizens will be taking this money out of the State and spending it in these nearby casinos - if you are perfectly willing to tell all the bankrupt and near-bankrupt hotels in Atlantic City and all the destitute and despairing unemployed in Atlantic City afterwards, when some nearby state has taken advantage of our failure to act, "it's too late now - they've got it," - if you are that moral, are you moral enough to come up with some other solution to the desperate plight of Atlantic City and surrounding areas that depend on the prosperity of that city for their own? Are you moral enough to dip into the depleted treasury of the State of New Jersey and come up with the funds that it would take to build a highspeed line to Philadelphia for low-interest loans, to generate new businesses or revitalize the existing ones or for a real advertising campaign to re-awaken interest in Atlantic City? Or are you simply so moral that all you want to do is stand around and watch the city die like some doctor whose brother-in-law is an undertaker. We are not here with our hats in our hands asking for a handout. We are not asking the Legislature of the State of New Jersey to give us anything. We are here to ask the Legislature to give the people of the State of New Jersey the right to decide our fate. (Applause.)

We believe that the people of the State of New Jersey will vote overwhelmingly to let Atlantic City have its casinos, as long as those casinos are limited to Atlantic City. (Applause)

We believe that the people of this State should have the right to decide the issue and we believe we should have the right to take our case to the people. Let the people decide. This is all we are asking the Legislature of the State of New Jersey. Do not disenfranchise your own constituency. Let the will of the people be heard in November.

We implore you to do this because we put our faith in the people of the State of New Jersey and, if you fail to do so, it can only mean that you have less faith in the people than we do. Thank you. (Applause.)

ASSEMBLYMAN CODEY: Again I ask you not to demonstrate, please.

Are there any questions? (No questions.) Thank you, Mr. Rich.

I will now call on one of the Commissioners from Atlantic City. Will you please identify yourself, sir.

PIERRE HOLLINGSWORTH: I am Commissioner Pierre Hollingsworth. Thank you for taking me before lunch because I am hungry.

ASSEMBLYMAN CODEY: So are we.

COMM'R HOLLINGSWORTH: I will be very brief. I just want to say in March of 1970 more than 300 citizens from Atlantic City and surrounding areas journeyed to the State House to voice their support for legalized gambling. The desire and the need for casinos in Atlantic City have not lessened, but have increased. Atlantic City is more prepared now to handle casino gambling. We have been through the same area like many other cities in the State where it was necessary to rid ourselves of corruption, and I say that because of the remarks by the Reverend. But Atlantic City is willing, able and desperately in need of boosting our tourist industry.

The great State of New Jersey is desperately in need of boosting its travel and tourist industry, which is a leading industry of this State. Casino gambling in Atlantic City would help to boost tourism and travel. It would increase the publicity for the State of New Jersey. Let's face it - the only reason why people talk about Nevada is because of gambling and the attraction that it brings to Las Vegas. Casino gambling would lead to year-round employment by way of the hotels, motels and construction and all the spin-off businesses operating on a year-round basis. Conventions would increase in the State because Atlantic City would be the place with a variety of things to do. A healthy Atlantic City insures a healthy State. As one city decays, such as what is happening in Atlantic City, it spreads like cancer into surrounding areas and the reverse is true of a healthy city. We revitalize Atlantic City; we help the entire State. We have lost over 400 properties in Atlantic City, forcing the citizenry to pay a higher tax rate. Casino gambling could help replace those empty lots with good tax-paying property. We would be no longer a dependent of the State of New Jersey, but we would be more of a contributor. We would require less State aid.

I believe that the voters in the State of New Jersey are ready to approve casino gambling for Atlantic City. I believe that the people of this great State would want to have some place where they can spend an enjoyable vacation close by, with all the extra attractions that Atlantic City has to offer, such as a magnificent beach, clean air and a fantastic boardwalk. I believe that we really need it, because of the unemployment, for jobs and I don't think we have to quote the statistics. One only has to go to Atlantic City and look at the unemployment lines and see that we are at

a high bracket as far as unemployment is concerned.

I certainly urge you and certainly hope that this will be on the ballot. I am confident that it will be victorious. Thank you. Any questions?

ASSEMBLYMAN CODEY: Thank you, Commissioner. Are there any questions?

(No questions.)

We will now break for lunch and we will be back here in the Assembly Chamber shortly before two o'clock to continue the hearing.

(Recess for Lunch)

ASSEMBLYMAN CODEY: I would like to continue our hearing. If everyone will please be quiet and take a seat, our first witness to lead off this afternoon will be Commissioner Edward Colanizi, Atlantic City.

COMMISSIONER EDWARD COLANIZI: Mr. Chairman, members of the Committee, I know that there are here with me today many fine associates from Atlantic City who can be very specific as to the reasons why we should have legalized gambling in Atlantic City. However, I would like to take a rather different approach and just make some remarks about the thinking of the people on the streets of Atlantic City and how they feel.

Before doing that, based on some of the things I heard this morning, I would like to say that Atlantic City had 60,000 people fifteen years ago. Today it has 43,000. I have to believe that 27% of the original population in 1960 would be on the unemployment list if they were in Atlantic City now and the reason they left was because there was no employment. I happen to know, and have been told by experts in the field, that in the building trade there is somewhere between 70% and 80% unemployment. In the hotel and motel service field there is generally an 80% unemployment figure during the winter. The figures of 9%, 12% or 13% are ridiculous. There are thousands of people on welfare in Atlantic City who can't get jobs. They don't show in your figures on unemployment but there is no opportunity for them to get off welfare rolls because there is no economy for Atlantic City.

Now, I am not a real professional but some things are very basic and some things seem strange to me and to the people that live in Atlantic City. Number one, New Jersey is a place between New York City and Philadelphia and this is what is put to us. First of all we don't have a National Broadcasting System in New Jersey.

I am certain at this point, because people I have spoken to have confirmed this, that New Jersey would be helped - not just Atlantic City - if gambling were in Atlantic City because national networks would come to Atlantic City. They are looking into it now. This would certainly help the whole State. It wouldn't hurt to have the State's name broadcasted around the country and to show that we can be first in something in the general area.

But, Atlantic City, most of all, needs help and that is all we are asking the people of this State and that is what we are asking of this Committee.

I am not here today just to ask you to vote for gambling when it comes up, I am here to ask those Senators and Assemblymen, after they vote "yes" and after you pass it, to go back and promote it to your people because we desperately need gambling. I feel that is going to pass the Assembly and it is going to pass the Senate, but we need your help. It is vital. We are in an area where unemployment is ridiculous.

The business people of Atlantic City are also suffering. Ratables are down which causes taxes to go up and you have heard that before. Those in business right now can't afford to pay the taxes because we need something. The catalyst that would really help Atlantic City right now is gambling.

I don't understand why the second largest industry in the State of New Jersey and the biggest resort within that industry can't get the help that it needs. I don't understand why people are opposed to it. I don't understand the difference between a Snickers candy bar and a Babe Ruth, where you are allowed to have one and not the other in relation to the forms of gambling we are allowed to have now and the kind that some people would rather not see us have. And I don't think a lot of other people understand that. We are going to have to do a job to sell this bill after you pass it.

I would like to close my remarks with one thing. You might think this is a bad example, or a poor one, but I think it is a very accurate example. When people around the country want to go out for an evening and enjoy themselves and have a nice

dinner and have a few drinks, with that kind of an evening is associated liquor. Not too many restaurants in this country cause trouble because of the alcohol consumed in that restaurant. When we want to go to one of the better places, one of what we consider first-class places, we always go to restaurants who also have liquor. I am saying that gambling is like that alcohol and I am saying that the restaurant is Atlantic City. Just because Atlantic City is going to have gambling, that doesn't mean that everyone is going to become a derelict in gambling, just as most people who go out to dinner don't necessarily have to become intoxicated, and generally don't become intoxicated. What does happen is, it stimulates business for that restaurant and that restaurant will do well in comparison to a place that doesn't have alcohol.

What we are saying in Atlantic City is, that particular type thing we need in Atlantic City, which is gambling, would stimulate people to come to Atlantic City. We need it and the State needs it.

I don't know how much additional revenue it is going to mean to the coffers of the State Treasury but I do know that more people will come off the welfare rolls, that the unemployment rolls in Atlantic County will be different and I know - and you have to live there to understand - the plight of the people and the plight of the businessmen.

This morning the only people I heard talking against gambling were certainly not from the area and were from the more affluent group of society - they are not hurting. Now, I don't know if it is right or wrong to have it. I am from Atlantic City, talking for the people of Atlantic City. We need help from the State of New Jersey.

Again, it seems strange to me that some would not care if Atlantic City would disappear off the face of the map from a nuclear energy plant and yet they are concerned about gambling, which hasn't killed too many people in comparison to what could happen from a nuclear energy plant.

Again, I ask that you not only vote yes when this comes before the both houses but when you go home, those ladies and gentlemen who do vote yes please try and get some votes for Atlantic City when this comes up in November. Thank you very much.

ASSEMBLYMAN CODEY: I have just one question, sir. You mentioned that a national broadcasting corporation is interested in locating in Atlantic City?

MR. COLANZI: Yes, sir. Just last week two gentlemen were sent into South Jersey to find a location for a possible t.v. newsroom in South Jersey. The two gentlemen told me they would prefer Atlantic City and at the same time they also said that if gambling were to pass they could easily see where it would no longer be a temporary newsroom but they could envision major television shows coming out of Atlantic City. This would publicize New Jersey. This would help New Jersey. This would bring jobs.

Gambling is not what a lot of people are trying to make it look like. I don't believe that everyone who goes to Vegas is really going there for the sole purpose of gambling. They are going there to see top name entertainers and enjoy themselves. This could well happen in Atlantic City. It is the catalyst, that one thing you need so you can have the money to put the other things in to draw the people from around the country and help the economy of not only the city but the county and the total State.

ASSEMBLYMAN CODEY: Thank you. Our next witness will be Mr. William Tenbrink, Chief of Police of Atlantic City.

W I L L I A M T E N B R I N K: I am William Tenbrink, Chief of Police of Atlantic City. I have been Chief of Police for a short six month period, however, I have lived in Atlantic City all 37 years of my life and have been a member of the Atlantic City

Police Department for 15 years.

For the sake of time, I'd like to just briefly touch on a few areas and then will attempt to answer any questions you may have.

What I have heard today and what I have heard in the two years since the last time the gambling bill was introduced to the residents of the State of New Jersey, seems to settle on several issues: morality; the crime picture; the organized crime picture; and the economy of Atlantic City.

As far as the morality of gambling is concerned, I don't feel qualified to pass judgment on the morality of gambling. A lot of the people in this room, even though they are esteemed people, I don't think, have the qualifications to pass judgment on the morality of gambling. Many times, whether or not a man can judge morality is not determined until his life span is ended and we see how he lived his life and how he projected his beliefs to the public and how the public has responded. Morality is a constantly changing thing. Morality is for the citizens and the residents of the State to decide on and not for individuals to decide on.

As for the crime picture in Atlantic City - certainly, we have crime in Atlantic City. The entire country has crime. Will casino gambling cause an increase in crime? I honestly, at this time, can't tell you it would not cause an increase in crime. However, I do not see it becoming a disastrous type of increase. I think that the police department we have could handle the everyday crime problems that we have now and the crime problems that we develop from casino gambling.

What I see rather as a problem, hopefully, is handling multitudes of people who come into Atlantic City to bolster our economy. I think this would be a primary problem for the Atlantic City Police Department.

With reference to statements made today about the police department and the scandal and corruption which existed within it in 1973, that has been eradicated from our department. In the last year we have made tremendous strides towards trying to make our police department one of the most effective, honest, and respected departments within the State of New Jersey.

As far as organized crime is concerned, I think that the State Police and the different agencies within our State are doing an admirable job, as shown by the Governor's statement that organized crime has become "disorganized" within the State of New Jersey. I do not think that organized crime poses a problem to casino gambling in Atlantic City. I think that the Legislature in its wisdom will enact the laws and regulations that are needed to control legalized gambling. I have the utmost confidence in the law agency that is selected or created to control these rules and regulations. If it is adequately staffed, it will be able to combat any type of crime or infraction of the gambling rules within the City of Atlantic City.

I also think that many times the problems may be blown out of proportion because of emotion. I think when the voting age was lowered to 18 in New Jersey there were those who said we were going to have wild-eyed radicals now voting to elect our legislators. I don't think that our legislature is doing such a bad job with 18-year-olds voting. When the legal drinking age was lowered to 18, there were those that cried that there would be mass accidents on the highways due to teenage drinking. I think that the record will show there has been no mass increase in accidents in the 18 to 21 age bracket due to drinking.

So, I think that many times the problems are greatly blown out of proportion. I think that the benefits far outweigh any of the problems that arise that would come about as a result of casino gambling.

I know the problems that Atlantic City has now. It is difficult for me, as

Chief of Police, to go on the streets of Atlantic City and talk to juveniles - who are the number one problem in Atlantic City today, not organized crime - and ask them to cooperate with the so-called "establishment" when the establishment cannot provide their fathers and mothers with a livelihood within the City of Atlantic City. When they go home and watch t.v. commercials showing juveniles receiving clothes, cars, or whatever it may be, as gifts and their parents in Atlantic City cannot even find jobs, they are unemployed, I think this is a breeding-ground for crime, more so than casino gambling could ever be. I think there is a loss of pride and respect in oneself and when this loss of pride and respect filters down to the children of the community, this is really a moral issue. I think this is what causes the problems within our community, not the aspect of casino gambling. Thank you.

ASSEMBLYMAN CODEY: Thank you, Chief. How many men are currently on the Atlantic City police force?

MR. TENBRINK: Two hundred seventy two sworn policemen.

ASSEMBLYMAN CODEY: Two hundred seventy two for a population of how large?

MR. TENBRINK: Forty-two thousand.

ASSEMBLYMAN CODEY: That would seem high - off the top of my head - with relation to cities I represent.

MR. TENBRINK: In representation for its population, it is high. However, you have to take into account that Atlantic City is also host to major conventions, or it was in the past. Most of the officers are civil service and have many years of service in and they are protected by Civil Service. The department was much larger at one time. It has decreased in size.

ASSEMBLYMAN CODEY: What would you expect to have in way of numbers in force if casino gambling were implemented?

MR. TENBRINK: I can see no increase in size due to casino gambling. I think that the police department is adequately staffed to handle the influx. We have handled the Democratic Convention. We have handled conventions of 50,000 people. In the summer the weekend population in Atlantic City rises in excess of 200,000.

I think we would have no problem at all. We have handled events that have drawn thousands of people to the City with no problem.

We, fortunately, with the good rapport our officers have with the community, have avoided many problems that other cities have not been able to avoid when there is an influx of a great number of people. So, I think that we can quite adequately handle the crowds who will be attracted by casino gambling.

I also think that generally in Atlantic City, besides juvenile crime, the second highest crime committed at the present time is burglary. I think it is incumbent upon me to tell this Commission that many of the burglaries we have in Atlantic City are not for goods or money but many of our investigations show that food has been taken. When a city degenerates to the point where people have to steal to eat, I think it is time for the rest of the State to take a long hard look and search their conscience and decide what is morality and what is not. Is it immoral for somebody to have to steal to eat or is it immoral to have a casino in Atlantic City?

ASSEMBLYMAN CODEY: Sir, do you anticipate yourself or any members of your police force going through additional training in anticipation of casino gambling?

MR. TENBRINK: There has been additional training given to some members of our department prior to the 1973 ballot for casino gambling. I don't foresee any specialized training for the police department unless the Legislature, in deciding how legalized gambling would be controlled, saw a necessity for it. In that case, we have the finest police academy in South Jersey; it is conducted in the Atlantic

City Police Department.

ASSEMBLYMAN CODEY: Senator McGahn, do you have any questions?

SENATOR MC GAHN: Chief, do you envision any problems with casino gambling in Atlantic City that are not currently present at this time?

MR. TENBRINK: I can see a displacement of crime, perhaps. I envision, myself, that the effect of casino gambling in Atlantic City would be to reduce the number of vicious street crimes against persons. It may increase the number of crimes against property. I would much rather have a decrease in street crimes and an increase in crimes against property.

As you well know, as a doctor, besides being one of our legislators, there is irreparable harm done to a person, especially an older person - and there are many elderly persons in Atlantic City - when he is attacked, that cannot be repaired. Goods can always be replaced.

But I do not foresee any measurable rise in the crime rate in Atlantic City due to casino gambling.

SENATOR MC GAHN: One of the opinions expressed by the opponents of casino gambling is that it will cause social ills such as prostitution, loansharking, pimping, etc. Do you feel that this would be a problem that would be beyond the ability of the Atlantic City Police Department to deal with?

MR. TENBRINK: I most certainly do not. I would also like to stress that it was mentioned, earlier this morning, that the Governor was planning to do away with the enforcement end of the A.B.C. I would like to go on record, as I have in the past, and state that I am opposed to this.

If the people that bring this up as a measure to show what is going on in the State would look more closely, they would find that the A.B.C. is one of the few agencies within the State of New Jersey that has returned an excess of \$250 thousand from their budget to the State Treasury. So, the A.B.C. has been an effective weapon in combating abuses of alcohol. I feel it could be just as effective for another agency to enforce the gambling regulations.

I also feel that this limiting casino gambling to Atlantic City could serve to confine some of the problems that may come up in the early development of casino gambling. It would confine it to a small area. Atlantic City is 11 1/2 square miles. It is easily patrolled. We are an island. Our adjacent communities are also islands. I think it is an ideal setting if for nothing else but to test casino gambling.

As this point in time, as I said before, I see no alternative, not as a Police Chief but as a resident of the city. It is in dire need of help. We are not coming to the State and asking for millions of dollars. It is not like New York City that has asked unions to lend them funds from their pensions. We are just asking you to give us the opportunity to create jobs and we will be self-supporting. I think this is the finest tradition in the American way of life. I think there is no finer year for this Legislature, in order to help the residents of the State of New Jersey, to pass legalized casino gambling than on the 200th birthday of this country.

SENATOR MC GAHN: What percentage of your police department's time is spent in tracking down and pursuing illegal gambling activities?

MR. TENBRINK: A very small percentage at this time.

SENATOR MC GAHN: Thank you. I have no further questions.

ASSEMBLYMAN CODEY: Assemblyman Kavanaugh.

ASSEMBLYMAN KAVANAUGH: Chief, one question, has your Chief's Association taken any position on this question?

MR. TENBRINK: On casino gambling?

ASSEMBLYMAN KAVANAUGH: Yes.

MR. TENBRINK: It has not been presented to them yet.

ASSEMBLYMAN CODEY: Thank you, Chief.

Our next witness will be Edmund Yard, head of the P.B.A. in Atlantic City.

E D M U N D Y A R D: I would like to correct one thing, Mr. Chairman. I am not the head of the P.B.A. I am a representative of the P.B.A. of Atlantic City.

My name is Edmund Yard and I am here today to represent the Atlantic City Policemens' Benevolent Association and to speak on behalf of that organization in favor of Assembly Bill 126, permitting casino gambling in Atlantic City.

My job as a policeman and as a patrolman requires me to walk a beat. I am assigned, currently, to the Safe Streets Act. I see, daily, the toll the sagging economy in our area is taking on our City. And I say "our City." I have lived there all my life, outside of a short time when I attended college. I came back there and I am raising my family there.

I am speaking not only of the physical toll of deteriorating buildings and closed businesses, but also of the human toll of able bodied men and women out of work. As a patrolman I do not need statistics to tell me there is a correlation between unemployment and crime and that as one rises, the other does also.

The national statistics do bear out what we daily observe in our work. Unemployment is very high in Atlantic City and as long as unemployment continues in its present exorbitant rate, we can expect that the effects of that unemployment, including the heightening of crime rate, will hasten the decline of our once proud city.

If you are alarmed at the supposedly 12.8 unemployment rate of the State, consider the exact rate of 25.9 percent unemployment statistics of our city, as of February of this year. More than one out of every four employable persons in our city is out of work.

Everybody sits and they become alarmed and they shake their heads in sympathy but that doesn't help us to attack our problems. We need jobs. We need year-round jobs, not just seasonal jobs.

Casino gambling in Atlantic City will create these jobs - lots of jobs. It will create jobs in the construction industry, where unemployment is particularly severe; jobs in refurbishing and remodeling existing structures; jobs in all the facets of making gambling casinos a reality. In addition, the operation of casinos will have the spinoff effect of helping all resort businesses become year-round rather than seasonal businesses and that too means more jobs. That means more money being rechanneled back into our local economy.

We are, as you well know and as has been stated previously many times, a resort and convention city. We depend on tourism and conventions for our bread and butter. We are presently caught in the downward spiral with the absence of capital to maintain and improve our hotels, motels and restaurants, which is threatening our very lifeline, witness the vicious circle of hotels and motels closing because they cannot afford to stay in business. Then, the decline of available rooms affects the convention bookings directly. As conventions choose other cities, all our businesses - not just hotels, motels and restaurants - suffer and suffer very severely.

Gambling is not a cure-all for our economic problems but it would provide a much needed boost to our economy. It would bring capital improvements. It would bring more people in for vacations. It will lure back the lost vacation business that we once had, and the convention trade also. It will help us turn Atlantic City around. It will help us reverse the demoralizing, depressing economic spiral that we are presently in. I believe the gambling casinos, properly set up and properly regulated

by the Legislature itself, whether it be under the State or private ownership, will be a tremendous asset to our area.

We, the policemen of Atlantic City urge you to pass this. We feel once you do-- We feel that most most people are in favor of it that are sitting in the Assembly and in the Senate. We ask that you go out and help us fight for it. We need help from you. Thank you.

ASSEMBLYMAN CODEY: Thank you, officer. Are there any questions? Assemblyman Kavanaugh.

ASSEMBLYMAN KAVANAUGH: I have one question. I am a little confused as far as the unemployment statistics are concerned. Senator Mc Gahn referred to 13.4 percent. Senator, is that correct?

SENATOR MC GAHN: Yes.

ASSEMBLYMAN KAVANAUGH: And the percentage that you came up with is 25.9.

MR. YARD: That is in Atlantic City, as of the State employment record in February. I believe he said Atlantic County.

ASSEMBLYMAN KAVANAUGH: So the county is 13.4 and the City is 25.9?

MR. YARD: That is correct.

ASSEMBLYMAN KAVANAUGH: Okay. Thank you.

ASSEMBLYMAN CODY: Thank you, Officer Yard.

Our next witness will be William Kohm, representing the Playboy Clubs, International.

W I L L I A M K O H M: Thank you, Mr. Chairman, Senator Mc Gahn, Members of the Committee. I will be very brief.

My name is William Kohm and I am the registered Legislative Representative of Playboy Enterprises, Inc. I appear before you today to oppose Assembly Concurrent Resolution No. 126 in its present form.

We would regard any proposal to legalize gaming in Atlantic City and only in Atlantic City as highly discriminatory legislation that would seriously harm hotel and resort facilities in other parts of the State. I should like to emphasize that Playboy would never have built its 700-room hotel in Sussex County - at a cost of nearly \$27 million - a project that provides 700 jobs year-round for residents of the area and which attracts hundreds of thousands of out-of-state visitors to New Jersey each year, had it known that this or any other Legislature would give serious consideration to the idea of legalizing gaming in one municipality or in one county alone.

A resort complex the size of Playboy's depends on convention business and, in 1974 and '75, the Hotel played host to more than 1,000 conventions, representing about 60% of our gross business. We know that where gambling exists the convention business follows. We believe it would be unfair and discriminatory if we had to compete for convention business with the casino attractions in Atlantic City.

Mr. Chairman, I will not burden you with the details of the serious economic harm you could do to a Sussex County already burdened with one of the highest unemployment rates in the State. Suffice it to say, however, that our Hotel pays almost \$1 million in local taxes to Vernon Township and the Hotel is the largest single taxpayer in all of Sussex County. We sympathize with the plight and the efforts of the resort leaders in Atlantic City, but we do not feel that the answer to those problems lies in giving them an advantage at the expense of our resort, our employees, and our commitment to New Jersey.

Mr. Chairman, I have attached to my brief statement, a copy of a detailed analysis of casino gambling and the Playboy position that was given by Mr. Victor Lowmes, a Senior Vice President of Playboy, before the Assembly Judiciary Committee in April, 1974. Mr. Lowmes is directly responsible for the very successful and respected

Playboy gambling operations in England and I do not believe that time has in any way diminished the value of his comments.

In summary then, Mr. Chairman, we oppose this legislation in its present form and if, in fact, it passes in this form and goes to the people, we will have no choice but to actively participate in a campaign to defeat it at the polls.

Thank you very much for the opportunity to briefly present our point of view.

ASSEMBLYMAN CODEY: Thank you, sir. Are there any questions?

SENATOR MC GAHN: Mr. Kohm, I assume then that you have no opposition to the question of casino gambling itself, per se?

MR. KOHM: Senator Mc Gahn, many of the comments that were made by the representatives and the spokesmen from Atlantic City would apply with equal weight to the situation we face at the Great Gorge Hotel in Sussex County. So, we do not have any opposition to casino gambling, per se, and, in fact, we operate gambling casinos in Great Britain.

SENATOR MC GAHN: The bill that was on the referendum in November, two years ago, provided that casinos could be placed anyplace around the state, subject to both county and municipal referendum. I hold that at that particular time Sussex County did not approve it. Do you have any feeling that they would approve it at this time?

MR. KOHM: Senator Mc Gahn, Sussex had many counties as company in defeating that referendum. I would point out that in Vernon Township itself, where our hotel is located, that the referendum, I believe, came within 100 votes of passage.

I think it may be very possible to specify the language of this Resolution and the constitutional amendment so that it can limit locations of those casinos to more than one place in the State of New Jersey.

SENATOR MC GAHN: Thank you very much for your testimony. I would certainly hope that Mr. Lowmes would have second thoughts concerning actively opposing this should it be in a position to be voted upon in November, realizing, of course, that there is always another day.

MR. KOHM: Thank you very much.

ASSEMBLYMAN CODEY: Mr. Kohm, I have one question. You alluded to the fact that the Playboy Club was built at the cost of \$27 million and you go on to say something about the question of legalized gambling in one municipality, or one county. It would seem to infer that the Playboy Club was built only for the possibility of legalized gambling.

MR. KOHM: Let me correct you on that point, Assemblyman. The Playboy Club was built with the understanding that it would have equal footing and be able to compete equally with other resort areas in New Jersey and outside of New Jersey. We did not anticipate casino gambling when we built that hotel.

ASSEMBLYMAN CODEY: In no way?

MR. KOHM: No, sir.

ASSEMBLYMAN CODEY: Thank you, Mr. Kohm. (see page 7x in the Appendix.)

Before our next witness is called I just want to make the statement that Governor Brendan Byrne as well as Attorney General Hyland were both asked to testify at this hearing but did not either reply affirmatively that they would come themselves nor did they say that they would send a representative. I understand, of course, that they are both busy men but the Attorney General is the top law enforcement official in the State. I am sorry that neither he nor the Governor took the time out to offer their opinions on this very important topic.

Our next witness will be Colonel Clinton Pagano, Sr., Superintendent of the New Jersey State Police.

C L I N T O N P A G A N O: Gentlemen, I did hear your statement regarding the

Attorney General. I think, at the outset, I should say that I don't come here as a personal representative of the Attorney General. I think the Attorney General's position on casino gambling has been voiced already and has been recognized by this Committee.

I come here, really, as a law enforcement officer and as the head of the New Jersey State Police. What I had planned to say in the statement that I will present, I think, should be taken in context. I am speaking from a law enforcement viewpoint - a state law enforcement viewpoint. I recognize the disparity in judgment you have heard here today. I recognize further that there are different judgments being presented to you.

I don't intend to speak from a legal or from a moral or social viewpoint. I intend to speak solely from the viewpoint of a law enforcement officer. In that regard, as you have indicated, I am the Superintendent of the State Police. I have been in office for approximately six months. I am following in office two superintendents, both of whom were opposed to casino gambling. I, myself, am opposed to casino gambling.

From a law enforcement viewpoint, I consider that despite the problems of our economy, casino gambling will bring to New Jersey more problems than it will cure. I believe that the age-old problems described by my predecessors continue and that organized crime is definitely a factor that has to be considered when you speak in terms of casino gambling. The organized crime intrusions into the industry, I think, have been well documented throughout the country, in gambling, per se, and especially in casino gambling.

There are some changes in this bill which is presently before you, changes that I recognize. I recognize that in this particular proposal we would have a private ownership of casinos as opposed to the last bill which would have called for State ownership. I would, as a matter of fact, like to address myself, first, to this particular subject because I think it causes us some concern.

I don't know the reason for the change but there are pros and cons that should be recognized, pros and cons that have to be considered as you consider this bill. First of all, if it were a State owned casino, a greater percentage of the profits would probably inure to the State. I believe if it were a State owned casino that you would have a more difficult situation for criminals to infiltrate the operation. I believe that we would have less fear of corruption in the granting of the franchise, or the license, which would be involved for the casino. I believe that policing and regulating operations would be easier.

To the other side of the coin, and in favor of private ownership, you have to consider the capital expenditure which has to be considered in the establishment of a casino in the first instance - the construction, the equipment, the furnishings.

I realize the greater percentage of the profits and the actual revenues will be smaller due to the additional needs of private ownership but the one big subject that you have to consider in private ownership and you would have to consider in State ownership also is the credit line that is necessary in order to run a successful gambling operation. I don't believe the State is willing to enter into a credit situation, where private ownership, I am sure, would be.

However, we have had indications in our State in the past, that there were organized crime intrusions into the credit situation. In Las Vegas we have had instances where credit was extended, credit was not honored, the accounts were referred to a collection agency in New Jersey and thereafter members of organized crime, or organized crime figures, appeared to make the collections.

I think it is very important that you consider this as you consider this particular bill.

I don't know, as a matter of fact, that Atlantic City is not in some way related, topographically to Las Vegas or Reno because in these particular areas you have your gambling in a restricted location where ingress and egress can easily be checked. This is the situation in Atlantic City. This would modify the law enforcement problems as far as I am concerned.

Whether the casinos or casino gambling would improve the State's fiscal situation is not for me to determine. I believe that if casino gambling is authorized in Atlantic City that it will present the same problems that it has presented and which have been described by my predecessors as far as the intrusion of organized crime and the other police problems are concerned.

I did not hear everything that the Atlantic City Policemen had to say before me today, but I can anticipate what was said.

I think that along with the situation such as this proposal would bring with casino gambling, that you are going to bring added narcotics traffic and that you will bring added problems, especially in the area of prostitution.

As a division head in state government, I feel that after studying the situation, I will say that casino gambling is not the answer to the problem, especially from the law enforcement viewpoint.

I would say, also, that as a practical observer of what is transpiring with this particular legislation, we have a different proposal which may very well lend itself to approval, especially when you consider the fact that this proposal will relegate the gambling to one underprivileged city - for want of a better word - and the profits would flow to other areas of the State.

But, be that as it may, as a law enforcement officer and as a public official, even though I oppose casino gambling, I will recognize that if passed, the problems that are faced by law enforcement will have to be overcome by divisions such as mine. I believe that the State Police will respond if this particular proposal is enacted and we will do what we can within the limits of our resources. In this particular regard I feel that regulations will be built into the enabling statute and if it does come to pass, you will have to recognize too the fiscal problems that will come our way.

ASSEMBLYMAN CODEY: Thank you, Colonel. Are there any questions?

ASSEMBLYMAN KAVANAUGH: Colonel, I know that this isn't a personal opinion of yours and I am just wondering why we have such divergent viewpoints from Chiefs, P.B.A. representatives and then the State Police. Also there is the question of private ownership. We presently have the race tracks under private ownership. The third point I want to make is, do you feel that if this is enacted you would need more State Police? As we all know nothing has been happening in that area. We have cut down in some areas and instead of getting more law enforcement officers, we have been at a status quo.

MR. PAGANO: I think you have three questions there. First of all, it is a matter of perspective. I think, to be quite frank about the whole thing, there are other people who differ on this. The Governor, himself, differs from me and I am his appointed official. Honest men do differ and perspectives differ.

In the State Police we have a program oriented operation. We do deal, heavily, in the area of intelligence. I have Captain Dintino with me and I have Major Baum with me, who handle the operational end of our programs. But we have a little different perspective as far as organized crime is concerned. In this regard, we may differ somewhat in our final judgments from those judgments that have been given you by other police officials. We see, as a matter of fact, not just the first hand situation of organized crime, we have time and we study the overall organized crime problems and its

total effect on the State.

I believe with the race tracks - the problem of State versus private ownership - recently we have seen statements in the press and I have heard statements, personally, that would indicate to me that there is strong sentiment for State ownership of the race tracks.

In the Sports Complex, you have a racing situation where for the first time you have at least a quasi State ownership. You have an autonomous body, so you do have State ownership of the race track.

So, it seems to me the flip-flop back to private ownership is the reverse of what I have been seeing lately.

As to resources, definitely, we are in a very bad state right now. We have problems. We described them to the Legislative Appropriations Committee. If casino gambling were enacted I am sure that the enabling legislation would call for State control and State control means involving the State Police and it would mean a dedication of resources. These resources would have to be in addition to what we have now because we are in deficit already in our operation.

ASSEMBLYWOMAN BURGIO: Colonel, you mentioned that if casino gambling were brought into a city it would increase the narcotics traffic. Could you explain that a little more?

MR. PAGANO: Yes. I think, really, when you look at the nature of the gambler himself, probably those people who gamble the most are those who least afford to gamble. I don't want to address the moral or social problems but, as a matter of fact, we have, because of our experience, a pretty good handle on the kind of people who become involved, and they are not all people in tuxedos with a lot of money in their pockets. They are generally the people who are least able to gamble and they also indulge in the other vices. And when you have a situation where people are grouped together for a purpose, such as gambling, I think, in my judgment and in the judgment of the people who are with me today, you will find the other ancillary vice requirements for prostitution, for drugs, etc. This is a judgment decision. But, in my judgment, from the experience we have seen in other areas where they have casino gambling, you do have the same attendant problems.

SENATOR MC GAHN: Colonel, you addressed yourself to a specific question - why private casinos rather than State-owned casinos, as was originally proposed two years ago? I think that the rationale behind that was, number one, the referendum two years ago was soundly defeated. It may have been on the basis of State owned and operated casinos or it may have been for other reasons but I don't think we have to go into that.

But, be that as it may, in order to provide that which was necessary as far as entertainment and tourism is concerned, that was something that the State itself could not provide.

Furthermore, with the fiscal situation the way it is at the present time, one could not use the taxpayers' dollars for capital construction, for new improvement and you also could not use that money in a risk venture effort.

It is entirely different as far as the Lottery is concerned. It is entirely different where pari-mutuel betting is concerned because the returns are based upon what is bet upon a particular thing. But there is a risk venture capital in casino gambling.

Over and beyond that is the personnel that would be operating the casinos, where you might find croupiers making as much as members of the Cabinet and where you have a big boss making more than the Governor. Where would you get them from? They would be Civil Service employees, or what not. Where would they be trained? So, this,

I think, is an extremely important factor also.

Plus the fact that, I think, the experience with State-owned casinos has been such that the return has not been as much - back to the local governments - as it would be with private enterprise.

We are thinking in terms of this being a change even as far as Las Vegas is concerned, where gambling out there oftentimes is not the primary motivating factor, except for the high rollers. It has now become as much a family resort as anything, where the entertainment and what is going on there is as much an incentive to go there as is gambling.

Certainly, the implementing legislation could make provisions so that we would not be having the problems that, basically, they had in Las Vegas originally. We do not intend to have slot machines open on the streets, slot machines on every corner.

I would not support legislation other than the type we find in the Caribbean and, let's say, Portugal - that type of operation.

Prostitution, Colonel, we have it with us at any major convention in Atlantic City and I think you know this. They come from New York. They come from everywhere and, by God, it is the world's oldest profession and you are not going to get rid of it that simply.

MR. PAGANO: I think you ought to let the record show right now, Senator, that, in case my wife is listening, I am an on-looker, not a participant.

SENATOR MC GAHN: With your wife, you don't have to.

MR. PAGANO: Absolutely.

SENATOR MC GAHN: I think there is another factor too. I do think that we ought to remember one thing: It took 35 years for Las Vegas to be in the situation it is in at the present time.

I think, and I think you would agree with me, that we could set up a permit system where there could be a complete survey and check on every applicant - it may take as much as 9 months more in order to do this - and this would probably be one way in which to control that.

I think, again, there has been a tremendous amount of disparity concerning who are casino gamblers. Let us not talk about people who play slot machines or the people who walk in off the street and do this, that, and the other thing. The type of individual we would like to have in Atlantic City would be, honestly, a black tie type. Of course, you are not going to get this in the summertime. But it would be the type of casino that you would find, as I say, in the Caribbean, Paradise Island, Portugal, etc., this type of operation, not the garish strip that Las Vegas has.

How does one control this? One controls this initially with the implementing legislation. I think this basically can be done.

Credit line - yes. I am very much afraid this is one of the distinct features between private as opposed to public ownership. This is an important thing.

One thing I have found is, the average individual today, given a public casino in Atlantic City, would prefer to go to New York or Philadelphia and go on a junket to Las Vegas for \$299, air trip both ways, staying four or five days and enjoy themselves rather than coming to Atlantic City. The point I am getting at is, they do not come for casino gambling alone. It is not that. Casino gambling, I think very frankly, privately owned is a completely different operation. The entertainment can be provided which public casinos could not because one could not utilize the taxpayers' money for this. That, I think, is it.

I think one other thing is, even though the profits, basically, may be less as

far as the State is concerned, there are spinoffs on every tourist that comes into the State as far as sales tax, gasoline tax, and various other taxes are concerned, plus increasing employment and increasing the tourist trade in this State.

I appreciate your remarks very much. I know you are in an extremely difficult situation. I think I will simply close by saying one thing: Internal security is something, of course, that basically your Department and the Atlantic City Police Department has no control over. Certainly any casino will have internal security, so, consequently, this is not something that would pertain to either your Department or the local police department. I think that what we are dealing with today is, we are dealing with a clashing of values. We are dealing with a change in life styles, if you will.

Every state wants to be first, other than Nevada, to make the break with tradition. The anti-gambling ethic holds us back. I would certainly hope that break can be made in the City of Atlantic City, in the State of New Jersey, because I think it is going to blossom and come forth along the Eastern Seaboard in the next five years. Thank you.

MR. PAGANO: I want to thank you very much for your statement, Senator. It brings a couple of things to mind, really, not to belabor the point. First of all, I recognize the changes you are describing. I also recognize that State ownership would be difficult to manage on a profitable basis. And that is one reason why I said that I recognize the changes in this legislation over the last and why I said that although I agree we wouldn't have an internal situation we would, definitely, have an external role, as would the Atlantic City Police Department.

That is why I said that if it comes about, we will require additional resources to regulate it, because I think the way it is going right now you may very well see it.

I want to remark on two other very limited areas. First of all, let's not lose sight of the fact that the race tracks are an industry in the State and we have another very large track coming up in North Jersey in the Sports Complex. I am just wondering how much there is left to wager?

The other thing is, if the croupiers make that much maybe I can retire and get a job as a croupier.

SENATOR MC GAHN: We may be talking about a completely different situation there. The individual who goes to the track and plays the horses is not necessarily the individual who will get dressed up at night and go to the casino. I think the greatest example of this is what is happening in Nevada today. There are tracks there and the tracks in Nevada are a marginal operation and they have not interfered with casino gambling.

As far as how much is there left to wager? I think, if you will, the United States has a fairly high degree of wealth. Casino gambling, actually, is a sport that is participated in by middle and upper bracket individuals. They, very frankly, at times, use their incomes and do with it as they will. I am not talking about the compulsive gambler. The compulsive gambler is a problem that has no relationship to this particular situation and cannot be used as an argument against it. The compulsive gambler, like an alcoholic, is an individual who probably has a major neurosis and certainly should be considered as a medical problem and treated as such.

You cannot, however, set policy on the basis of a very small minority. I think that here again if we have to consider a social policy, it should be what is in the best interest of all the people. We certainly know today that repressive legislation is not the answer as far as gambling is concerned. Strict regulation in certain instances might be better. This has been responsible for a number of problems as far as police

departments are concerned when they are expected to do something and they find themselves in the middle and this has been one of the chief reasons for corruption in police departments. Certainly the Knapp Commission in New York stated, several years ago, that this was one of the prime factors as far as police corruption in the State of New York was concerned.

ASSEMBLYMAN CODEY: Colonel, I have one comment. In your testimony you said you were testifying as the Superintendent of the State Police. Would that mean to suggest that your personal opinion may be different in relation to your opinion as the head of the State Police?

MR. PAGANO: No, sir. I think we are all products of our background, our training and our environment. My personal opinion concurs with that of the State Police and my associates here today.

ASSEMBLYMAN CODEY: If there are no further questions, I thank you, Colonel.

Our next witness will be Myron Kaminsky.

M Y R O N K A M I N S K Y: Mr. Chairman, ladies and gentlemen, my name is Myron Kaminsky. I am the President of the Atlantic City Merchants Association. I have come here today on behalf of our business community, which is on the brink of economic disaster, to ask for help now before it is too late. In the past, our city had a 25% decrease in population and a huge loss of tax ratables. During the past four years there has been steady downward decline in the business and a decrease of more than 500 mercantile licenses issued in Atlantic City.

Now, one does not have to be a mathematician or an economist to know that the result of such loss of businesses means less jobs, less money being circulated in every area of the community which ultimately affects the State and creates an increase in everyday crime.

Atlantic City has lost four major hotels in the past few years, and many more small hotels, and once again the same results, plus less tourist and convention business for our city and State. A steady decrease in population has also been a result of the poor economy. Many of our motel businesses have become marginal. We sincerely feel that gambling casinos in Atlantic City would immediately help the economy of our area and State. It would bring new investment dollars in and it would bring new hotels and businesses, which will be built, giving new employment.

Gambling in Atlantic City would bring in more people as tourists and conventioners. One only has to look at the employment situation in areas where there are gambling casinos. You know that in Las Vegas, just one hotel alone employs over 5,000 persons. Vegas is enjoying steady economic growth. Think what that would do to our unemployment rolls here. Think of the monies that would be spent in our area. This offers added collected sales tax for our State. These are the plain, simple facts, ladies and gentlemen, and pure simple logic and common sense tells us that gambling in Atlantic City can turn the tide of the economic dilemma in which we now find ourselves.

Our City wants legalized gambling. We were informed by a reliable source that just last week a scout for a 15,000 person three-day convention was in our town looking over the area. He was thrilled with the boardwalk and the ocean. He was somewhat satisfied with the room accommodations. He was disturbed that there was no degree of entertainment or amusement in which his people could participate in the evenings after their long business meetings during the day. We did not get the convention. They decided to go to Las Vegas instead. In dollars and cents, figuring \$50 a day, average, for 15,000 people, this amounts to \$750,000 a day, times a three-day total, that adds up to \$2,250,000. And this figure does not include money that would have been spent in the area of entertainment. Yes, this is the example of the economic

loss our City and State is losing to other states.

I want to stress our own State P.B.A., this year and in 1974, had selected Las Vegas for its convention site, because they felt it was safe and entertaining for their families and themselves. It is sad, our second largest industry, tourism, cannot satisfy many of their own State and city municipal employees. The influx of people, due to the increase of conventions as a result of having casino gambling in Atlantic City will generate desirable forms of amusement and entertainment for the families of conventioners.

Every aspect of the business community, including every phase of transportation will improve and increase and this, in turn, will act as a catalyst for the improvement of the entire social and economic picture of our city, in turn benefitting our State.

The everyday theft crimes would decrease because the employment picture will be entirely different. It is an established fact that there is more crime when there is more unemployment.

Recently, Mayor Errichetti, who visited Atlantic City, stated he is in approval and sees the need for legalized gambling in Atlantic City.

Ladies and gentlemen, I do not wish to sound melodramatic but when you cast your vote on gambling this year, you will become your brother's keeper and I beseech you to give us the economic opportunity for survival by voting "yes" for gambling in Atlantic City.

Our churches have sanctioned bingo gambling because of its economic benefit. Surely, they must realize our State can sanction and govern legalized gambling for the economic benefit of Atlantic City and, in turn, the State. Thank you.

ASSEMBLYMAN CODEY: Thank you, sir. Are there any questions?

(no questions)

Mr. Thomas Coggins, Jr. from the Chamber of Commerce of Atlantic City.

T H O M A S C O G G I N S, Jr.: Thank you. My name is Thomas Coggins and I am President of the Greater Atlantic City Chamber of Commerce.

You know, having lived and worked in both the southern area of this State and the northern area - as I have, I was with the General Motors Corporation for a long period of time in this section - I think one thing becomes quite apparent. When you travel this great State from north to south, each section is affected economically by its specific geographic location.

The rolling green hills in our northern part are economically dependent upon New York City because they are a bedroom community. As we head south we have, due to a fine harbor, a market distribution center in Newark and Port Elizabeth. Further down we have the industrial complex, from Elizabeth to New Brunswick and the farm country of central Jersey. They are all on solid economic footing.

We have not fought their growth. We have not complained about the refineries and the pollution and the factories and the mass input into this area.

All this is followed by the second largest industry in our State - tourism. Along our fine beaches, from Sandy Hook to Cape May, we live on tourism and convention business. At this time I would like to point out that we in Atlantic City have never discouraged other areas in this State from enlarging or improving upon their economic development. Likewise, we trust that we in Atlantic City would not be discouraged from developing and expanding our economic base, which happens to be conventions and tourism.

Through statewide approval casino gambling could help us develop our economic base. I would like to make it clear that we neither recommend nor advocate casino gambling for every community within our state. On the contrary. We do advocate casino

gambling for Atlantic City, and only for Atlantic City.

Atlantic City, the once proud queen of resorts, not only in this state but throughout the country, is unique in location, physical layout, and economic base. We are totally dependent upon tourism and conventions. Unfortunately, a change in lifestyle and modern transportation has lured our conventioners and tourists to newer, far-away attractions, with newer facilities and a somewhat more favorable year-round climate, that is greatly impairing our ability to compete. This has created a severe if not insurmountable hardship on our already strained economy.

We have placed burdens on our taxpayers, our county and our state, which to any proud Atlantic Cityite is somewhat embarrassing.

Contrary to figures quoted earlier, recent employment figures indicate that the unemployment rolls now claim, in the middle of March, 37% of a once proud host town. Since 1970, we have experienced a loss of more than 15 major hotels, motels and restaurants which employed in excess of 3,500 employees. In a four-year period mercantile licenses have declined from 3,568 to 2,986 - a barometric indicator of what is happening to our business community - or a loss of 582 mercantile licenses and another additional loss in employment approximating 4,100 people.

Welfare rolls have swelled to an alltime high and the people of this state are paying for that. Due to business failures and an inability to pay, our uncollected taxes in Atlantic City alone are at a high of \$6,846,922.00. As a matter of interest, we are currently budgeting \$4 million for uncollected taxes in 1976. In 1975 we were only able to collect 82% of our total taxes.

Any legislator who is familiar with local government knows that you cannot survive when you are collecting less than 93% of your taxes.

Coupled with this fact is an increase in our tax rate of 57% in four years, due to the decline in ratables, increasing the burden, again, on an already over-burdened taxpayer. So, as you can see, our problems are compounding at an ever-increasing and alarming rate.

Pure and simple, we are on an expressway to disaster and we will become a ward of the state. It is a known fact that we are no longer able to accommodate many of the larger national conventions, our very life blood. Due to the lack of sufficient hotel accommodations, we are unable to bring in many of the national conventions, which are, again, providing a living for over 50,000 people. We are trying to support 50,000 people on a ten week economy and this, as you know, is impossible. It is a study in futility.

We no longer attract the much needed investment to rejuvenate our tired city. We have to expand to a 52-week economy. Yes, we have mother nature as an attraction with our fine beaches and cool breezes in the summer, but we have no year-round attraction.

Casino gambling is that attraction and has been endorsed unanimously by the Greater Atlantic City Chamber of Commerce, the Atlantic County Alliance of Chambers and the individual Chambers throughout the County.

We have no misgivings that casino gambling will be a cure-all for our City. But we have every indication that should casino gambling come to our community, many investors are prepared to help us revitalize our City. We ask the legislators to respond favorably to our request so that we can be removed from state and federal bondage. We are a proud people. We do not like to depend on state and federal funds to solve our problems. We would like, once again, to stand on our own two feet, to become the queen city with the finest in resort luxury and a city to which the entire population of this state can point with pride and say, "They did it themselves instead of on federal and state aid."

Our people are tired, they are hungry, and frustrated. We need your support.

We do not need your money.

As I stated earlier, we are not asking you to support casino gambling for your community. We do not ask the state populace to support casino gambling for their individual communities. We ask both the populace and the Legislature to support casino gambling only for Atlantic City. The people in Atlantic City want casino gambling. Thank you.

ASSEMBLYMAN CODEY: Thank you, Mr. Coggins.

MR. COGGINS: Thank you.

ASSEMBLYMAN CODEY: Our next witness will be the Reverend George R. Dawson. May I ask, sir, that you not read this in toto but rather take excerpts from it, to move the hearing along?

REVEREND GEORGE R. DAWSON: Very well. We can omit certain parts of it.

I am the Reverend George R. Dawson, a priest of the Episcopal Diocese of Newark, speaking on behalf of the Right Reverend George E. Rath, who is the Bishop of the Episcopal Diocese of Newark, and also the Department of Christian Social Relations of the same Diocese.

We wish to place on record our absolute opposition to the proposed amendment to the State Constitution of New Jersey, as contained in A.C.R. 126 - second official copy reprint.

I will skip the stand of Archbishop Temple, in line with your request. However, he points out that gambling is just the opposite of what is needed in human life. I will go on to page two.

In regard to A.C.R. 126, we strongly oppose this re-introduction of an attempt to legalize casino gambling after it was resoundingly rejected by the voters of this State in 1974. In that year, only two counties - Atlantic and Hudson - out of 21 in our State, supported by a majority of the voters the question of casino gambling on the ballot. The people of New Jersey spoke plainly by a majority of 1,202,638 to 790,777 against gambling casinos anywhere in the State. Yet, among the current, printed sponsors of A.C.R. 126, introduced January 19, 1976, we find the names of Assemblymen from the following counties which rejected casino gambling in 1974: Bergen County, 1; Burlington, 1; Camden, 4; Cumberland, 1; Essex, 4; Gloucester, 2; Hunterdon, 1; Mercer, 3; Middlesex, 1; Monmouth, 1; Ocean, 1; Passaic, 1; Salem, 1; and Union 1.

No wonder the public is skeptical about government these days - for who are these Assemblymen representing on this issue, their constituents or the gambling interests?

This is Holy Week in which Christians of all communions celebrate deliverance from bondage to the forces of this world through the love, suffering and death of Jesus Christ our Lord. It is also the time of the Passover in which Jews celebrate their deliverance from bondage. Freedom is a precious thing, generally won with a terrible price in human suffering. The Jews of Moses' time, the early Christians in their time, and the American colonists in their revolt from English rule, all bear witness to this grim fact. This is our bicentennial year in which we gratefully remember the blessings of freedom bestowed upon us by the grace of God through our forefathers.

It is well known that a large factor in the defeat of the gambling casino question in 1974 was the united stand taken by all the churches against this "front" for human bondage. The days in this week are busy ones for all who are involved in churches or synagogues. Why, then, did your committee schedule hearings on this casino resolution for gambling at this time? Give the devil his due. It has been said, "The price of freedom is eternal vigilance."

No doubt those wishing to profit from casino gambling will be spending vast sums of money for entertaining, advertising, and persuading you and the general public

to pass this corrupting legislation. It will be an impressive array in force. The churches, in contrast, will have very small resources for coping, mainly because their attention and energies are focused on more constructive things. Yet, we take courage that, with frequency in history, the Lord has used the small things of this world, "and the things that are not, to bring to naught the things that are, that no flesh shall glory in His presence."

Here are some factors leading to bondage for the people of Atlantic City and the whole State of New Jersey if A.C.R. 126 is approved by the voters and voted into law.

The following table shows how Atlantic City is already the most crime ridden city in our State, and that without gambling casinos. The statistics show the figures for the Las Vegas area in Nevada as having an even higher crime rate than Atlantic City and we are all well aware that Las Vegas has gambling casinos. The figures are from the Standard Metropolitan Statistical Areas of the F.B.I. The 1974 statistics were released on November 17, 1975. These figures can be seen on the last page of the paper I have distributed. They show the various major communities and areas in this particular state, with Atlantic City standing with the highest index - crime index, according to the F.B.I. - for the year 1973 and also for the year 1974. It is 5,380.2 for the year 1973 and for the year 1974 it is 6,112.2.

In comparison we have printed the Nevada figures, for the Las Vegas area, to show that their crime rate is even greater than the crime rate in Atlantic City.

Returning now to page 4 of my statement - It can be proved that gambling casinos would bring an increase in crime to Atlantic City and also the State of New Jersey.

It should also be noted that Nevada has legalized zones for prostitution. Would this be the next step for Atlantic City and the State of New Jersey? This field is also held in the sway of gangersterland, all too often.

Proponents of casino gambling often stress employment benefits. Atlantic City's unemployment rate varies seasonally between 8.5% and 15%. Las Vegas, Nevada, however, often has had a recorded unemployment rate of 20%. I took these figures from an article in the New York Times, which appeared two years ago. Is Atlantic City's large population of chronically unemployed really capable of being employed in gambling operations, or would the operators have to be imported from Las Vegas to the new Las Vegas - the Las Vegas East?

At this point, the public has no idea what tax revenues would come from casinos in Atlantic City but you may be sure that the politicians' estimate will not be any more accurate than it was in predicting the revenue from the Lottery. And you may be absolutely sure that any gain realized from casinos will be far outweighed by the liabilities that they will create in human life and character. It is obvious that any profits in the gambling enterprises will not be for the rebuilding of Atlantic City or for grants for assistance to its needy citizens, but used to benefit the stockholders of the gambling syndicates.

The illusion that Atlantic City residents and State of New Jersey residents would get something for nothing paralyzes their creativity and their integrity. Gambling robs our citizens of salaries, savings and investments. Gambling can become addictive. Loan sharking, a known arm of organized crime, would inevitably follow the casinos. Large losers will be trapped into such criminal acts as burglary, theft or embezzlement. The gambling sickness can also lead to broken marriages, neglected children, poverty and even suicide.

Instead of encouraging addictive enslavement to the something for nothing way of life, our legislators would better serve their constituents by encouraging

honest industry to come to Atlantic City area.

Most of all, in this bicentennial year, it would be appropriate to rededicate ourselves to those things which lead to freedom and human dignity rather than to bondage and degradation. You can begin to accomplish this by burying A.C.R. #126 permanently.

Now, I have just one comment to make in addition to this, and that is that I grew up in the City of Paterson, New Jersey. I am a city boy. I am a graduate of East Side High School in that City. I have been very much touched by the many descriptions that I have heard of the plight of Atlantic City because what you have said about Atlantic City also can be said about the City of Paterson. When I was a boy there were throngs of people on the streets of Paterson in the evening and today if you go through the poor, old city of Paterson at night, it is a ghost town. I think one of the reasons why people have moved out of the City of Paterson in droves is because of the increase in crime in that City.

I don't presume to speak for Atlantic City, but I have heard it said that one of the reasons why people don't go there so much anymore is simply because they are afraid to go there. This is an urban problem that concerns not just Atlantic City but cities with unemployment problems the country over. And I do believe that the answer is not the easy-money route but the route, rather, of encouraging an honest days' wages for an honest days' work, and not trying to make money off the profits of people who come to spend money, and who are, in many cases, fleeced of it.

If, as the Superintendent of the State Police indicated, there would be an increase in crime in Atlantic City, the point that I am making is, is it not also possible that if there were an increase in crime in Atlantic City, instead of helping Atlantic City with its economic health might it not damage the city even further so that instead of the condition of the city being better, it might well be worse, as indeed has been the case in so many of the other cities in the nation which have experienced the same kinds of problems of unemployment and of high crime. Thank you very much.

ASSEMBLYMAN CODEY: Are there any questions? Assemblywoman Burgio.

ASSEMBLYWOMAN BURGIO: Yes. I would like to comment on that. Going back to page two, where you have the statistics on the Assembly representatives.

REVEREND DAWSON: Right.

ASSEMBLYWOMAN BURGIO: They might be a little bit deceiving because, as you know, we run in districts.

REVEREND DAWSON: I am aware of that, thank you.

ASSEMBLYWOMAN BURGIO: I come from Essex County. We have six districts. It is quite possible - I don't know for sure - that two of our districts did vote for gambling and four of those Assemblymen who sponsored this bill might represent those districts. I am not a sponsor. My district did not vote for the amendment. I just wanted to straighten that out. That can be deceiving and it might be detrimental to some of the Assemblymen who have sponsored this amendment.

REVEREND DAWSON: I understand that but I also understand that the voters did speak once quite authoritatively in an overwhelming way at that time. So, I think some respect has to be given to the opinions of the voters.

ASSEMBLYWOMAN BURGIO: That is why we are here today - to see what different views we can get on a different bill.

ASSEMBLYMAN CODEY: Assemblywoman Croce.

ASSEMBLYWOMAN CROCE: I have one comment to make. You said that most people moved out of the cities because of the crime rate. I think it is a little different.

I think most of our affluent whites moved out because the blacks were moving in and a lot of them just didn't want to live next to them. I don't think it was crime so much as that. It is a lot racial.

REVEREND DAWSON: Let me say this: That certainly is a factor. I would certainly agree to that.

I lived in the ghetto. I was Director of St. Paul's Church, Paterson, for six years, ending in 1970, so I know whereof I speak. I have lived in those conditions myself. I am perfectly aware of this.

But, there is, nevertheless, a very legitimate fear that is expressed by many people - a fear of being mugged, a fear of being attacked, a fear of losing their lives, a fear of being robbed. This is something that is expressed not only by white people but also by people who live in the cities and who stayed in the cities. There is a tremendous element of fear. I am trying to pinpoint this. The element of fear is one of the reasons why our cities, all of our cities - New York, Newark, which has the same problem, Paterson, and I am sure Atlantic City-- Do away with the element of fear and I think and maybe we will be able to attract people back to the cities.

ASSEMBLYWOMAN CROCE: I think if people learned to love one another, instead of fearing one another, maybe we could get moving again.

REVEREND DAWSON: Yes, but it is a legitimate fear if a person is afraid that he is going to have his head split open. That is a legitimate fear, I think. It is to me, anyway.

SENATOR MC GAHN: Reverend, also, if I may, I have several comments. Certainly, I will speak up for the Assemblymen that were co-sponsors of this resolution. I would say that I do not think at this particular time there is any gambling interest in this state that they are representing.

They may or may not be representing their constituents but I think they are addressing themselves to a problem today, and that is the moral imperative against gamblers as against the increased demand for gambling on the part of their constituents. I think this is a key issue.

I think the churches and institutions have not been drilling into the people in their constituency or their church this value. These values have changed and the church has not changed with these values. You are using a moral argument. You are coming up with statistics. You can use statistics anyway you want to.

Let me tell you, the statistics here as far as Atlantic City is concerned are correct, basically.

REVEREND DAWSON: Yes.

SENATOR MC GAHN: I think you heard the Chief of Police today mention that most of these were burglaries so the people could get food to eat.

You say here, "Large losers will be trapped into such criminal acts as burglary, theft, or embezzlement." We have that already.

These figures also do not take into consideration the increase in the overall population in the City of Atlantic City during the summertime, or any time during conventions. This is when a number of these crimes, very frankly, occur and are reported with the stable population.

Freedom on the part of an individual in this year 1976 is also the right of individual freedom to do something as long as you are not harming anybody.

Okay, gambling may be considered a victimless crime, or a consensual crime, whatever you want to call it. There are instances, yes, in which victimless crimes do have victims, such as the family. But, remember one thing, unless the individual is a compulsive gambler and his compulsion leads him to the point where, as a result of

this he is shirking his economic and other responsibilities as far as that family unit is concerned, this is not interfering with the integrity of that family unit. He is doing it simply as a diversion. He is doing it simply as far as recreation is concerned.

Now, there is another statistic also that you did not mention. You were talking about prostitution and it just so happens I would not, of course, go for legalization at this time. But, where prostitution is available, the incidence of rape has decreased.

REVEREND DAWSON: Thank you for your opinion, sir, but I don't agree with you.

ASSEMBLYMAN CODEY: Thank you, Reverend. (Prepared Statement appears on page 17x in the Appendix.)

ASSEMBLYMAN CODEY: Our next witness will be Jack Brown of the Local 54, the Hotel/Motel Employees Union.

J A C K B R O W N: Good afternoon, ladies and gentlemen, my name is Jack Brown. I am here before you as President of Local 54 of the Hotel and Restaurant Employees and Bartenders Union, AFL-CIO, and also as President of the New Jersey State Council of Bartenders, Culinary and Service Employees. There are almost 2,000 members in Local 54. They are the hotel and restaurant workers and the bartenders of Atlantic City. These people are the hardworking men and women who feed you in our restaurants, serve you in our cocktail lounges and make your beds in our hotels.

In our entire membership, there is not one millionaire who can afford an extended vacation. In fact, as far as I know, not one of these people is so well-fixed on the wages of a cook, a waitress, a bellman, or a bartender, that he or she is able to survive any extended period of unemployment without being forced to turn to the State of New Jersey for unemployment insurance or welfare checks. Eight months of the year, 70% of our members are out of work, or work a banquet or cocktail party once in a while.

Picture for one moment the plight of these people - put yourself in their shoes - with a family to feed, hired in June and laid off in September. If you have lived so well for so long that the terrible plight of these people only causes you to shrug your shoulders - if this annual tragedy does not tug at your heartstrings - let me tug at your purse strings instead, and remind you that when these hard working men and women can no longer put a loaf of bread on the table, their families still have to eat, and it is the State of New Jersey that has to feed them.

For four months they contribute to the State's unemployment fund and then for eight months they have to drain it. When that runs out, they are compelled to go on welfare. Four months of the year our members are able to support themselves through gainful employment, and they contribute to the general well-being of the State. Eight months of the year it is the State of New Jersey, despite its dire financial circumstance, that has to support and feed these people or they and their families would die of hunger in the streets.

THIS IS WHAT IS HAPPENING TO THE STATE OF NEW JERSEY'S GREATEST NATURAL ASSET - THIS IS WHAT IS HAPPENING TO A WORLD FAMOUS RESORT THAT SHOULD BE - LITERALLY - A GOLD MINE TO THE STATE THAT IS FORTUNATE ENOUGH TO HAVE IT WITHIN ITS BOUNDARIES. THIS IS WHAT IS HAPPENING TO A CITY WHICH IS ONE OF THE BEST CONVENTION CENTERS IN AMERICA, ENDOWED WITH ONE OF THE WORLD'S MOST BEAUTIFUL BEACHES, ONE OF THE WORLD'S LARGEST CONVENTION HALLS, A BOARDWALK THE LIKE OF WHICH CANNOT BE FOUND ANYWHERE ELSE IN THE ENTIRE WORLD, A LOCATION WITHIN 500 MILES OF ONE-THIRD OF THE NATION'S TOTAL POPULATION.

WE HAVE A CITY WHICH SHOULD BE PROVIDING THE STATE WITH MILLIONS IN REVENUE AND INSTEAD HAS ONLY A HUNGRY MOUTH TO OFFER BECAUSE IT CAN NO LONGER FEED ITSELF. HERE IS A CITY THAT ONCE BROUGHT THE BUSINESS AND THE TAX REVENUE FROM THE LARGEST MULTI-MILLION DOLLAR CONVENTIONS IN AMERICA TO THE STATE OF NEW JERSEY. A CITY,

WHICH, IN THE PAST FEW YEARS, LOST THE PRESIDENT HOTEL, THE MAYFLOWER, THE RITZ-CARLTON, THE TRAYMORE, THE CLARIDGE, THE SENATOR, THE AMBASSADOR, THE ST. CHARLES, THE BREAKERS, THE MORTON, THE MADISON, THE DENNIS - AND MORE! NOT HOTEL ROOMS IN THE HUNDREDS - IN THE THOUSANDS - THESE HOTELS COULD NO LONGER LIVE ON A THIRTEEN WEEK YEAR - IT HAS REACHED THE POINT WHERE NOW WE ARE LOSING MAJOR CONVENTIONS BECAUSE THERE ARE NO LONGER ENOUGH ROOMS AVAIL-

ABLE TO HOUSE THEM! THE LIFE BLOOD OF ATLANTIC CITY HAS HEMORRHAGED! THE WORLD'S PLAYGROUND, THE QUEEN OF RESORTS IS IN A LIVING-DYING COMA -

THAT CAN ONLY KEEP BREATHING AS LONG AS THE STATE KEEPS PUMPING IN WELFARE CHECKS AND UNEMPLOYMENT CHECKS THAT ADD TO THE BURDEN OF EVERY TAXPAYER IN THE STATE. WE DON'T WANT TO LIVE ON HANDOUTS EIGHT MONTHS OF THE YEAR JUST TO KEEP A DEAD CITY BREATHING WHILE WE CONTINUE A DOWNWARD SPIRAL THAT CAN ONLY END IN WELFARE A RUBBLE HEAP! A GHOST TOWN FILLED WITH CASES! A SAHARA DESERT BY THE SEA! - A HOTEL CEMETERY!

THERE IS ONLY ONE THING THAT CAN HELP SAVE ATLANTIC CITY - LEGALIZED CASINO GAMBLING! NOBODY HERE IS PREPARED TO SHOW US A VIABLE ALTERNATIVE! ALL WE ARE ASKING IS A CHANCE TO TAKE OUR CASE TO THE PEOPLE OF NEW JERSEY AND LET THE PEOPLE DECIDE. DO THEY WANT A PROSPEROUS ATLANTIC CITY TO EASE THEIR TAX BURDEN OR A DESTITUTE ATLANTIC CITY TO HELP DRAIN THE STATE TREASURY? LET THE PEOPLE DECIDE WHETHER IT IS IN THEIR OWN BEST INTEREST TO DENY ATLANTIC CITY THE RIGHT TO LIFE BECAUSE GAMBLING IS SUPPOSEDLY SOMEHOW IMMORAL. LET US SEE IF THEY TELL US THAT PROVIDING THE RICH WITH THE TOY THEY CRAVE - GAMBLING CASINOS - IS SOMEHOW WRONG IN A STATE WHERE SELLING LOTTERY TICKETS TO THE POOR IS CONDONED, ENCOURAGED AND PROMOTED BECAUSE IT BRINGS IN REVENUE TO THE STATE.

THE ISSUE IS NOT WHETHER THE PEOPLE IN THE REST OF THE STATE OF NEW JERSEY WANT CASINOS IN THEIR OWN HOME TOWNS - IN THEIR OWN BACK YARDS - THAT'S NOT THE ISSUE ANYMORE - THAT HAS BEEN DECIDED - WITH A RESOUNDING NO! LET THE PEOPLE DECIDE WHETHER ATLANTIC CITY IS TO BE A WELFARE TOWN - THE REST OF THE STATE HAS TO SUPPORT OR A MONTE CARLO BY THE SEA TO ATTRACT VISITORS FROM ALL OVER THE

COUNTRY AND ENRICH THE STATE! AFTER ALL IS SAID AND DONE, IF ATLANTIC CITY IS TO CONTINUE DYING, IT WILL BE AT THE EXPENSE OF THE PEOPLE OF THE ENTIRE STATE. - IF IT IS TO COME BACK TO LIFE, EVERYONE IN THE ENTIRE STATE WILL BENEFIT. LET THE PEOPLE DECIDE WHETHER THEY WANT AN ATLANTIC CITY THAT WILL BENEFIT THE WHOLE STATE OR A DEAD ALBATROSS HANGING AROUND THEIR NECKS. LET THE PEOPLE DECIDE WHETHER THEY WANT A PROSPEROUS ATLANTIC CITY THAT WILL EASE THEIR TAX BURDEN OR DO THEY WANT TO FEED OUR HUNGRY WITH THE BREAD FROM THEIR OWN TABLES. LET THE PEOPLE DECIDE BECAUSE IT IS THEIR TAX DOLLARS THAT WILL FEED OUR HUNGRY - IF ATLANTIC CITY IS TO BE DEPRIVED OF ITS ONLY POSSIBLE SALVATION! DO NOT DEPRIVE THE PEOPLE OF THE STATE OF NEW JERSEY OF THE RIGHT TO DECIDE THIS ISSUE. PUT IT ON THE BALLOT IN NOVEMBER!

ASSEMBLYMAN CODEY: Thank you. Are there any questions?

SENATOR MC GAHN: For the record, I think I must make a statement at this time. I agree with Reverend Dawson that there are a number of large cities in this State that are in need of help. East Orange at the present time is on the verge of bankruptcy, as are Newark and Jersey City. So that I think we cannot be basically selfish in our motivation as far as helping Atlantic City only. I think, if you will, there are several other reasons here that are much more profound, and one is, yes, gambling is a thing whose time has come, and we propose that it be in Atlantic City, albeit for the economic benefits that Atlantic City would develop from that. But I think also we have to be - as I mentioned before - cognizant that the arguments that may be raised by opponents to Atlantic City only have some validity as far as what is going to happen to other cities in the State. I think that very, very honestly since Atlantic City happens to be the city that is best known, as has been said before, as the Queen of Resorts, that there is an increased stimulus needed for tourism in this State, and we feel that would supply it.

We feel also that if you multiply your economic benefit, it will help the entire State, not only Atlantic City; and I think if we can keep that in perspective, we may find ourselves a little better off.

MR. BROWN: I feel the same way, Senator. I feel sorry for the other cities. But we have the potential in Atlantic City, and that is my point. We have everything there. I still feel it is the best tourist city in the country, and we are not using it to the fullest.

ASSEMBLYMAN CODEY: Thank you. Our next witness is Richard Lavin of the Atlantic-Cape May Central Labor Council.

R I C H A R D L A V I N: Good afternoon, ladies and gentlemen. I am Richard Lavin. My friends call me "Reds." I am proud to be living in a free country where a humble bartender like myself can address an august body of the Legislature.

I am here as spokesman for the Central Labor Council which encompasses 35 unions with over 42,000 members in Atlantic and Cape May counties. These 42,000 workers represent many different crafts and skills and many different industries. They are of every race and color and creed, of every political persuasion and of every religious belief--but all are united by the sweat of their labor and the desire, above all other things, to provide their families with a decent living.

These 42,000 workingmen and women are, for the most part, the heads of their households and the main or sole support for some 42,000 families that live, more or less, within a 50 mile radius of Atlantic City and are therefore most directly affected by whatever fortune, good or ill, befalls that city. These 42,000 working people and their families are almost completely without exception in their whole hearted support of casino gambling for Atlantic City.

They know that when Atlantic City does well, the areas that immediately surround it are the first to feel the effect because the increased demand for the goods and services they supply can be immediately felt. When times are bad in Atlantic City, when hotels go broke instead of redecorating, when restaurants close for the winter because they can't do enough business to cover their operating costs, when retail stores board up their windows, it isn't just the hotel worker, the retail clerk or the restaurant employee who no longer has a pay check to bring home. It spreads like a cancer to those who supply the goods and services consumed in Atlantic City and to those who supply the suppliers. When a bellman in Atlantic City can't buy a quart of milk for his baby because he has no work, this not only affects the local grocer and the nearby distributor but the dairy that supplies that distributor and, ultimately, some farmer many miles away--who, if you asked him, might say he doesn't give two hoots what happens in Atlantic City, finds himself with a quart of milk left-over that he cannot sell and he, in turn, can't buy anything with the money that quart of milk didn't bring him.

The people of the counties of Atlantic and Cape May are close enough to Atlantic City to see it happen. Elsewhere in New Jersey, as you get further away from Atlantic City, it gets easier to say that you don't give two hoots about what happens down there. The people aren't coming to Atlantic City. A gas station a hundred miles away has a few dollars less in its cash register. A novelty goods manufacturer in Patterson lays off one salesman because the boardwalk shops he

used to serve are boarded up . A supplier of hotel goods in Elizabeth lays off three people because Atlantic City isn't buying. A table cloth factory in Passaic, a hotel brochure printer in Hackensack , a T shirt manufacturer in Newark , and a thousand industries of every conceivable description each feel the effects of the fact that Atlantic City is flat on its back and each pass it on, in one way or another, to everyone with whom they deal. When the bell tolls for Atlantic City, Don't say who gives two hoots! When the bell tolls for Atlantic City, Don't say it doesn't effect us up here, in North Jersey or Central Jersey. When the bell tolls for Atlantic City , it tolls for thee!

Now picture a different Atlantic City. An Atlantic City that again attracts the wealthy and prosperous to whom the state of New Jersey is now a place you fly over on your way to Vegas or Puerto Rico or the Bahamas because those places have casinos and the myriad of attractions that only casinos can bring. Picture an Atlantic City that brings millions of dollars of sorely needed tax revenue to the state of New Jersey instead of a depressed area that the state has to support with welfare payments and unemployment checks. Picture one of the greatest assets this or any other state can have instead of a sick,sick,sick and--yes--dying community! This is our message to the voters of New Jersey. It is their tax money that is going to be used to keep us half alive as long as we are half dead. We don't want welfare checks from the state of New Jersey--We're not some mill town where the mill has gone and no other possible future before us. Given just half the chance-- we can enrich th entire state instead of enpoverishing it.

That is the message we have for the voters of the state of New Jersey. We are entitled to have the opportunity to deliver that message to them. The voters of the state of New Jersey are entitled to hear that message and ~~to~~ to decide for themselves in the voting booth in November whether to heed that message . It's their tax dollars that will have to be spent to support a dying city if that's the way they want it to be and it's the revenue that we can generate in Atlantic City that can lower their tax burden , if they so will it.

Let the voters decide who gives two hoots for Atlantic City! Let the voters decide whether they want a decaying corpse on the So. Jersey shore that ,more

and more, has to be supported with their tax dollars, or do they want a real resort that can pour millions into the treasury to lower their tax burden. Let the voters decide because it is their tax dollar. Let the voters decide because it is their future of their state, of their economy. Let the voters decide, because when the bell tolls for Atlantic City it tolls for all of Jersey, north, south, east and west. Let the voters decide, because the issue is too crucial to every citizen in the State of New Jersey to be buried by the Legislature. Let the voters decide because Atlantic City belongs to them. Thank you.

ASSEMBLYMAN CODEY: Reds, as an august Legislator, let me say that you did an excellent job, sir. Are there any questions?

ASSEMBLYMAN KAVANAUGH: I'd like to ask Reds, if he doesn't mind being called that ---

MR. LAVIN: That's what my friends call me.

ASSEMBLYMAN KAVANAUGH: Okay, well, I hope to be one of them. When you get behind the bar, you have to be careful when you are on the other side.

MR. LAVIN: When I am working.

ASSEMBLYMAN KAVANAUGH: Okay. One question that has been popping into my mind, as a business man in the State of New Jersey - and who better to check with than a bartender for advice - I am wondering, over the years, what has labor been? Certainly you people need jobs in Atlantic City, but one of the things that has been expressed to me, in going around the State of New Jersey, people will go to Atlantic City, and they say, the bartender was incompetent, the bellman was discourteous, the chef turned out a secondary meal, the waitress was insolent. These are things that I think are also important. Atlantic City has had many opportunities, but I think that you have to please yourselves.

MR. LAVIN: Absolutely.

ASSEMBLYMAN KAVANAUGH: Because the level of service in the hotels to the people who spend money in Atlantic City has steadily been going down. I think that it is important, whether you get casino gambling or not, that you as leaders in your labor unions check and see what is happening, and put Atlantic City back on top as far as service.

MR. LAVIN: We hope to do that, sir.

SENATOR MC GAHN: Reds, you may refuse to answer this question, if you will, but there has been some discussion up here as to why you are called "Reds." And I said that I thought you were using Grecian Formula. (Laughter)

MR. LAVIN: My hair used to be nice and red.

ASSEMBLYMAN CODEY: Thank you. Our next witness will be Reverend Canon Hall the Third, the Department of Christian Social Relations, the Episcopal Diocese of New Jersey.

C A N O N H A L L: Thank you. I am Canon Hall, the Executive Secretary of the CSR Department of the Episcopal Diocese of New Jersey, and I am going to be brief. It is getting along in the day.

I agree with Senator Mc Gahn that this seems to be a clash of opinions, and opinions, you know, are formed by intelligent people based on differing frames of reference, and I suppose that the State Police of New Jersey, and the churches have based their opinions on similar frames of reference. I might also add that the State Police as well as the churches have failed to shift with changing values.

However, from the standpoint of what the people voted two years ago, the churches feel and rather fear that this is just a way to get in the back door what the people would not permit to come in the front door. And that it is like the camel's nose getting in

the tent, and already we have witnessed Assemblyman Littell bringing pressure to get the casino gambling bit not just confined to Atlantic City, as Assemblyman Perskie assured us this morning, but rather in other parts of the State. And that is, frankly, what we are concerned about, the same as Colonel Clinton Pagano expressed his opinion, and the last time I was here two or three years ago, also the same as the former Attorney General Kugler, and the then Superintendent of the State Police Colonel Kelly.

From the standpoint of economics, we don't go into this thing from the moralizing bit, but we try to look at it rationally and what is the best for the people of the State of New Jersey. We do buy the frame of reference, as far as law and order goes, which Colonel Clinton Pagano pointed his remarks to. I will say from the standpoint of economics, this is a rather foggy area.

About a week or so ago, the Governor said that the idea of getting tax dollars to relieve property taxes and so on from casino gambling was really not part of the thinking, but I do notice that on the back of the bill here that, as has been said, the idea is to reduce property taxes, rentals, telephone, gas, electric and so on, so this is part of the thinking - or is it? I don't know. And if it isn't, it might be well to delete this from what the voters are going to be involved with in November, you see, if it gets on the ballot.

We do feel, however, that if and when any portion of the consumer income is funneled into gambling, we may find that excise taxes and other revenue producing levies suffer in almost a direct proportion. Thus gambling seems to be an undesirable source for new capital. It seems to create no wealth, produce no tangible commodity, is a poor substitute for constructive industry, which generates employment, and really raises the standard of living. When we apply these facts to Atlantic City, there is little hope that the high rate of minority unemployment will be alleviated by the introduction of casino gambling, especially when we note that the unemployment in Las Vegas is not all that we could hope for.

Thus, it is our considered opinion that we cannot afford to permit the further extension of this type of gambling in our State, as it is a very poor method of raising new tax revenue, and that eventually it would reach irreparable damage on the fabric of our society. I thank you.

ASSEMBLYMAN CODEY: Thank you very much. Are there any questions?

SENATOR MC GAHN: I appreciate your very frank and honest discussion. I think reasonable men can discuss things reasonably and come up with varying opinions concerning what the situation is, but I respect your opinion.

I am impressed by the absence of either the lobbyist or the representative of the Catholic Conference to speak in opposition to this. I think, possibly, it is just as well, because with their dependence upon bingo --- (laughter) But in the last year the State basically had \$750 million taken in the bingo games throughout the State. Now, this was not just church groups. It includes volunteer fire departments and ambulance squads as well. There might be a degree of hypocrisy. It is like a slight touch of pregnancy, gambling is immoral, but it is all right to play bingo, and it is all right to play the lottery, but where do you basically draw the line?

I think that what you are really saying here is that we are coming into a problem as far as individual rights are concerned, and what is the crime? What is the crime of gambling? Should we really have repressive legislation when we know the laws on the books cannot be equitably enforced as far as everybody is concerned, when we know in the past in order to do this that a number of enforcers were actually paid off not to enforce

those particular regulations. I think we find ourselves impinging on the horns of a dilemma there. There is no doubt about this. I do think, however, the reference to what happened two years ago - and I myself have no knowledge of what would happen if this should be placed on the ballot in November -- But we are dealing with an entirely different situation here. We are dealing with a new question. We are not dealing with the general proposal that casinos may operate any place in the State. We are dealing in essence with the pilot project which is to be localized only in Atlantic City.

Now, nationwide today there are any number of states that are exploring gambling by the State as a means of increasing revenue. We do not consider this, to be perfectly honest with you, as primarily a revenue producing measure. I can understand your concern about the dedication of these revenues to senior citizens, because it would be an attractive means to get senior citizens to support this. But I think also, by the same token, given the present fiscal situation in the State, and given the reluctance of the Legislature to give commitments for human services, for human needs, certainly there would be nothing wrong with this approach, and I assure you it is certainly not a ploy. I think it is a reasonable way of doing it. At the present time Pennsylvania is doing the same thing, as far as providing transportation to the senior citizens free and various other amenities to senior citizens. That was primarily the legislative intent in back of this.

I think that you have your position, and I respect it. I honestly do, gentlemen, those who are here today. I think it is a good point, the moral imperative against gambling, certainly. But I think you will agree with me that a lot of that is beginning to crumble today. A lot of the old institutions are no longer held in the same respect that they were at one time. I think we must share that responsibility. The institution of government and even the institution of the church to a large degree probably is to some degree responsible for the breakdown, if you want to say it is morality. You say it is.

REVEREND HALL: May I just make one remark on that? I avoided very purposely saying anything about the moral issue of gambling, if you will recall, and I agree with you that we cannot afford to be hypocrites, but casino gambling, to quote Colonel Kelly about two or three years ago, when we had another one of these hearings, "It is an entirely different kettle of fish from bingo or lottery, and that sort of thing." And that is our position, that this is something of a rather different species than the type of gambling which we have in lotteries or bingos or whatever else may be the cause.

SENATOR MC GAHN: Canon, I think the unfortunate part, because I know, I have had many conversations with Colonel Kelly on this - his frame of reference at that time was strictly Las Vegas. His frame of reference was the Las Vegas operation from the very beginning, two and a half to three years ago---

REVEREND HALL: It was when Senator Woodcock was here, I believe.

SENATOR MC GAHN: I know Joe Woodcock's position very definitely on that. But I think, again, we do not envision that type of operation to begin with. We don't have the room for the type of operation in Nevada, as far as that is concerned. Despite the fact that you have gambling permitted in the entire State of Nevada, it is entirely in Las Vegas and Reno, and actually the Reno operation is nothing like the Las Vegas operation and the Lake Tahoe area on the Nevada side. It is not proliferating throughout the State.

ASSEMBLYMAN CODEY: Thank you. Our next witness will be Gerard Kauper of the Atlantic City Convention Bureau.

GERARD KAUPER: Thank you, Mr. Chairman, Senator Mc Gahn, members of the Committee, before I begin my prepared remarks, I would like to comment on Reverend Dawson's use of statistics and also add a note of caution on the use of statistics. I feel that particularly in view of my position with the Atlantic City Convention Bureau, and my past experience in the hospitality industry prior to that, eight years with the New York Convention Bureau, and prior to that in executive positions with both the Bolten Corporation and American Airlines beginning in 1957, that I do have a bit of a handle on the growth rate of hospitality facilities throughout this country. Crime has always been a factor. It has always played a part in the attractiveness of the city, and in its resultant growth rate.

I might point out - and I don't have the most recent FBI statistics with me, but I have seen them for 1975, and I believe the statistics on the record here today are from 1973 and 1974 - that two of the fastest growing convention cities in the country at the present time are Atlanta, Georgia, and Dallas, Texas, and both cities enjoy the highest crime rates. If not the highest, they are certainly among the highest crime rates in the country. These crime rates, I believe, bear relation to resident to resident crime, which is somewhat different than visitor related crimes. I am sure that if these high statistics that evolve in both cities related to visitor related crimes, that it would have a serious impact on the ability of both cities to book conventions.

There was also a remark made as to attitudes of work force. I think this is a rather important consideration. I think if we study attitudes of work force throughout the country, we will find that the best attitudes, within a given labor market, exist in the area or a city that has the best economic conditions, and it is a relative thing.

I am Gerard Kauper, Executive Vice-President of the Atlantic City Convention Bureau, and I am pleased to testify on behalf of the Atlantic City Convention Bureau, the world's first convention bureau, a privately supported non-profit corporation formed for the express purpose of selling Atlantic City as a site for state, regional, national and international meetings and expositions, as well as servicing the activities we sell.

SINCE OUR INCEPTION IN 1908, OUR BUREAU'S SALES
ACTIVITIES HAVE RESULTED IN THE INTRODUCTION OF MORE THAN
2 BILLION DOLLARS INTO OUR CITY'S AND (STATE) ECONOMY.

ATLANTIC CITY, THE CITY WE REPRESENT, IS THE ONLY
CITY IN THE UNITED STATES WHICH ATTEMPTS TO SURVIVE WITH
A CONVENTION ECONOMY AS ITS MAIN ECONOMIC SUPPORT FOR
THE MAJOR PART (10 MONTHS) OF THE YEAR. IN ALL COMPETING
CITIES, THE CONVENTION ECONOMY PROVIDES A HEALTHY
SUPPLEMENT TO A LARGER ECONOMIC BASE - e.g., NEW YORK,
CHICAGO, SAN FRANCISCO, DALLAS, HOUSTON WITH THEIR
MULTI-BASED ECONOMIES; LAS VEGAS WITH THEIR^A BURGEONING
CONVENTION BUSINESS SUPPLEMENTING THEIR CASINOS.

ALL OF THESE CITIES HAVE EXPERIENCED HUGE INVESTMENTS IN THEIR HOSPITALITY INDUSTRIES WITHIN THE PAST DECADE. NOT SO WITH ATLANTIC CITY. BECAUSE A CONVENTION ECONOMY ALONE BY ITS VERY NATURE CANNOT SUPPORT A CITY AND ITS HOSPITALITY FACILITIES. WELL OVER 50% OF OUR HOTELS AND MOTELS HAVE LITTLE OR NO PUBLIC SPACE TO BOOK THEIR OWN CONVENTIONS AND THEREFORE MUST RELY ON ROOM BUSINESS DEVELOPED BY MAJOR CITY-WIDE MEETINGS AND EXPOSITIONS USING CONVENTION HALL.

EVEN IF WE WERE TO ENJOY AN OPTIMUM CONVENTION SCHEDULE AT LEAST 4 OUT OF 10 MONTHS WOULD BE NON PRODUCTIVE TO THESE PROPERTIES SINCE THAT TIME WOULD BE USED IN THE SET UP AND DISMANTLING OF THE CONVENTIONS OR EXPOSITIONS.

WHAT ATLANTIC CITY NEEDS IS WHAT EVERY OTHER CITY BEGINS WITH AND THAT IS A RELIABLE TRANSIENT OCCUPANCY RESULTING FROM TYPES OF ACTIVITY OTHER THAN CONVENTIONS -- SUCH AS BUSINESS OR RESORT TRAVEL.

SINCE THE ADVENT OF THE JET AIRPLANE RESORTS WITH RELIABLE ALL YEAR ROUND CLIMATE HAVE BEEN BENEFICIARIES OF MUCH BUSINESS THAT FORMERLY USED MORE NORTHERLY RESORTS SUCH AS ATLANTIC CITY.

IN THAT SAME PERIOD EVERY MAJOR UNITED STATES CITY AS WELL AS MANY SMALLER CITIES HAVE SEEN THE CONSTRUCTION OF NEW HOTELS AS WELL AS CONVENTION HALLS.

IN SPITE OF THIS INCREASING COMPETITION, ATLANTIC CITY HAS REMAINED STRONG IN ITS ABILITY TO ATTRACT MAJOR INDUSTRIAL EXPOSITIONS. A MAJOR TRADE PUBLICATION, IN A SURVEY DONE LAST YEAR, PLACED ATLANTIC CITY 4TH IN THE COUNTRY IN ITS ABILITY TO ATTRACT MAJOR EXPOSITIONS IN THAT YEAR.

THE REASON FOR ATLANTIC CITY'S CONTINUED PROMINENCE
AS A MAJOR UNITED STATES CONVENTION LOCATION LIES IN A
COMBINATION OF SEVERAL FACTORS: ---

1. WE HAVE THE 2ND LARGEST SINGLE LEVEL FULL
SERVICE EXHIBITION AREA IN THE COUNTRY.
2. WE ARE BY FAR THE LARGEST CONVENTION HALL
IN THE NORTHEAST WHICH BY VIRTUE OF ITS WEALTH
AND POPULATION DENSITY IS FROM A PURELY PRACTICAL
STANDPOINT THE MOST ATTRACTIVE REGION IN THE WORLD
TO HOLD AN EXPOSITION.
3. *WE CONTINUE TO BOAST A KNOWLEDGEABLE & AVAILABLE LABOR FORCE.*
4. ATLANTIC CITY AS A RESULT OF ITS HISTORIC ROLE
AS A MAJOR UNITED STATES HOST CITY BOASTS A
SUFFICIENT NUMBER (10,000) OF HOTEL AND MOTEL ROOMS
TO SUPPORT ITS CONVENTION HALL. HOWEVER, BECAUSE
OF THE DECLINE IN THE TYPE AND VOLUME OF OCCUPANCY
THAT WOULD BE COMPATIBLE AND SUPPORTIVE OF OUR
CONVENTION OCCUPANCY, THE OUTLOOK FOR THE FUTURE IS
NOT GOOD.

BEFORE WE LOOK TO THAT FUTURE, LET'S EXAMINE
ATLANTIC CITY'S PAST PERFORMANCE AS A CONVENTION CITY.

AS I MENTIONED, ATLANTIC CITY HAS ALWAYS ENJOYED
GREAT PROMINENCE IN THE NATIONAL CONVENTION MARKET. ---WE
BUILT GRADUALLY OVER THE YEARS IN BOTH THE NUMBER OF
CONVENTIONS AND THE NUMBER OF DELEGATES HOSTED IN OUR
CITY AND PEAKED IN 1968 AT 588 CONVENTIONS WITH 456,133 DELEGATES.
1967 WAS THE YEAR OF THE FIRE THAT DESTROYED MC CORMICK
PLACE IN CHICAGO AND ATLANTIC CITY BECAUSE OF ITS LARGE
HALL RECEIVED SEVERAL SHOWS DISPLACED BY THE FIRE.

WE PEAKED AGAIN AND REACHED OUR RECORD IN 1971 WITH 479,480 CONVENTION
DELEGATES AND THIS WAS DUE TO THE COMPLETION OF OUR NEW
HALL WHICH MADE US BRIEFLY THE CITY WITH THE LARGEST HALL

IN THE COUNTRY. MANY GROUPS THAT BOOKED IN FOR THAT YEAR ALSO EXPECTED NEW HOTEL BUILDING TO SATISFY THE CHANGING STANDARDS OF THE FIRST CLASS HOTEL ROOMS THAT WERE BEING SET BY COMPETITION THROUGHOUT THE COUNTRY.

IN THE INTERIM, WE DROPPED TO A LOW OF 358,615 DELEGATES HOSTED IN 1975 WITH AN INCREASE TO 410,000 IN 1976.

THAT 410,000 FIGURE REPRESENTS AN INFUSION OF 102,750,000 FRESH DOLLARS INTO OUR LOCAL AND STATE ECONOMY AND THAT IS WITHOUT THE MULTIPLIER OF 1.5 or 2 BUILT IN BY MANY CITIES IN ESTIMATING THE EFFECT OF CONVENTION BUSINESS ON THEIR MUNICIPALITY. I MIGHT ADD HERE THAT I WAS CORRECTED ON MY WAY TO TRENTON THIS MORNING. I WAS TOLD THAT THE MULTIPLIER IS MORE LIKE 4 OR 5.

ATLANTIC CITY, BECAUSE OF ITS PAST SUCCESS AND REPUTATION, HAS RECEIVED ASSURANCE FROM MANY MAJOR NATIONAL ASSOCIATIONS AS WELL AS STATE GROUPS THAT WE WOULD BE STRONG CANDIDATES FOR FUTURE EVENTS IF WE COULD BEGIN TO SHOW SIGNS OF REVITALIZATION AND THAT REVITALIZATION CAN TAKE PLACE ONLY BY THE INTRODUCTION OF A STRONG ECONOMIC CATALYST COMPATIBLE WITH OUR CONTINUED ROLE AS A MAJOR HOST CITY.

IT IS OUR BUREAU'S STRONG FEELING THAT THAT CATALYST LIES WITH A WELL MANAGED AND WELL CONTROLLED CASINO GAMING OPERATION IN ATLANTIC CITY.

IN CLOSING, LET ME ADD A PERSONAL OBSERVATION. IN MY EXTENSIVE TRAVELS THROUGHOUT THE COUNTRY THERE IS ONE QUESTION UPPERMOST IN THE MINDS OF OUR CUSTOMERS AND POTENTIAL CUSTOMERS AND THAT IS: "WHEN IS ATLANTIC CITY GOING TO GET GAMBLING?"

ASSEMBLYMAN CODEY: Thank you. Before I call the next witness, I would ask that all witnesses who will be coming forward -- it seems that most are getting repetitious, so I would ask anyone who is going to speak to please briefly summarize the point they are going to make rather than be redundant.

Our next witness then will be Charles Davis, the Executive Vice-President of the New Jersey Hotel-Motel Association.

CHARLES W. DAVIS: Good afternoon, the hour is getting quite late. The testimony that I have submitted is merely for you to read at your leisure. I will highlight the points. The material which I desired to talk about today has already been covered. (Prepared statement appears on page in the Appendix.)

My name is Charles W. Davis, and I serve as the Executive Vice-President and Chief Administrative Officer of the New Jersey Hotel and Motel Association with corporate offices at 826 West State Street. I would like to sincerely thank you for giving me this opportunity today to discuss with you Assembly Concurrent Resolution 126, sponsored by Assemblyman Steven Perskie and 32 co-sponsors.

Obviously this bill is of vital concern to the travel and resort industry in the State of New Jersey, the second largest industry in the State. I am sure you have all heard the good news, corporate profits are beginning on their upswing, nationwide unemployment is slackening, and corruption is cracking up again, but I wonder if you have heard the bad news? You have heard of lot of it today, the recovery, if indeed it is happening, is taking place within the New Jersey Hotel/Motel Association and resort industry at a painful snail's pace. At least that is the word I am getting from the Wall Street hotel experts, personnel agency directors, industry executives, and individual members of our association.

Today I appear before you to discuss a proposal which I believe, if adopted, would certainly dramatically accelerate the recovery. In addition to helping with the larger needs, the ACR-126 would generate substantial revenues for our beleaguered State and in turn would be a boom to the aged and the infirmed of our Garden State. Obviously, I appear today to urge the passage of ACR-226.

The real topic of this hearing today, I believe, should be entitled, "Jobs, jobs, and more jobs." The real problem facing New Jersey is the decline of the tourist business. The real concept is to bring people to New Jersey from New England, New York, Pennsylvania, and the surrounding areas. Bring them into our State with that phrase that you heard before, fresh money. Every dollar that comes into our State is brand new and not circulated New Jersey money. Every dollar that is spent produces jobs and payrolls, and there are almost 400,000 people out of work in this State who certainly can use all the jobs we can create.

Prior to the election in 1974, when legalized gambling was on the referendum, no less than 2500 new rooms were projected to be built in the seashore community of Atlantic City. One major hotel organization had already broken ground for a 500-room convention facility. When the results of the election were known, the company simply absorbed their losses and crept away in the night, never to be heard from again. Instead of a massive building boom that was anticipated, that would have taken those 80% unemployed from the building trades unions and put them back to work - instead of that, the massive building boom, the net result, as you have heard today, was substantial decrease in the total number of rooms, foreclosures, bankruptcy, and demolition, all became the order of the day. Hundreds of thousands who would have flocked to the seashore community for trade shows, business meetings and conventions are now meeting elsewhere.

As you have heard before, since 1970 Atlantic City has had a net loss of approximately 3,000 rooms. Employment in the hotel/motel industry has decreased approximately 4,000 in less than half a decade. You have heard representatives of the labor unions say they are solidly behind the casino issue, and rightfully so. They want and they need jobs desperately, jobs that casino gambling would bring to the city.

I don't think anybody will object if I say that the State has the greatest asset in the world: wide, sandy, clean beaches, good weather, the Atlantic Ocean, and the best and the biggest convention hall in the East. With casinos, I sincerely believe that we could bring back the large national conventions to New Jersey. Remember, Atlantic City without much publicity will attract millions of out of state tourists. Seven out of ten visitors to Atlantic City are not residents of the State. They bring dollars to our state and they bring sales in all categories, and they have been cited, the gasoline, the liquor, the hotel and motel business, and obviously this benefits the State.

We have talked about crime, and we have talked about the crime that casinos would obviously bring. We have also talked about the FBI Report, their Index. The 1973 Total Crime Index of the top seven cities does not even include Las Vegas. The cities with the highest crime rates were - and I have also seen a report that I am sure you will be amazed at, as I was when I read it - number one, Phoenix, Arizona; number two, Daytona Beach, Florida; three is the quiet, sleepy little town of Ann Arbor Michigan; and the fourth, Fort Lauderdale, Florida.

ASSEMBLYMAN CODEY: Mr. Davis, will you try to summarize your comments?

MR. DAVIS: I will. Simply, I want to say that the representatives of the anti-casino group have been quoted as saying that the worst thing that could happen to Atlantic City would be the induction of legalized gambling. Their rationale is - which I believe is weak - that it may seem as though the City would lose all of its family business and the majority of its meeting business. I simply would like to say to you, one association which had met in Atlantic City since the 1950's, and probably further back, is the American School Administrators Association. Basically, they have brought 20,000 plus delegates with them. The delegates spent on the average of \$250 per stay. They are no longer meeting in Atlantic City this year. Would you like to guess where they are meeting, since legalized casino gambling would chase our business away? If you guess Las Vegas, you are right.

Based on what I have said today, I certainly encourage your wholehearted support of ACR-226, not only because it is perhaps the last vestige of hope and the last chance for survival for one of the few cities within our State, which is known throughout the world, but because - and these are the major points I would like to leave with you - of the overall contributions that the gambling industry could make to the economic recovery of New Jersey, and because tax revenues received from the gambling industry have a history of growth consistency, growing at a more rapid rate, and with little or no fluctuation associated with traditional forms of taxation.

ACR-226 must be looked upon with favor, since the revenue derived from legalized gambling will be dedicated to our senior citizens. In closing, let me simply remind you, lest you forget, that legalized gambling and betting is not new to the Garden State. We rank fifth in total number of dollars received from the 29 states that do have it. A re-order of beliefs must take place, I believe, if we are to survive. Obviously, I am not naive enough to believe that casino gambling is the total answer. Obviously, it is not a panacea unto itself, nor will it be for all of our ills. "The beginning of wisdom," stated Aristotle, "is the recognition that a problem exists." I believe we all recognize that New

Jersey is barely sitting on the horns of a financial dilemma. Will you and indeed the general public be wise enough and have the wisdom necessary to take the action which is demanded today? I sincerely hope so. I thank you.

ASSEMBLYMAN CODEY: Are there any questions?

ASSEMBLYWOMAN BURGIO: Yes. I would like to ask a question. One of the reasons Atlantic City is such a good location here, for so many years, is because it was so close to Philadelphia and New York, and now that we can fly all over the world in a couple of hours, do you think that casinos will be enough to hold vacationers and conventioners?

MR. DAVIS: Have you taken a look at the increase of family visitors to Las Vegas, those who have gone there not for gambling, but because of what it offers? Then my answer to your question is yes, most definitely.

ASSEMBLYWOMAN BURGIO: But it is going to take a long time for Atlantic City to be like Las Vegas.

MR. DAVIS: All right, our association would be diametrically opposed to Atlantic City ever becoming Las Vegas. We would not envision a 'garish, neon-lit street, a strip that is wall to wall with casinos, and one-armed bandits in the mens' rooms and the ladies' rooms. We certainly would look to those areas where --- Well, actually, I consider Las Vegas as a freak among gambling locations. To the best of my knowledge, there is no other city that offers legalized gambling like Las Vegas. Most of them are very strict. They have very stringent rules as to the hours of operation, and the dress code. You will find that there are also statistics, and I am always hesitant to use them, that show the revenue derived from legalized gambling in these other locations, a very, very small percentage of it comes from the local residents. Most of them - if you have ever been there - you have to go and seek out the casino to know that it is there. If you don't know about it, you won't find it.

ASSEMBLYWOMAN BURGIO: I wasn't even referring as much to Las Vegas as Puerto Rico or Freeport. The rotary convention for the group that my husband belongs to just went to Freeport, and they used to go to Atlantic City every year, because there was no place else they could get to for four or five days. Now they can fly there. Do you think that casino gambling alone is enough of a novelty to attract small groups like that back?

MR. DAVIS: I think you picked probably a poor example, because without casino gambling the Grand Bahamas really have nothing to compare with Atlantic City.

ASSEMBLYWOMAN BURGIO: I have never been there, so I don't know.

MR. DAVIS: Well, believe me. The climate is good in the summer, but obviously it is just as good in Atlantic City.

ASSEMBLYWOMAN BURGIO: Well, I think the part of the attraction to people in New Jersey is that they have never been there; they have been to Atlantic City.

MR. DAVIS: People are always interested in new facilities. I can assure you that if legalized gambling is permitted within this City, you will find that the 2500 rooms that I spoke of that were projected would double almost overnight. You will see some of the international firms, hotel corporations, wanting to build there. I think the significance of what legalized gambling means to the hotel industry in general was shown in a recent annual report of the Hilton Corporation. It showed that out of this massive international corporation, that over 40% of all of their net earnings for the entire corporation came from one property alone, and you know, you can guess where that one property was, Las Vegas.

ASSEMBLYMAN KAVANAUGH: Let's assume the worst and say it goes through the Committee, and it is released from the Committee, and it is turned down by the people,

POSITION STATEMENT OF THE EPISCOPAL DIOCESE OF NEW JERSEY IN REGARD TO
GAMBLING IN NEW JERSEY

PRESENTED AT THE PUBLIC HEARING AT THE STATE HOUSE,

APRIL 14, 1976

The Bishop and the Department of Christian Social Relations of the Diocese of New Jersey wish to go on record as being unalterably opposed to ACR126, the proposed Constitutional Amendment to allow Casino Gambling in Atlantic City.

Our reasons for this position are as follows:

1. From the standpoint of the wishes of the voters of New Jersey:
We are very mindful that the results of a public referendum on Casino Gambling only two years ago demonstrated clearly that an overwhelming majority of voters in 19 of our 21 Counties did not want this type of gambling to gain foothold in our State. Who then, can we ask, are the 33 sponsors of ACR 126 really representing? Also, what can we infer from the fascinating time set for this Public Hearing; - namely, Wednesday in Holy Week when it is quite inconvenient for the Clergy to be present?
2. From the standpoint of law and order: Physical acts of violence increase in proportion to the volume of gambling, thus creating higher policing costs for the community. And, as a corollary, the legalization of gambling provides a clear path for those who control gambling, - regardless of whether the state ostensibly does or not, - and tends to enhance the financial position of organized crime.
3. From the standpoint of society: The plain fact is that legalized gambling invites crime into a state already shot through with it. Casino Gambling would mean the extension of the power and influence of the gambling interests over the politicians and the people of New Jersey. This we do not need in the present condition of our society, shocked as it is by the many moral crises constantly being revealed at all levels of our government. In short, we think steps should be taken to change the character of New Jersey for the better and not for the worst.
4. From the standpoint of economics: At the present time about 2% of the annual budget of New Jersey is provided by the lotteries. The seashore resorts' own sponsored study (1971) forecast annual revenues of not more than \$73,000,000 after ten years, based on eight to twelve casinos operating in the State. Even if we double this figure to allow for inflation this is hardly a substantial source of revenue for a state whose budget is already approaching three billions.

Further, whenever any portion of consumer income is funnelled into gambling, excise taxes and other revenue - producing levies suffer in almost direct proportion. Thus, gambling is an undesirable source for new capital.

Gambling creates no wealth, produces no tangible commodity and is a poor substitute for constructive industry which generates employment and raises the standard of living.
 - a. Thus, when we apply these facts to Atlantic City, there is little hope that the high rate of minority unemployment will be alleviated by the introduction of casino gambling, especially when we note that unemployment in Las Vegas is well above the national level.
5. Finally, from the humanitarian standpoint: Making it easy to gamble tends to breed new practitioners, and legalized gambling is always accompanied by misleading advertising. This lures ever-widening circles of people into ever-increasing forms of gambling. For many of these people gambling becomes an emotional, compulsive addiction, like a drug, with the resulting ill effects upon themselves and their families.

Thus, it is our considered opinion that we cannot afford to permit the further extension of legalized gambling in our state, as it is a very poor method of raising new tax revenue, and that eventually it would wreak irreparable damage on the whole fabric of our society.

39 x

Presented by: The Rev. Canon Joseph H. Hall, III, Th.D., Diocese of New Jersey

what would you as an expert in the hotel/motel field, suggest Atlantic City do? What is another answer besides casino gambling? What would you forecast for Atlantic City?

MR. DAVIS: Well, first of all, I would like to know what your definition of expert is. I have heard many definitions, but the one that has been attributed to me most times is, you know what an "X" is, that is an unknown quantity, and you know what a spurt is, that is a burst under pressure, so before I answer the question, I would probably need to know that --- No, seriously, my answer is that they would still continue to scratch out an existence. You would find not the 3,000 rooms that have been lost over the last half decade - this would simply multiply. You will have people literally going out of business. If you look at the financial figures of many of the properties in Atlantic City over the last two years, and grant that the Arab oil embargo, and the lousy state of the national economy have had something to do with it, but many of these properties were reporting profits of one-half of one percent. Now, it really isn't much worth your while to stay in business at that rate.

I think that it would become a second, third, or even fourth rate resort area. You would have an infusion of second, third and fourth rate people buying the property up. The crime rate would out of necessity go tremendously up, because the people it would attract at that point would be the undesirables. I can't believe the City would simply go under the next big wave, but I can almost assure you, as someone very aptly said today, that Atlantic City would be the complete and absolute ward of the State. How long can a city continue to survive, much like New York, on an 83% tax collection? They would default. They would belong to the State, and then I am not sure where the monies would come from to bail them out, if indeed they ever did.

ASSEMBLYMAN KAVANAUGH: Thank you.

MR. DAVIS: You are very welcome. (Prepared statement appears on page 22X in the Appendix.)

ASSEMBLYMAN CODEY: Thank you. Our next witness will be Anthony Rey, President of the Chalfonte-Haddon Hall Hotels.

ANTHONY REY: Thank you. I have a very brief statement, and I would like to read it. I am Anthony Rey, President and Managing Director of Chalfonte-Haddon Hall Hotels, New Jersey's largest hotel on the boardwalk in Atlantic City who employ approximately 700 in staff. Just three years ago, we employed over 900 in staff.

My associates and I feel legalizing the urge and desire that exists for the pleasure and excitement related to legalized gambling would provide a feature attraction for visitors to Atlantic City and that it would deter those who presently profit by the absence of well-regulated and controlled gambling.

The new attraction would rejuvenate one of our State's largest industries, the hospitality industry, and it would provide considerable employment that has been lacking these past few years. It would further provide twelve-month or year-round operation in lieu of the short season that presently exists. We can see daily crowds of tourists; we see means of creating added livelihood; a change of atmosphere of capital investment, and modernization of present facilities. We can also see improved transportation. And only by leveling off the present economy can this become a reality.

There is indeed a need for a new choice of recreation in our community which is solely a recreational area. We need attractions for every age and for every member of the family. Atlantic City has been a family resort for the past hundred years, and we have no intentions of changing that image. We sincerely hope that the Legislators of this State and the citizens of New Jersey grant us the assistance that we so desperately need.

Gambling would create new construction, modernization and a new image to the "Queen of Resorts." We who champion the proposed legalized gambling are not lustful, wanton gamblers, nor do we want undesirables in our communities. Neither do any of our citizens picture legalized gambling as a total solution to all of our problems. But we look upon gambling as the one means to rebuild our community and to give an infusion of enthusiasm and desire to continue business at the seashore. If Atlantic City ever needed help, it needs it today.

If I might make a comment, I have been listening to Las Vegas versus Atlantic City gambling all day, and I think everybody here has the wrong picture. We are not looking for Las Vegas gambling twenty-four hours a day. We are looking upon gambling and gambling casinos in the same manner that you would use Monte Carlo night or as in the Bahamas, where there would be restricted hours, restricted dress, and restricted type of people that would be able to use it. We certainly are not looking for slot machines in every lavatory and every street corner. I think it can be controlled. I am a rather religious man. I do not gamble. I know nothing about it, but I see it as being a great asset to a community that is in such desperate need. Thank you.

ASSEMBLYMAN CODEY: Thank you, sir. Our next witness will be Pauline Hill, of the Public Interest Coalition.

P A U L I N E H I L L: Thank you, gentlemen. Good afternoon. In some ways I feel like Alice in Wonderland today. You say that we have had many of the facts and we must not be repetitious, but it simply proves that the facts are self-evident. The Alice in Wonderland reference is the fact that I went down the hall just a few steps to get a drink of water and there is a big slot machine in the hall right outside this Chamber, selling lottery tickets, which I suppose is a form of gambling.

ASSEMBLYMAN CODEY: It is not a slot machine.

MS. HILL: I called it that purposely, sir.

ASSEMBLYMAN CODEY: It is not that.

MS. HILL: That is the way a woman exaggerates, to make a point.

This was the Atlantic City Press of yesterday (indicating). There is a full page ad for the lottery.

ASSEMBLYMAN CODEY: Before you go on, would you identify yourself.

MS. HILL: I thought I did. I'm sorry. I am Pauline Hill, Director of Public Issues Committee of the Greater Atlantic City Public Issues Committee, former Director of the Atlantic City Housing and Redevelopment Authority.

So we have a full page ad and I have never seen that in Las Vegas. So there is today, as we all somehow realize, a kind of cynical hypocrisy. Casinos are deprecated as gambling houses and the word "houses" was deliberately used, I suppose. We do have gambling. We have lotteries. We have pari-mutuel betting. We have bingo. So there is a distinction without a difference through this whole meeting today.

I think we can consider the risk-benefit ratio. The State would no doubt benefit from casino gambling in Atlantic City. The other effect on the State would be the cost of welfare and the loss of taxes if we do not get a stimulant in Atlantic City.

As for security, I have spent much time in Las Vegas simply because I am a golfer - I'm not a gambler - and it is a great place to play golf in the daytime and have good entertainment at night. So Las Vegas can afford good entertainment, which gambling would bring to Atlantic City.

We, in Atlantic City, are within three hours' driving distance of one-third of the population of this nation. So, if they did not gamble, they could afford to come

to Atlantic City, have dinner, have great entertainment, and go down to the beach. There is no necessity for them to gamble. We could offer them other attractions. Atlantic City has potential that is important to the whole State of New Jersey. It is a perfectly beautiful island in the sun. The potential would be maximized in other areas, I am sure.

We have been by-passed, as has been said before, by improved air travel and there are available resorts. But we have accessibility which is important in this context.

I think it is significant to note in view of the statement of the Superintendent of State Police, that the New Jersey State PBA is meeting in September in Las Vegas. I think that is just great for the New Jersey PBA.

Certainly, gambling is no panacea. What we are looking for is a catalyst that will bring bodies to Atlantic City and that will justify a financial feasibility study for a high-speed line or the extension of it, so we can become a residential community, a convention community, and have a 12-month economy. All these things are healthy for the State.

As to the question posed before as to how long this would take, there would be an immediate benefit in so far as risk capital investment would be available. We have no doubt about that. That has been made very clear to us; due to some of my misbegotten efforts, we have land available for such development.

So in many ways gambling means many things to the entire State of New Jersey, not just Atlantic City. I am a delegate to the International Gerontology Society. I have been responsible for the development of 350 dwelling units of senior citizen housing. I know their needs and they are critical and they are desperate. Anything we can do in the State to help alleviate their need should be very thoughtfully considered. The senior citizen needs - I know they are constantly being expressed, but they are not being met. Anything we can do to meet them, we almost must do now.

Governor Byrne has apparently expressed his support of this present bill. But I don't see a supportive position evident in the top administrative echelon and that does worry me. If I were the Governor, I would like to see some support in the top echelon.

ASSEMBLYMAN KAVANAUGH: We would too.

MS. HILL: I don't know how many of them have civil service tenure, but I would certainly find out.

When we talk about unemployment, we talk in overall figures. But in the construction industry, an industry I have been very close to, the figure is over 50 percent. I know excellent contractors who have not been able to keep their organizations together.

No, gambling is not the answer in its entirety for Atlantic City, but it is a very, very important beginning and, without it, as someone said earlier, we will become wards of the State. To waste that island, if you have ever flown over it, is a shame. Cities die just the way people die. It just takes a little longer. We would appreciate your very serious consideration of this.

ASSEMBLYMAN CODEY: So you are in favor of it.

MS. HILL: I would say so. Would you like the exhibit?

ASSEMBLYMAN CODEY: No, that is quite all right.

MS. HILL: It is a full-page ad. Thank you.

ASSEMBLYMAN CODEY: Our next witness will be Bernard Saltzman, Atlantic City Hotel-Motel Association. (Not present.)

Is Louis Dalberth still here? (Not present.)

Is Al Marks here? (Not present.)

John Holzmer.

J O H N H O L Z M E R: Mr. Chairman and members of the Committee: I am John Holzmer, President of the Atlantic, Cape May, and parts of Burlington, Ocean and Cumberland Counties Building Trades, which involves 17 local unions with a membership of over 3,000.

Those of us in the building trades who have the responsibility of securing work for our tradesmen have been faced with mass unemployment in the Atlantic City area over the last 18 months. We look to you, our legislators, for help.

We are here today to urge your support for casino gambling for Atlantic City. You can take the first step to rejuvenate a dying city. With the passing of casino gambling for Atlantic City, it will bring new investors to build modern hotels, which are badly needed if Atlantic City is to compete for conventions in the future. In turn, this would create jobs in the construction industry for unemployed tradesmen. It will also create jobs on a year-round basis for those employed in the hotels. At present, they are only employed four months out of the year.

Atlantic City is in need of modern facilities to house convention delegates. Without these facilities, the convention business will continue to decrease as it has in the past few years. To make these goals possible of accomplishment, we need your cooperation and approval for casino gambling for Atlantic City. The convention business and casino gambling are not incompatible. In fact, they can and should go hand in hand. We ask you to give your full consideration to the opinions expressed here today by every segment of the population of Atlantic City and render a "yes" vote for casino gambling in Atlantic City. Thank you very much.

ASSEMBLYMAN CODEY: Thank you.

Our next witness will be George Stockinger. Is he still here?

G E O R G E S T O C K I N G E R: Mr. Chairman, ladies and gentlemen, I am George Stockinger, Secretary-Treasurer, New Jersey State Electrical Workers Association, which represents 55,000 members in the State, and also the Business Manager of Local 211, International Brotherhood of Electrical Workers in Atlantic City. I will only take a couple seconds of your time.

I would like to say that for the past 18 months - I have 220 members in my local, which is one of the smallest ones in the State, but one of the best - I have had from 85 to 96 people out of work. At the present time, I have about 65 out, but only because of the lighting job at the Atlantic City Race Track and the refurbishing of the Steel Pier. After that, as you have heard before, the construction outlook in our area is unbelievable. There is nothing.

The good doctor said this morning that in Las Vegas in July and August, the unemployment rate would be 6 percent. That would be, I imagine, the same as down in Atlantic City during December and January. If we could get down to 6 percent, we would think it was utopia.

For these reasons, I would like to ask the Committee to vote favorably to get this on the ballot. This time I hope it will pass and I am pretty sure it will because the members of the State Electrical Workers Association last October when I went before them to get their support, the only people who were against it were the ones that lived in North Jersey and had moved out of the big cities and were fearful of having a casino put in their backyards. Thank you.

ASSEMBLYMAN CODEY: Thank you, sir.

Is Mary Tanner here?

M A R Y C. T A N N E R: My name is Mary Tanner. I live at 354 Cold Soil Road in Lawrence Township. Thank you very much for the opportunity to testify before your Committee. I want to emphasize that I am not representing any organization. I am simply presenting my views as an individual.

Supporters of the introduction of gambling in Atlantic City to attract greatly-needed investment capital to promote tourism and to revive the economy of the oceanside resort have introduced a new amendment, ACR 126 and its Senate counterpart. This proposal eliminates the provisions that casino advocates believe were responsible for the defeat of the gambling referendum in 1974. Under the amendment now being considered, casinos would be confined to Atlantic City. Revenues to the State, estimated by Assemblyman Perskie to be between \$5 and \$15 million, would be applied solely for the reduction of property taxes, rentals, telephone and utility charges of eligible senior citizens. Unlike the previous proposal, ACR 126 does not specify whether the State will run the casinos or whether they will be privately operated. Of course, they would be under State regulation.

When ACR 126 was presented to the Assembly State Government Committee, one member expressed concern that if casinos proved to be an outstanding success in Atlantic City, other resort areas would exert pressure to have them. Sponsor Steven Perskie conceded that this could be a problem. If this amendment is adopted, we have then to face the possibility that casino gambling would be permitted in other municipalities. It seems to me also that dedicating the revenues to help senior citizens is misleading. Everybody wants to help senior citizens, and many will vote for this amendment without realizing its implications. Advocates of this legislation understand and specifically state that the revenue from gambling will not eliminate the need for tax reform and for additional State taxes. Many voters, however, may not realize this. Opposition to an income tax is strong, and they may have high hopes of gambling as a revenue-producer.

Some people feel that although they do not like the gambling proposal, they will not oppose it because, as believers in home rule, they do not think they should deny Atlantic City the privilege of having casinos if it so desires. I think we should all realize, however, that the influence of casinos would be felt beyond the borders of Atlantic City.

ASSEMBLYMAN CODEY: Mrs. Tanner, would it be possible to give us some excerpts from this rather than reading the whole statement?

MS. TANNER: Yes, surely.

What kind of gambling operation do the advocates of casinos envision as providing that extra dimension for tourism? The sponsors do emphasize they do not want to turn Atlantic City into another Las Vegas. However, the referendum does not contain answers as to what kind of casinos.

In appearing before the State Government Committee, Mr. Perski explained that the Puerto Rican model would be followed. I am sure that this is what he and other sponsors sincerely desire. However, other proponents of casinos in New Jersey may have a different conception of the nature of the gambling they want to see introduced into Atlantic City. Two years ago when Assemblyman Pellechia presented the gambling referendum to the New Jersey Assembly, he criticized the arguments against gambling in New Jersey that appeared in the press as being partially inspired by the Nevada

interests who "were about to lose their empire." This statement may not reflect Mr. Pellechia's thinking now; it may have been simply exaggeration. But it may represent the goal of some of the advocates of the proposed amendment. I think the Committee members should find out if they have not already done so.

Advocates of casinos who expect those in Atlantic City can be operated on the Puerto Rican model should be mindful of the differences between the two regions. In our metropolitan area there would undoubtedly be pressures for different types of gambling. Gamblers like action and variety. In an urban, democratic setting, how could Atlantic City restrict gambling to the "high rollers", the premium trade? Historically, in urbanized nations it has been the lower and the upper socio-economic classes who have gambled heavily. According to Bill Friedman, author of a comprehensive volume, entitled "Casino Management," published in 1974, the latter have been effectively exploited already. "A major casino," he says, "needs a training program just to maintain its current volume of business. . . . Casino customers come with their own built-in obsolescence - they are subject to severe financial perishability."

Mr. Friedman states that the premium market has become less profitable partly because of increased operating costs, which are, as he describes, "tremendous." Among these is the growing role of complimentary services to attract premium customers. So the per capita profitability of this kind of customer has been reduced. This means that the expansion must come from the smaller wagers. There is, of course, great potential for volume of business with these customers. Increased volume is required to produce income from these "grind" customers, as they are called, but the income is more predictable and promotional costs are less. Mr. Friedman frankly states that casinos must do more to encourage the middle-income customer to gamble.

Gambling would, I think, have an unfortunate effect on the economy of the State as a whole because it is a parasitic business. It creates no wealth and performs no useful service. Even without fraud and manipulation, it operates on a one-sided percentage basis which makes it impossible for its patrons as a class to benefit. "Customers who go overboard and gamble more than they can afford are the backbone of the gaming business," says Bill Friedman in "Casino Management." To some extent, the economy of Atlantic City would probably gain, but money spent by New Jersey residents on gambling means that it is not spent on some other enterprise. Can Atlantic City attract out-of-state tourists to the casinos? Perhaps for a while, if we open them first, but other states would undoubtedly follow. As the New Jersey Gambling Study Commission found in 1973, in some forms the establishment of a legal gambling "industry" can be expected to have a locally beneficial effect, but the economic benefits to the State are more problematical. We do have to face the question: How much of the something-for-nothing philosophy can our society and economy afford?

ASSEMBLYMAN CODEY: Mrs. Tanner, please just give us excerpts.

MRS. TANNER: All right.

There is impressive evidence that the social costs of a gambling industry are excessively high, especially for an urbanized area. The crime and the costs of law enforcement would undoubtedly increase. On March 2, 1976, Attorney General Hyland repeated his previous opposition to casino gambling.

The report of the Legislative Gambling Study Commission which looked favorably on the legalization of casino gambling also stated that the government should take an interest in contributing to the understanding and solution of the problem of compulsive gambling. It was suggested that the State establish a program in this area comparable to that which had already been established for the rehabilitation

of alcoholics and the prevention of alcoholism. The commission stated that legalization would very likely lead to an increase in the number of compulsive gamblers and that action to expand legal gambling would increase the problems of compulsive gambling.

Then Dr. Ronald Smith, a sociologist at the University of Nevada, has predicted that casino gambling would create massive social and law-enforcement problems for areas with an urban environment. It is quite possible that in the long run unemployment might increase in Atlantic City as unemployed segments of society would migrate from other states to the area.

The argument that casinos would attract prostitutes cannot be dismissed lightly. Bill Friedman in "Casino Management" describes the problems and the expense of achieving a successful entertainment policy. He writes, "Three of the most successful premium gambling oriented hotels developed reputations as fun spas with readily available sex without ever presenting topless entertainment," and ". . . men want to see the broads after they have been drinking and gambling all evening."

If we foster a climate for gambling, it seems to me that we are running the risk of creating overwhelming social and economic problems.

Atlantic City though does need help desperately and I think it is the responsibility of everyone opposed to casino gambling to work for constructive solutions to the problems facing Atlantic City and all our other urban centers. Tax reform is basic - and Steven Perskie has worked hard to achieve it. In addition, the State should devote more funds to the promotion of tourism. I don't have the most recent figures, but three years ago, the small State of Vermont spent much more on tourist promotion than New Jersey did. I think the resort areas themselves could make a more vigorous effort in this direction. More could be done to promote golf, tennis, sailing and canoeing in the nearby rivers. The historical heritage of the region would prove attractive to many more New Jersey residents. Are we working hard enough to attract the French Canadians who have been coming to the New Jersey shore in increasing numbers? As gasoline becomes more expensive, people will vacation nearer home, and Atlantic City has much to offer. Also certain types of industry and research are compatible with tourism; for example, oceanography, sea farming, and solar power. There must be many others.

Restoring and giving a new direction to Atlantic City will require hard work and sacrifices. I am convinced that it can be better done without casino gambling. I think we must always remember that a democratic society thrives when public policies foster the best qualities in the individuals who comprise it. I urge you to vote "no" on casino gambling.

ASSEMBLYMAN CODEY: Thank you for paraphrasing your statement.

MS. TANNER: I did.

ASSEMBLYMAN CODEY: You read the whole thing.

MS. TANNER: No, I didn't.

SENATOR MC GAHN: Mrs. Tanner, do you honestly think - I am not trying to be funny, but I can't help asking this - that the sports that you mentioned - golf, tennis, sailing, canoeing, oceanography, sea farming, solar power - will ever take the place of sex? (Laughter)

MS. TANNER: I don't think that is a fair question, Dr. McGahn. I read it awfully fast, but I was really talking about the exploitation of sex, not sex.

ASSEMBLYMAN CODEY: Thank you.

Next will be the Rev. Layton Anderson, Coordinator of the United Trenton Ministry.

REV. LAYTON P. ANDERSON: As you note, this is a brief statement. I have been toying with the thought that it might be a good idea if statements had to be limited to maybe two pages or something.

My name is Layton Anderson, Coordinator, United Trenton Ministry, but I am here in behalf of the State Council of Churches, to offer the Council's statement on Assembly Concurrent Resolution 126.

Previous to coming to Trenton a year and a half ago, I was an Atlantic Cityan as the pastor of a local Methodist Church there. It was like coming home when I came into the Chamber here today and saw Senator McGahn and the hotel people. It is a great group to be with. They well know my position, but this is not my personal position, even though I support it.

Bill 126 on the question of Casino Gambling, restricted to Atlantic City, directs our attention to three basic needs. The first need it would be structured to address is the failing economy of Atlantic City. A second concern is the present and expanding needs of a growing number of Senior Citizens in New Jersey. The third need is that of the physically handicapped in our State.

The New Jersey State Council of Churches strongly supports legislation that more adequately addresses these needs. We feel, however, that the Casino Gambling is a paltry, piecemeal approach to a serious problem and could not in any way adequately address even one of the above-mentioned needs. To hold Casino Gambling up as any solution to critical needs of our State is illusionary and shortsighted.

The State Legislature must be forthright and strong in approaching the physical problems of providing the necessary services to the electorate of New Jersey. A graduated broad-based tax would appear to be the only answer to the growing needs of our modern state.

Casino Gambling plays on man's natural bent to dream of a magic solution to a real problem. Most gamblers only use up scarce resources preserving their illusionary dreams. A government body that deals with such illusions to seek solutions to real problems loses credibility.

ASSEMBLYMAN CODEY: Thank you, Reverend. Just let me say - I don't know how long you have been here - that neither this morning or this afternoon in no way was casino gambling proposed as a solution to the critical needs of our State.

REV. ANDERSON: I appreciate that and I recognize that as being definite in so many statements. The point that we are trying to make is that it's a much deeper problem and Atlantic City considered on its own is a much deeper problem; so are the similar problems in Trenton and Camden and Newark and Paterson, which are very deep and pervading, and need a very strong approach.

ASSEMBLYMAN CODEY: Thank you, Reverend.

SENATOR MC GAHN: I would like to thank you for the brevity of your presentation and the meat that is contained in it.

REV. ANDERSON: Thank you, Senator

ASSEMBLYMAN CODEY: Is Thomas Cray here?

THOMAS C R A Y: Good afternoon. My name is Tom Cray. I am President-Elect of the Mainland Chamber of Commerce, and I have good news for you. My testimony is going to take one minute. I timed myself back there.

Our Chamber represents the business communities of Somers Point, Linwood, Northfield, Pleasantville, Absecon and the communities of Egg Harbor Township. As I

was coming in the building today, I passed the Governor's Office and on the right-hand side was a sign that said, "No man is an island unto himself." Well, Atlantic City is an island, but not an island unto itself. That which affects Atlantic City directly also affects our mainland communities.

Atlantic City certainly has no potential for any large industry. It does have the potential to be restored to its rightful place as a world-famous resort. And we, the business community of Atlantic County, feel that legalized casino gaming will be the stimulous to revitalize our area to a place of world prominence once again and bring jobs and prosperity with it, without in any way being detrimental to the interests of North Jersey. Hence this resolution prepared by the Mainland Chamber of Commerce:

"RESOLVED, That the Greater Mainland Chamber of Commerce joins its neighbors, six Chambers of Commerce and the Alliance of Chambers of Commerce of Atlantic County, in urging the passage of enabling legislation to place casino gaming at Atlantic City on a referendum, in the best interests of the business community, the taxpayers, and all of the residents of Atlantic City and of the entire State of New Jersey."

Thank you very much.

ASSEMBLYMAN CODEY: Thank you, sir.

Is William Downey here?

W I L L I A M J. D O W N E Y: My name is William J. Downey, the Executive Director of the Atlantic City Housing Authority and Redevelopment Agency. Our agency is charged with the responsibility of securing development in urban renewal areas throughout the city. At present we have available for development a 56-acre tract, situate next to the Steel Pier in Atlantic City and comprising approximately 1500 feet of boardwalk frontage.

In our attempts to secure development, we marketed the area both nationally and internationally to every known medium of real estate development within the last three years. We attracted through our promotional campaign over 350 expressions of interest. But we were equally unsuccessful in securing a bona fide proposal for development. What was the problem? It was simply one of financing. The major lenders to whom we have spoken during the course of the last few years have serious questions concerning the economic feasibility of hotels in general and hotels in Atlantic City in particular. Many factors contributed to this and I want to pass over that because it has already been covered in other testimony.

But in spite of this grim forecast, there was one brief shining moment on the horizon within the last three years; and that was the possibility of securing legalized gambling in Atlantic City as a result of the referendum which you placed on the ballot in November of '74. Immediately prior to the question, we had inquiries from a number of reputable nationally-recognized hotel operations throughout the United States, despite what some of the testimony offered to you today was. That is a fact - we did. Why? The answer was simple. Legalized gambling would have provided the necessary room days to ensure the economic feasibility of constructing major hotels in Atlantic City. As crass as it may seem, lenders are totally profit oriented. They are not eleemosynary institutions or charitable organizations.

As Governor Byrne pointed out in our fair city a couple of weeks ago, lenders at this time are not interested in investing in Atlantic City. Why did he make that statement? We went to him and we said, "We need your help." I am talking about some of the lenders right in the State about whom you know. They are just not interested in investing in Atlantic City.

Why do we place the emphasis on the hotel development? The tourist and convention business is the lifeblood of our economy. As you know, tourism is the second largest industry in the State. Our convention facilities are the finest in the nation. Our Bureau, in spite of the loss of over 3,000 hotel units in the last five years, is performing an outstanding service. But without new transient units, our tourism and convention trade will inevitably decline to a still lower position. We look upon gambling as a means to obtain immediate - and I underline "immediate" - infusion of new investment capital in the city, which has for all practical purposes been red-lined. The city has been red-lined.

There is another dimension to the problem - it is a human one. Let me give you a concrete example. The MGM Grand Hotel in Nevada was constructed at a cost of approximately \$117 million. It contains 2100 rooms, provides employment for 4600 people. What would such a facility mean to Atlantic City? It would mean, first, an immediate reduction of \$1.29 on our present tax rate, based on our current budget. Our average unemployment for the year 1975 was 20.1 percent or in absolute numbers, 4900 unemployed for the year. This one facility, all things being equal, would virtually eliminate our unemployment problems in the city.

Let me close with a personal note. I live in Atlantic City. I am raising five children in Atlantic City. I am President of the Parent Teachers' Association of Our Lady, Star of the Sea, Parish in Atlantic City. I am also a member of the Bishop's Commission on Social Justice for the Diocese. I have heard a lot of the moral arguments. As a father and as a concerned parent, I could not in good conscience espouse any position which would be harmful to their education, environment and general well-being. I am more concerned about that than many of the speakers who appeared here today. More importantly, according to the tenets of my faith, I would be less than responsible if I were to advocate something which was harmful to their eternal destiny.

The question you are considering, in my judgment, could restore immediately the economic life to the city. When measured against some of the negatives concerning this issue, I think you would agree that the definite good would far outweigh the possible evil.

Thank you very much.

ASSEMBLYMAN CODEY: Thank you.

Is "Chick" Gibase here? (Not present.)

Is Peter Lucchin here?

P E T E R L U C C H I N: I don't have a prepared statement. I am Peter Lucchin. I am sitting in for Richard Barish who is the Chairman of the Alliance of Chambers. Therefore, I will simply report that the Alliance, like the Greater Mainland Chamber of Commerce, backed Atlantic City's resolutions, and we are backing them in their attempt to get legalized gambling for Atlantic City.

I might say that a couple of years back, it was a very difficult proposition to convince all businessmen to go in one direction. There was strong opposition. It might be interesting to note that the reason for the opposition then was because it wasn't just casino gambling for Atlantic City, but would have opened up the entire State to gambling. This probably would have defeated the purpose for Atlantic City, if we might look at it from a selfish view there, because then there would have been competition throughout the State, and I believe that no one -- or, at least, those who were opposed believed that no one would have gained too much by it. It would have been scattered throughout the State. Then, of course, other states and other cities nearby would have had to immediately jump in in self-defense. I believe that

most businessmen feel that this is the correct approach.

Fortunately, for Atlantic City, it is also a very big aid for Atlantic City and it is something, of course, that is needed, as you have heard time and time again here today. But if it stays in its present form, then we are all very much for this move. The business community is 100 percent behind it. I am only speaking for the Alliance of Chambers today and trying to give you a report from them, without a written statement, and doing you all a favor and making it short.

Thank you very much.

ASSEMBLYMAN CODY: Thank you, sir.

Irene Leitz, Atlantic City Chamber of Commerce.

I R E N E L E I T Z: Good afternoon. I wonder if I am the last one. I will make it very brief.

I am Irene Leitz, President and Spokeswoman for the Women's Division of the Greater Atlantic City Chamber of Commerce.

ASSEMBLYMAN CODY: Are there two divisions?

MS. LEITZ: We have four divisions. We are part of the Greater Atlantic City Chamber of Commerce. We represent 150 businesses and institutions in the Atlantic City area.

We felt that a woman's voice should be heard today. There is no need to remind any of you of the unemployment statistics in New Jersey and the fact that Atlantic City leads the State in unemployment. The need for an economic catalyst for our city is self-evident. Perhaps less evident, but no less important, is the vital need for a less tangible catalyst, a psychological spur for the people of Atlantic City.

We have seen the flow of tourists and the numbers of conventions decrease because of the decline of services and attractions in our city. The legalization of casino gambling would provide the inspiration and the economic impetus needed by our citizens and our city.

We of the Women's Division, vitally concerned with the future of the Greater Atlantic community, heartily advocate passage of this bill to legalize casino gambling in Atlantic City.

I thank you for this opportunity to express our support of this bill.

ASSEMBLYMAN CODEY: Thank you.

Mr. Jack Johnson.

J A C K J O H N S O N: Members of the Assembly, we wish to again go on record in opposition to any form of casino gambling.

ASSEMBLYMAN CODEY: Excuse me. Will you identify yourself?

MR. JOHNSON: I am Jack Johnson and I am Chairman of the Board of Church and Society for the Methodist Churches of Southern New Jersey, which are all churches south of the Raritan River.

We wish to again go on record in opposition to any form of a constitutional amendment which would legalize Casino Gambling in the State of New Jersey.

We believe that gambling is a menace to society, deadly to the best interest of moral, social, economic, and spiritual life, and destructive to good government.

We believe that the revenue from the proposed Casino Gambling will not prove to be the "Savior" of our urban centers.

We believe that the proposed Casino Gambling will only increase the degree of corruption and decay in our State in terms of the presence of organized crime.

We further believe that the citizens of New Jersey have registered their opinion by the defeat of the 1974 proposed constitutional amendment and that the new proposed

amendment will have the same adverse effect upon our State. Therefore, the Assembly should respect the voice of its citizenry.

We had invested our time and resources to defeat this proposal and we do not appreciate having to launch another "Casino No Dice!" campaign.

Gentlemen and ladies, we appeal to you to defeat this bill in the Assembly in order that voters of New Jersey again do not have to reject said proposal.

I can only state that the thoughts expressed are taken from resolutions that were passed in '74, at which time this was before us. We thought as we returned to our '75 Conference that it was over once and for all.

There are a few comments I would like to make concerning the moral issue. I know and I have heard today - and I have only been here for two hours - that our morals are changing and we are concerned about them, and are concerned about what institutions have to do with our morals. I think the moral issue for you, ladies and gentlemen, as government people, is: Is this the way in which government should be involved in raising funds in order to defray the expenses of certain needs of our citizenry? I think you have to examine that question.

I am very much concerned about Atlantic City. And, as I hear gentlemen who are very much actively involved in the tourism business, with all due respect to their opinions and their abilities, I wonder, when people lift up such cities as Atlanta and Dallas as becoming tops in the area of conventions, whether it occurs to people that it isn't casino gambling that makes this possible. I wonder, if Atlantic City has many of the natural assets that they keep talking about, what other possibilities are there for Atlantic City besides casino gambling. Is it the only hope? How is it that other communities, other cities, can make their towns and their cities become places that bring in tourism?

Finally, just as the devil's advocate, I am also an elected official of the largest community in Ocean County, Dover Township. I have some misgivings about this proposal being only for Atlantic City. What if I, as an elected official of Dover Township, said we are interested in having casino gambling in our community and that we think in many ways it is unfair to just allow one city to have casino gambling. We were particularly concerned about the development of our community and recently have developed the concept of a seaport to bring in tourism in that way. What would prevent us though from raising the issue of why we couldn't have casino gambling in our town?

ASSEMBLYMAN CODEY: There is nothing to prevent you from raising the issue and asking your Senator or Assemblyman to propose it as a referendum, as is being done here today.

REV. JOHNSON: So, in fact, then, there is a possibility that other communities in the State would be asking this question?

ASSEMBLYMAN CODEY: Certainly. But the proposal in front of us says Atlantic City and Atlantic City only. There is no other proposal in the Legislature for any other municipality in the State of New Jersey.

REV. JOHNSON: I am aware of that. I think many of the citizens of the State have reservations that, in fact, this will now happen.

SENATOR MC GAHN: Reverend, I think you find yourself in a unique position, and possibly it is the same position as the members of the Legislature find themselves in, that being, you find yourself, personally, having a moral position as far as an issue is concerned, but which position your constituents do not adopt - they are asking for something else. Therefore, what do you do? How do you resolve this? By restrictive legislation which denies the right of the individual to do that which

he wants as long as it is not, in essence, breaking the law or simply permitting regulation of that in the interest of all? That is, if you will, basically the question. This is where we find ourselves on the horns of a dilemma. This is where our opinions basically differ.

You mentioned the crime factor. It is my belief that all the opposition that stems from this on the morality issue is based on statistics from Las Vegas and Las Vegas only, to a large degree. We do not find ourselves being confronted with crime statistics from the Islands, from Portugal or any other place - everything is Vegas. Unfortunately, most of those figures were actually obtained during the time Vegas was going through a rather difficult time. There is no doubt about that. And, certainly, some organized crime has been rooted out of Las Vegas. There have been numerous changes made. I would like to say on the record, prior to the time when organized crime was controlled in Las Vegas, there was very little street crime. They did a better job of policing and enforcement than is being done many places at the present time. I don't recommend that. This is just a comment.

ASSEMBLYWOMAN BURGIO: You brought up a very good point: If it is fair to allow Atlantic City to have gambling, would it be fair to another city? The process would be the same. In order to allow another area to have gambling, it would have to go to a referendum, somewhat like horseracing, which is restricted. Night racing and new tracks can only come with new legislation. But you have touched on a point that is of concern to many of us.

REV. JOHNSON: I would just like to say one other thing. In this dual role I am in, with all due respect to my constituency who elected me, I think first and foremost I always have to vote for that which is most moral to me. I think when people today are asking what is happening to our institutions, these are some of the kinds of issues that are raised. As you say, values are changing - indeed they are. But I still hear people - middle Americans, if that's what you want to call them - say, "What's happening to our values?" I think it behooves the church and also the government to uphold and again to affirm some of those values. Gambling, I think, whether it be bingo or what have you, is all wrong, the idea being that somebody can get something for nothing. It just isn't my understanding of good stewardship.

SENATOR MC GAHN: I think we may find some very interesting attitudes throughout the country from the President's Commission to look into and establish a national policy for gambling. It should be forthcoming in October of this year, which means probably next year.

ASSEMBLYMAN CODEY: Thank you, Rev. Johnson.

Larry LoDico.

L A R R Y L o D I C O: My name is Larry LoDico. I am a resident of Atlantic City. I am opposed to legalized gambling of any kind in Atlantic City. Casino gambling specifically is what I am opposed to.

There are two very important points that I would like to bring out. The first point is this: Some people have indicated that the employment problem in Atlantic City would be alleviated by introducing casino gambling. After the construction is over and the casinos are built, the only jobs that would be available would be jobs like waitress, waiter, bus boy and bell boy. These are jobs that are already available that nobody wants. If you go down to Atlantic City today, you can pick up the newspaper and see waitress, waiter, bus boy and bell boy jobs available, but nobody wants them. The reason for the unemployment is that people are trying to avoid this type of job. They don't want to be employed like this.

The corruption in Atlantic City, the police corruption and the political

corruption, will probably be increased if you have casino gambling. Any type of legitimate business that was thinking about moving into the area will probably cancel their plans. They don't want to have to be harassed by corrupt political officials or corrupt police officials. If you are thinking of approaching people in Philadelphia or New York with the idea of operating a light industry of some kind in Atlantic County, they probably wouldn't even entertain the idea, because they would have to deal with the political officials, which they don't want to do.

These are the two points I wanted to bring out. We already have the lottery. I am not opposed to the lottery. I am not opposed to the race track. But, as far as any more legalized gambling, I am opposed to it.

ASSEMBLYMAN CODEY: Any questions? (No response.)

Thank you, sir.

Dr. John Reiss.

J O H N R E I S S: My name is John Reiss. I am speaking as a resident of Atlantic County. I am an economist by training. I just want to be here to represent the view, which I think has been the majority view during the time I have been here, in support of casino gambling for Atlantic City.

The issue which seems to me to be absolutely crucial is one which a lot of the business community people raised; that is, simply to have an infusion of start-up capital, which can then lead to the generation of more capital coming into the area. I think it is fairly clear that casino gambling may do that. I think it is also clear, in response to the last gentleman's suggestion that people are not taking jobs, that if, in fact, you get casinos and associate industries coming in, that is going to do a lot toward raising the wage rate in the industry. When wages go up, people tend to be much more inclined to work. I think one of the problems at the present time is that the wage rates are very low, which is always true in a market where you have an abundance of labor and not a lot of jobs for them to do.

In terms of my familiarity with the area, I know many people who have been trying to do very many different things to introduce capital into the area. We know that even the local financial institutions at the present time are not making funds available for capital investment. The whole purpose, it seems to me, of introducing the casinos into Atlantic City is to generate some capital investment, which can then lead through the usual multiplier effects - I can think of better ways to describe it - to the generation of more activity in the area. If you have seen Atlantic City recently, you know in what condition it is. I think to compare it to other cities in the State is misleading at this time. There are huge areas which in effect are totally abandoned. If you look at the 1970 census figures, a black family of four has a median income - that's the middle level - of around \$5,000, compared to a State average at that time of \$12,500. A white family of four had a median income of just a fraction over \$7,000. The relative income levels there are fantastically lower than in most of the rest of the State.

I think any activity which the Assembly can encourage to generate more economic activity down there is absolutely essential. Thank you very much.

ASSEMBLYMAN CODEY: Is there anyone else who desires to testify? There being no one, the hearing is concluded.

- - - - -

CHARLES H. MARCIANTE
PRESIDENT

JOHN J. BROWN
SECRETARY-TREASURER

RICHARD A. LYNCH
EXEC. VICE-PRESIDENT

VINCENT J. MURPHY
PRESIDENT EMERITUS

PELLETTIERI AND RABSTEIN
GENERAL COUNSEL



Telephone: (609) 989-8730

Chartered September 25, 1961

CLARA ALLEN
FRANK ARMENANTE
CHARLES BENNETT
NICHOLAS CAPRIO
VINCENT COLUCCI
JOSEPH COPONI
FRANK DALTON
DOMINICK DE BENEDETTO
FRANK DE VITO
MIKE DOORLEY
JOHN DUCKETT

THOMAS DUNN
WILLIAM FAULKNER
PAT FERRANTE
ALFRED FONTANA
FRANK FORST
GEORGE FRAWLEY
CAROL GRAVES
RAYMOND GREELEY
JOHN HORN
CHRIS JACKMAN
IRVING KAPLAN

JAMES KIRK
EDWARD KRAMER
GEORGE LEITZ
WILLIAM MAC LUSKIE
DOMINICK MAIESE
JOSEPH MC CLOUD
JOHN J. MC NULTY
VINCENT MESSINA
ERNEST MOSELE
JAMES MULHERN
WILLIAM O'TOOLE

JOSEPH PELLIGRA
EDWARD PULVER
CARMINE SANTO
BRUNO SORCHINSKI
HARRY SCHOCKET
GEORGE THOMAS
MAURICE VENERI
RICHARD WHALEN
AL WURF

NEW JERSEY STATE AFL-CIO

106 West State Street
Trenton, New Jersey 08608

TESTIMONY
of
CHARLES H. MARCIANTE, PRESIDENT
N.J. STATE AFL-CIO
on
LEGALIZED CASINO GAMBLING
before
ASSEMBLY STATE GOVERNMENT AND FEDERAL
AND INTERSTATE RELATIONS COMMITTEE
(RICHARD J. CODEY, CHAIRMAN)
STATE HOUSE, TRENTON, N.J.
APRIL 14, 1976

The N. J. State AFL-CIO has in the past and continues today to support the concept of state operated and controlled casino-type gambling in New Jersey. We felt it was vitally important to the economic welfare of this state when the issue last appeared as a referendum in November, 1974. Now, 17 months later with an unemployment rate almost four percentage points higher than it was then and a much bleaker economic outlook, we feel our support for legalized, casino gambling has been vindicated.

Official statistics insist that New Jersey is currently suffering an 11.4% unemployment rate - a slight dropoff from the high of over 13%, but still four percent above the national average. But, the statistics are misleading. They don't take into account the more than 4,000 jobless who are exhausting unemployment compensa-

2/2/2/2

tion benefits each week. When that happens they are banished from jobless statistics, even though they are still very much unemployed. 4,000 a week adds up to a pretty hefty number in a very short time gentlemen, so let me assure you that New Jersey's real unemployment rate is considerably higher than 11.4%

The New Jersey AFL-CIO supports the concept of casino gambling for many reasons, not only because of the additional tax and profit revenues which it would pump into the State Treasury.

We see it as a valuable means of revitalizing New Jersey's \$7 billion tourist industry -- the second largest industry in the state, but one that has suffered a steady decline in recent years. There is no doubt that our tourist trade has been hurt by the emergence of casino gambling establishments in Caribbean and European resort areas. One of the quickest, surest ways to make our own resorts more competitive again is to legalize a state owned, state controlled casino gambling operation.

We see casino gambling as a catalyst which will inevitably benefit dozens of businesses and light industries in the immediate area -- in this case Atlantic City and Atlantic County, one of the most economically and socially deprived areas in our state. In addition to the construction and new in-house jobs that casino gambling would create, it would also generate an economic ripple in other industries that could result in as many as 15,000 to 20,000 jobs.

Rail, bus and airline travel would be stimulated; restaurants, hotels and small businesses would experience a rebirth; and many

3/3/3/3

businesses that are now on the verge of leaving the area would be induced to remain and grow in New Jersey.

The AFL-CIO likes the fact that Assembly Resolution #126 would dedicate all state revenues derived from casino gambling operations to provide for reductions in the property taxes, rents and utility bills of our senior citizens and disabled residents, two of the most financially strapped segments of our society. It has been estimated by one of the sponsors of the measure that its approval could mean between \$5 and \$15 million a year in state revenues.

Again, approval of ACR #126 by the voting public would limit casino gambling strictly to Atlantic City. The referendum that was defeated by a 3 to 2 margin in 1974 would have authorized casino gambling throughout New Jersey. By restricting it to one city, the state will be able to swiftly determine, on a relatively small scale, whether the fears being voiced about legalized casino gambling are valid, or whether they are, as the AFL-CIO firmly believes, groundless.

Also, Atlantic City seems to us to be the ideal location to implement casino gambling. Capital investment not only in construction but in commerce generally will enhance the city. Instead of decay and slums, a modern, alive city will arise. The new industry will revitalize Atlantic City, making it a tax producer, instead of a tax and welfare consumer. Tourism would become a year-round business, and Atlantic City would once again become a convention center for the nation.

4/4/4/4

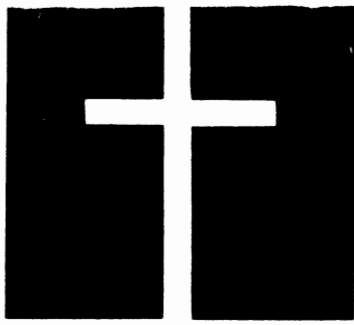
It's also important to remember that the referendum has received the bi-partisan sponsorship and support of Atlantic County's two Assemblymen, both of whom claim that Atlantic City is now in desperate economic straits, and that casino gambling is one of the only alternatives left that can be utilized to rebuild the city. I would suggest that these two legislators are well equipped to express the needs and desires of their constituency.

State control and operation of the casinos will effectively eliminate any possibility that organized crime, with its many skimming devices, could move in and absorb the lion's share of expected revenues. If properly instituted, we can be certain that the State Treasury, and ultimately the people and business of New Jersey, will be the direct beneficiaries of casino gambling.

Also, by its very nature, resort casino gambling appeals most to those who can most afford to gamble with their money. It is not essentially a mass participation activity, such as horse racing, lotteries, bingo, raffles, or the illegal numbers racket.

The people and business of Atlantic City need help desperately, if that fine old, world famous community is to continue to survive. It is as simple and as brutal as that. Legalized casino gambling is not just a viable alternative -- right now it is the only chance for a rebirth of that city.

The membership of the N. J. State AFL-CIO urges your support for Assembly Resolution #126 which would grant the voting public an opportunity to amend our State Constitution and permit legalized casino gambling in Atlantic City. Thank you.



AMERICAN BAPTIST CHURCHES OF NEW JERSEY

161 FREEWAY DRIVE EAST, EAST ORANGE, NEW JERSEY 07018

(201) 676-5015

Executive Minister, JOSEPH H. HEARTBERG

Public Mission Minister, GLENN R. HATFIELD

April 13, 1976

Subject: ACR 126; to permit casino gambling in Atlantic City

To: Public officials conducting public hearings on this

"The American Baptist Churches of New Jersey" consists of 216 local congregations; as a body we have repeatedly and officially gone on record as being opposed to the extension of legalized gambling.

Last night in official session, our ABCNJ Task Group on Government asked me to communicate to this public hearing their opposition to ACR 126. The economy of Atlantic City and Atlantic County should be aided - but through the encouragement of industry and employment, not through the establishment of casino gambling.

This is to rearticulate previous positions taken by American Baptist Churches of New Jersey in opposition to legalized gambling in general and casino gambling in particular.

In official session in Atlantic City in 1973 the American Baptist Churches of New Jersey resolved:

WHEREAS, gambling is often justified as providing revenue for needed services, e.g. education; and

WHEREAS, gambling in any form preys on the poor in offering deceptive hope of getting rich quick or of getting something for nothing; and

WHEREAS, revenue from gambling is an irresponsible means of financing government in that 1) it allows people to avoid responsibility for necessary governmental services and 2) the actual revenue from gambling is far below that predicted because of excessive operation expenses.

BE IT RESOLVED that the ABCNJ oppose any extension of legalized gambling in whatever form and work for tax reform which will provide a more reliable and equitable source of revenue.

Further, on January 12, 1974, our ABCNJ Council (governing body) resolved specifically, "We are in hearty disapproval of the move to legalize gambling in Atlantic City."

Yet again, in official session in Newark September 28, 1974, the ABCNJ officially resolved to "reiterate... general opposition to the extension of legalized gambling and articulate its specific opposition to the establishment of casino gambling."

In literature subsequently circulated from this central office we have attempted to summarize the reasons for our resistance to this. They are as follows:

1. Any gambling enterprise which seeks to attract "customers" is basically unwholesome in making its basic appeal to the dubious desire to get rich quick or get something for nothing.
2. Gambling enterprises both prey upon those subject to ruinous addiction to compulsive gambling, and attract additional persons into such behavior patterns.
3. Large scale gambling and its large sums of loosely flowing money create a situation conducive to crime and corruption, have frequently led to such, and are likely again to lead to such.
4. The argument that legal gambling curtails illegal gambling seems to be unfounded in light of experience (for instance the New Jersey Lottery apparently has not caused the numbers racket to cease flourishing).
5. The claim that the establishment of casinos would help New Jersey's employment problem is highly questionable in light of the fact of chronic unemployment in Las Vegas and the fact that casinos do not tend to employ the minority, unskilled persons who constitute a considerable proportion of New Jersey's unemployed labor force.
6. To look to casino revenue as a substitute for necessary tax reforms is an illusionary hope and an irresponsible delay. (Illusory hopes to the contrary, our state lottery is producing only 3.1% of the state's revenue need; as demonstrated repeatedly the pro-gambling forces consistently overestimate projected revenues and underestimate or ignore certain operating, policy, and "social" costs.)

Sincerely,

A handwritten signature in cursive script that reads "Glenn R. Hatfield". The signature is written in dark ink and is positioned above the printed name.

Glenn R. Hatfield

GRH:pf

STATEMENT ON THE PROPOSED RESOLUTION
TO LEGALIZE GAMING IN NEW JERSEY

BEFORE THE ASSEMBLY JUDICIARY COMMITTEE
OF NEW JERSEY

VICTOR A. LOWNES
VICE PRESIDENT
PLAYBOY ENTERPRISES

April 26, 1974

I am Victor Lownes. I am a Vice-President and a Director of Playboy Enterprises Incorporated. I am also Chairman and Managing Director of the Playboy Club of London Ltd., and of the Clermont Club Ltd., and of the Manchester Casino Club Ltd., and of the Portsmouth Casino Club Ltd. All of these English companies operate casinos, the first two in London and the latter two, as their names indicate, in Manchester and Portsmouth.

In addition to my qualifications as Managing Director of what is probably the largest single casino in the United Kingdom (the London Playboy Club) I am also a Member of the Executive Council of the British Casino Association, to which the Gaming Board for Great Britain has, since its inception, looked for advice on every aspect of gaming control.

The growth of legalized gaming in Great Britain and the problems which this growth generated for statutory and administrative control provide a number of lessons which ought not to be disregarded by any state contemplating the legalization of gaming within its own jurisdiction. I can speak with some knowledge of the development of ideas with regard to gaming control as experienced in Great Britain because I took an active participation in the very earliest discussions with the Home Secretary and the Home Office officials long before the amending legislation of 1968 was drafted. I and a handful of other leading members of the gaming industry in Britain were brought into discussions at all levels including meetings with the Minister himself to consider the objectives of the legislation. Then, during the

passage of the Gaming Bill throughout the House of Commons and the Parliamentary Standing Committees, we were constantly consulted, and one will find repeated references to the Playboy Club in Parliamentary and Committee debates published in the official reports. In fact, we are the only foreign owned casino operation to be granted a license in the United Kingdom.

In my view, the system by which operating licenses are awarded in Great Britain incorporates a combination of elements which are manifestly desirable. The object is to eliminate uncontrolled illegal underground gaming by providing carefully supervised controlled legalized gaming where sufficient demand exists. In a country only seven times the size of New Jersey with regard to population and geographical area, an enlightened Gaming Control Authority considered it advisable to start off with 31 approved areas in which approximately 150 casinos were originally licensed. There was considerable demand for the Gaming Board to approve additional areas, and thirteen additional areas have been added. The Gaming Board has indicated that they will in due course introduce new regulations again increasing the number of gaming areas, for they operate on the theory that illegal and untaxed gaming cannot thrive where the demand for gaming is met by legitimate operators.

Under the British system there is no monopoly, the evils of which are self-evident. In Austria, where there is such a monopoly, there was a recent scandal involving fraud and corruption on so wide a scale that when

we ourselves were approached with a view to our taking over the concession we felt that our reputation would be irretrievably damaged by inheriting the aftermath of the scandal.

In the United Kingdom, before anyone can apply for a license he has to pass a very elaborate screening process. For this purpose the Gaming Board thoroughly investigates each applicant. The Gaming Board is appointed by the Home Secretary and comprises persons who have distinguished themselves in public life. The full-time Chairman has devoted his life to public service. The other members of the Board are persons who serve as part-time members and each receives a small honorarium. One of them is an accountant. Another is a solicitor who has throughout his life devoted himself on a voluntary basis to local affairs -- that is to say, local government and social services. A third has been a prominent Chief Constable, and yet another member is a gentleman from a notably aristocratic family -- coincidentally, the family of the Earl of Jersey.

I do not think that any law-making state contemplating the legalization of gaming can afford to ignore the example set by Great Britain. In my view, gaming in Britain has had no deleterious effect upon social life. There is no evidence that it has disrupted family life or that it has made any contribution towards crime. It has, however, made a great contribution to the treasury via special taxation and has been a considerable factor in the growth of tourism with all the attendant advantages.

When I spoke to a similar Committee two years ago, I expressed the belief that if gaming came to New Jersey and was limited to Atlantic City, or any other single municipality, it would fail to accomplish the purposes which it was then my understanding you wished to achieve. The concern that I expressed at that time remains valid. I still believe that legalized gaming in Atlantic City would seriously harm hotel and resort facilities in other parts of the State. And I can state very simply that we would never have built our 700-room Playboy Club Hotel in Sussex County at a cost of more than \$27 million - a project that provides 700 jobs year-round for residents of the area and which attracts hundreds of thousands of out-of-State visitors to New Jersey each year - had we known that there was even under consideration the idea of legalizing gaming in one municipality alone. A resort complex the size of ours depends on convention business and in the last two years we have played host to over 1,000 conventions - representing about 60% of our gross business. We know that where gambling exists the convention business goes. We would regard any proposal to legalize gaming in Atlantic City and only Atlantic City as highly discriminatory legislation.

To concentrate gaming in one area - Atlantic City for example, or even Sussex County - will not suffice. It will not accomplish the purpose of supplanting underground illegal gaming and replacing it with legally controlled and taxed gaming. People are not sufficiently mobile to go to one point in the State whenever they wish to participate in this form of entertainment, and the illegal operators may still find a ready market elsewhere in the State.

All of this I said when I was last before you, and my views on these matters are substantially unchanged. But since then I understand that several other ideas have cropped up which need to be considered, and I would like to give you my views on those.

The first is whether or not the State should operate its own casinos. In this respect there are actually five possible options that are open to any Government when deciding the basis on which casino gaming should, if it is legalized, be introduced:

- (a) ownership and direct operation by the State.
- (b) State ownership and operation through a public benefit corporation.
- (c) State ownership, but operation by private interests under charter.
- (d) Shared ownership between the State and private interests, with operation by the private partner.
- (e) ownership and operation by private interests licensed, regulated and taxed by the State.

While these options must be considered in the light of New Jersey's particular objectives in legalizing casino gambling, it is also clear that no statement on the subject at this time would be complete without some detailed reference to the Hudson Institute's studies incorporated in the Second Annual Report of the New York State Gambling Commission (February 1, 1973). The fact that New York State is already investigating the possibility of legalized casino gaming is, by the way, very significant, for whatever New Jersey decides to do will effect the decisions of other states that compete for tourism and convention business. And those states will try to give their resort centers a competitive edge.

Therefore it is important that the state allow itself the flexibility to adopt whatever options will result in the best possible system.

Despite their shortcomings, the Hudson Institute studies embrace much sound research. A wrong answer does not necessarily invalidate all the working, especially when, as there, three of the five options were closed to them before they began their study.

New York is a neighboring sister State not altogether dissimilar from New Jersey. Much in the studies they have made is applicable to your situation and can be judged accordingly. But always bear in mind the over-riding differences. These lie principally in your reasons for proposing the legalization of casino gambling, and in the way you are approaching it.

The Hudson Institute Study examined the first possible option, and they eliminated it at once, and I quote: "It is not practical for the State to operate casinos itself." This is a view with which virtually all authorities on the subject would agree. (Whether croupiers become civil servants and what their pay grades should be is only one of the problems.)

I also feel that State ownership and operation through a public benefit corporation, State ownership but operation by private interests under charter, shared ownership between the State and private interests with operation by the private partner, all represent less desirable options than the final one - ownership and operation by private interests licensed and regulated by the State.

Because temptations abound in casinos, there is the necessity for an iron-fisted kind of a rule, which becomes extremely problematical when one is dealing with civil servants or other State employees. One has to act very quickly when one suspects that there is something slightly amiss in the results from a particular section or even an individual table in one's casino. While thousands of dollars are floating away, it is no time to conduct civil service hearings and appeals about whether or not to discharge or transfer the relevant employees. Sometimes the casino manager may have to decide to tolerate a continuing fraud in order to capture the culprits at work. How can the State make such a decision as that?

I feel I should say here that if my constant stressing of the possibilities of danger in the gaming business make it sound as if legalized casino gaming is taking a tiger by the tail, you will know that it is precisely that. The important thing is that having caught the tail you then know how to handle the animal to get him into the cage. What I can tell you is that getting into the cage with him is not the way.

The State needs to remain at a distance - a whip's length if you like. Not because all casino operators are dangerous but because casino gambling is what it is: the tangible expression of a very intense and volatile feature of human nature. Moreover, casino gambling as a State project can be very different from the State's other gambling interests, which do not involve the State in actual gambling - para-mutual betting, lotteries, bingo incur no direct gambling risk to the proprietor. All payouts are from a pool of the stakes which have been put in, leaving a proportion for the operator's revenue.

Not so with casinos. They can, and do, go broke: rarely, if they are efficient; frequently if they are not. When I came before you two years ago there were approximately 150 casinos in the United Kingdom. Now, with the addition of ^{twelve} / extra areas in which gaming is permitted, there are only 123 casinos.

I know that you are all aware of this, but it bears repeating: when the State engages directly as a proprietor or operator in the casino business it is literally gambling with public monies. When the house loses, or has a long bad run, it will eventually be paying winners out of tax revenues. Such a unique kind of State involvement in gambling has long been wholly unacceptable to the Churches and major sections of the public at large.

I hope it will be equally unacceptable to you, not only on moral grounds but for the very practical reasons I have outlined here.

But there is another reason why I should strongly advise rejection of the first four options, which is to say those requiring any form of direct State interest in casino gambling. It is more difficult to explain, but equally cogent. The real effective control of casinos by the State can exist only when there is an adversary situation, when the State is an independent watchdog without any form of or reason for alliances within the industry. I am not suggesting that this alone produces an effective and efficient control, but only that it generates a healthy tension without which all the other necessary ingredients for proper control lack temper. We all know situations where an apparent adversary control has little effect; but I am speaking here from many years of experience in Britain, where an adversary set-up through a statutory control board gives a tensile strength to a carefully, not to say cleverly, designed system which

is at once forceful, fair and above all almost completely effective in the control and containment of legalized commercial casino gambling in a country which has more widely distributed facilities than any other in the world.

In conclusion, I would like to urge you to keep your options open. The form of the referendum as it now stands gives the Legislature the flexibility to adopt, after thorough investigation, the kind of casino gaming which will most benefit the state treasury, the state's resort and convention areas, and the state's overall economy. It would permit you to institute a system which will permit the maximum of control and the fewest possible problems. It even permits you to abandon the whole idea if that seems the right decision.

April 14, 1976

Mr. Chairman, Members of the Committee on State Government, Federal and Interstate Relations:

I am the Rev. George R. Dawson, a priest of the Episcopal Diocese of Newark, speaking on behalf of the Rt. Rev. George E. Rath, Bishop of the Episcopal Diocese of Newark, and the Department of Christian Social Relations of the same Diocese. We wish to place on record our opposition to the proposed amendment to the State Constitution of New Jersey, as contained in A.C.R. 126. (Second Official Copy Reprint).

First, we reaffirm the official stand adopted by the Executive Council of the Episcopal Church in "opposition to further legislation of off-track betting, slot-machines, casino games, lotteries, and organized gambling generally;" and we do so, not only on moral, but also on social, humanitarian and economic grounds.

Perhaps the most definitive statement on gambling was made by the late Archbishop of Canterbury, William Temple. Archbishop Temple has been acknowledged by many churchmen in Christendom as one of the great Christian leaders and theologians of this century. Insofar as gambling involves the distribution of money by chance, said Temple, it is a socially wrong principle. "Wealth ought to be distributed in accordance with (a) need; (b) service rendered; (c) service expected; the last is the justification of inherited wealth." Gambling also "challenges that view of life which the Christian Church exists to uphold and extend. The glorification of mere chance is the denial of the divine order of nature. To risk money haphazardly is to disregard the insistence of the Church in every age ... that possessions are a trust, and that men must account to God for their use. The persistent appeal to covetousness is fundamentally opposed to unselfishness which was taught by Jesus Christ and by the New Testament as a whole. The attempt (inseparable from gambling) to make profit out of the inevitable loss and possible suffering of others is the antithesis of that love of one's neighbor on which our Lord insisted."

In regard to A.C.R. 126, we strongly oppose this re-introduction of an attempt to legalize Casino Gambling after it was resoundingly rejected by the voters of this State in 1974. In that year, only two counties (Atlantic and Hudson) out of twenty-one in our State, supported by a majority of the voters the question of Casino Gambling on the ballot. The people of New Jersey spoke plainly by a majority of 1,202,638 to 790,777 against gambling casinos anywhere in the State. Yet, among the current, printed sponsors of A.C.R. 126, introduced January 19, 1976, we find the names of Assemblymen from the following counties which rejected Casino Gambling in 1974:

Bergen (1)	Gloucester (2)	Ocean (1)
Burlington (1)	Hunterdon (1)	Passaic (1)
Camden (4)	Mercer (3)	Salem (1)
Cumberland (1)	Middlesex (1)	Union (1)
Essex (4)	Monmouth (1)	

No wonder the public is skeptical about government these days - for who are these Assemblymen representing on this issue - their constituents or the gambling interests?

This is Holy Week in which Christians of all communions celebrate deliverance from bondage to the forces of this world through the love, suffering and death of Jesus Christ Our Lord. It is also the time of the Passover in which Jews celebrate their deliverance from bondage. Freedom is a precious thing - generally won with a terrible price in human suffering. The Jews of Moses' time, the early Christians in their time, and the American colonists in their revolt from English rule - all bear witness to this grim fact. This is our bi-centennial year in which we gratefully remember the blessings of freedom bestowed upon us by the grace of God through our forefathers.

It is well known that a large factor in the defeat of the Gambling Casino Question in 1974 was the united stand taken by all the Churches against this "front" for human bondage. The days in this week are busy ones for all who are involved in churches or synagogues. Why, then, did your committee schedule hearings on this Casino Gambling Resolution at this time? Give the devil his due! It has been said, "the price of freedom is eternal vigilance."

No doubt those wishing to profit from Casino Gambling will be spending vast sums of money for entertaining, advertising, and persuading you and the general public to pass this corrupting legislation. It will be an impressive array in force. The Churches, in contrast, will have very small resources for coping, mainly because their attention and energies are focused on more constructive things. Yet, we take courage that, with frequency in history, the Lord has used the small things of this world, "and the things that are not, to bring to naught the things that are, that no flesh shall glorify in His presence." I. Cor. 1:28-29.

Here are some factors leading to bondage for the people of Atlantic City and the whole State of New Jersey if A.C.R. 126 is approved by the voters and voted into law.

The following table shows how Atlantic City is already the most crime ridden city in our State, and that without gambling casinos. The statistics show the figures for Las Vegas area in Nevada as having an even higher crime rate than Atlantic City and we are all well aware that Las Vegas has gambling casinos. The figures are from the Standard Metropolitan Statistical Areas of the F.B.I. The 1974 Statistics were released on November 17, 1975.

FOR INSERTION HERE: SEE FOOTNOTE ON Page 5

It can be concluded that Gambling Casinos would bring an increase in crime to Atlantic City and also the State of New Jersey.

It should also be noted that Nevada has legalized zones for prostitution. Would this be the next step for Atlantic City and the State of New Jersey? This field is also held in the sway of gangsterland, all too often.

Proponents of Casino Gambling often stress employment benefits. Atlantic City's unemployment rate varies seasonally between 8.5% and 15%. Las Vegas, Nevada, however, often has an unemployment rate of 20%. Is Atlantic City's large population of chronically unemployed really capable of being employed in gambling operations, or would the operators have to be imported from Las Vegas to the new Las Vegas - the Las Vegas East?

At this point the public has no idea what tax revenues would come from casinos in Atlantic City but you may be sure that the politicians' estimate will not be any more accurate than it was in predicting the revenue from the Lottery. And you may be absolutely sure that any gain realized from casinos will be far out-weighted by the liabilities that they will create in human life and character. It is obvious that any profits in the gambling enterprises will not be for the rebuilding of Atlantic City or for grants for assistance to its needy citizens but used to benefit the stockholders of the gambling syndicates.

The illusion ^{that} Atlantic City residents and State of New Jersey residents would get something for nothing paralyzes their creativity and integrity. Gambling robs our citizens of salaries, savings and investments. Gambling can become addictive. Loan sharking, a known arm of organized crime, would inevitably follow the casinos. Large losers will be trapped into such criminal acts as burglary, theft or embezzlement. The gambling sickness can also lead to broken marriages, neglected children, poverty and even suicide.

Instead of encouraging addictive enslavement to the something for nothing way of life, our legislators would better serve their constituents by encouraging honest industry to come into the Atlantic City area.

Most of all, in this Bi-Centennial Year, it would be appropriate to re-dedicate ourselves to those things which lead to freedom and human dignity rather than to bondage and degradation. You can begin to accomplish this by burying A.C.R. 126 permanently!

Thank you.

FOOTNOTE: For inclusion at the bottom of Page 3.

<u>Population of area</u>	<u>Area</u>	<u>1973</u>	<u>No. of Crimes</u>	<u>1974</u>	<u>No. of Crimes</u>
		<u>Crime index per 100,000</u>		<u>Index per 100,000</u>	
477,000	Asbury Park area	<u>3,651.8</u>	17,420	<u>4,753.3</u>	22,554
610,000	Jersey City area	<u>4,009.</u>	24,449	<u>4,158.8</u>	25,150
313,000	Trenton Area	<u>5,006.4</u>	15,683	<u>5,474.7</u>	17,322
2,092,000	Newark Area	<u>2,998.6</u>	79,066	<u>5,145.6</u>	106,609
602,000	New Brunswick area	<u>3,797.3</u>	22,841	<u>4,576.3</u>	27,482
468,000	Patterson Area	<u>5,357.3</u>	25,074	<u>6,053.7</u>	28,211
<u>180,000</u>	Atlantic City area	<u>5,380.2</u>	<u>9,682</u>	<u>6,111.2</u>	<u>10,909</u>
<u>307,000</u>	Las Vegas Area	<u>7,526.3</u>	<u>23,103</u>	<u>9,317.9</u>	<u>28,993</u>

TESTIMONY BEFORE THE MEMBERS OF THE
ASSEMBLY STATE GOVERNMENT, FEDERAL AND
INTERSTATE RELATIONS COMMITTEE

By

Charles W. Davis, Executive Vice President
New Jersey Hotel/Motel Association

April 14, 1976

Chairman Codey, Members of the Assembly State Government, Federal and Interstate Relations Committee.

My name is Charles W. Davis and I serve as Executive Vice President and Chief Administrative Officer of the New Jersey Hotel/Motel Association with corporate offices at 826 West State Street, Trenton, New Jersey. I have served in this capacity for the past nine (9) years. Our membership is comprised of 85%-90% of the first class hotels and motels in the State. We represent properties ranging in size from six (6) rooms (Old Mill Inn in Bernardsville) to 1001 rooms (Chalfonte-Haddon Hall in Atlantic City).

On behalf of the Association's President, Richard Trifari, General Manager of the Clinton Inn Motor Hotel in Tenafly, NJ, our Board of Directors, and indeed each and every member of the lodging industry, I would like to sincerely thank you for giving me the opportunity to appear today to discuss with you Assembly Concurrent Resolution 126 sponsored by Assemblyman Steven Perski and thirty-three (33) co-sponsors. Obviously this bill is of primary concern to the travel and resort industry in New Jersey. The second largest industry in this State.

I'm sure all of you have heard the good news.

Corporate profits are on the upswing, nationwide unemployment is slacking and production is cranking up again!

But....have you heard the bad news????

The recovery, if indeed it's happening, is taking place within the New Jersey Hotel Motel and Resort Industry at a painful snail's pace. At least that's the word I'm getting from Wall Street's hotel experts, personnel agency directors, industry executives and individual members of our association.

However, at the end of the first quarter in this Bicentennial year, I am beginning to see the light at the end of the tunnel and I'm optimistic that the lodging industry is beginning to shake off the lethargy brought on by the worst recession in modern history. While obviously its too early for us to roll out the red carpet and begin celebrating the rites of spring....heralding a new era of prosperity for the hotel and motel industry, never the less we are grateful to have heard the chirp of the first robin.

Another encouraging sign comes from the internationally respected hotel accounting firm of Laventhol and Horwath which has, this month, reported to us that in December 1975 occupancy (the only reliable benchmark of any significance within the industry) held steady at the 1974 level. This report was significant since it was the first indication the long downward slide of occupancy, which began with the infamous Arab oil embargo, might be at long last coming to an end!

I appear today to discuss with you a proposal, which if adopted, would certainly dramatically excellerate the recovery. In addition, to helping the lodging industry, the measure, ACR-126, would generate substantial revenues for our beleaguered state and in turn would be a boon to the aged and infirmed residents of the Garden State.

I appear today to urge the passage of ACR-126.

The New Jersey Hotel/Motel Association has long supported the concept of legalized gambling for New Jersey. In fact, at the 52nd Annual Meeting of the Association, held in 1970, the membership unanimously endorsed a resolution to this end.

The overall advantages, to not only the Tourist Industry but to our State as well, as stated in the resolution, are as valid today as they were over six (6) years ago. The resolution, in essence stated that legalized gambling would:

1. Bring hundreds of thousands of new people into our State to live, work and play.
2. That the development of this new industry would create jobs and cause the employment of hundreds of people; literally thousands of others would be needed to service the new industry in ancillary positions. Within the past six (6) years no less than 4,000 people have been thrown out of work in Atlantic City alone, due to the decline of tourist related business. A mere 10% increase in tourist visitation, which certainly is a modest estimate of growth attributable to legalized gambling casinos, and hotel occupancy, would translate itself into a minimum increase in employment of nearly 50,000 people.
3. Retail sales would increase and thus sales taxes would mushroom.
4. More goods and services would be manufactured and sold throughout the state. Needless to say our economy could use this.
5. There would be a significant reduction in our gargantuan unemployment rate while the welfare rolls would be reduced in geometric progression.
6. Legalized casino gambling would improve the overall image of New Jersey as a totally progressive state. -- A good place to live.... to work....to visit.
7. Organized crime would, once and for all, be dealt a staggering, knee-buckling blow by removing the primary source of funding for its underworld cartel.
8. This new industry would become a primary source of income which would help finance our moral and legal obligations to the state's senior citizens and those who are disabled.

If these eight irrefutable reasons are not sufficient cause for the unanimous passage of ACR-126, then consider, if you will, the general overall impact the measure would have on the Garden State's second largest industry -- tourism, and the incalculable benefits to be derived by Atlantic City in particular.

Prior to the general election in 1974, no less than 2500 new rooms were projected to be built in this seashore community. One major hotel organization had broken ground for a 500 room convention facility. When the results of the election were known, the company absorbed their loss and crept away into the night never to be heard from again.

Instead of the massive building boom anticipated, the net result was a substantial decrease in the total number of rooms. Foreclosures, bankruptcies and demolition became the order of the day. Hundreds of thousands, who realistically would have flocked to this seashore community for trade shows, business meetings and conventions, went elsewhere. Since 1970 Atlantic City has had a net loss of approximately 3,000 rooms. Employment decreased by over 4,000 in less than a half a decade.

A composite of these figures, while sounding impressive, are almost beyond comprehension. The Dollar value placed on the loss of 4,000 people is in actuality ethereal, without substance. Who among us can really comprehend what a trillion dollars worth of lost business is. Thus it is with the meeting management, convention and tourist businesses.

While the loss ratios of this resort community are inexplicably impressive, I believe it is essential that we look at the seemingly uncontrollable problem as a microcosm of the whole. Certainly it will be much easier to digest.

To begin with, I would like you to look through our financial microscope at the overall economics of just one typical convention. After making the necessary adjustment in the fine tuning mechanism you will see the American School Administrator's Association on the observation platform. This national association, prior to 1975, had met in Atlantic City on an annual basis since 1950. Annual attendance at this particular conclave has averaged 20,000 (Plus) per meeting.

According to statistics compiled by Meetings and Convention Magazine (the Bible of the industry) published in December 1975, a delegate to a national or international convention spends, on the average of \$248.91 per stay in the city hosting the meeting. Therefore, it is easy to calculate the financial benefits from the American School Administrator's Association at or above \$4,980,000.

Its staggering to believe that by virtue of just one group leaving Atlantic City the state has lost, at least for the foreseeable future, almost five (5) million dollars each year. Five (5) million plus dollars will be spent elsewhere in 1976 and this is just one out of many meetings which will not be hosted in New Jersey during the Bicentennial year. Calculate if you will, the number of jobs and the taxes which were lost when the American School Administrator's Association left Atlantic City.

Representatives of the "NO-DICE" group have been quoted as saying that the worst thing that could ever happen to Atlantic City would be to introduce legalized casino gambling -- their rational is that the city would loose all of its family visitors and the majority of its business meetings. The increase in the number of families visiting Las Vegas each year belies their contention. As for the loss of business meetings, can you guess where the American School Administrator's Association is taking its 20,000 delegates in 1976 -- if you guessed Las Vegas you're absolutely correct.

Attached to my printed testimony is a breakdown of where a delegate spends his \$250.00 per meeting. I think you'll find it (Appendix A) interesting.

Should you be prone to discount the potential income to be derived from conventions and the added demension when legalized casino gambling is introduced into the equation, I suggest that you review the most recent annual report of the Hilton Hotel Corporation, one of the Giants within the industry.

Within the body of the annual report of this major corporation, we find that one single hotel in the system (out of over 161) accounts for approximately 40% of the overall 1975 earnings for the corporation -- which property? Well, again your're right on target if you guessed Las Vegas.

One final point on the economics of legalized casino gambling....in reverse this time. During the recent sixteen (16) day strike of this major convention and meeting city -- Las Vegas lost approximately \$100 million dollars in cancelled business alone. The Hilton Corporation has had to reduce its earnings per share by fifteen cents (15¢) due to the closing of their property.

To this point, I have restricted my comments to only the economics of conventions -- however, this segment of the meeting market cannot be divorced completely from the trade show market. Trade shows are a little known and possible completely misunderstood source of income for any city.

I would like to spend a minute or two to give you a crash course in the significance of this multi-billion dollar business. First, let me tell you that there are 150 which are considered highly desirable by virtue of their size. They are so large that only a handfull of cities can house them.

What do we mean when we talk about large trade shows? Well, to put the subject in perspective, I have taken the top 150 national shows and collected some significant data relating to them. The material is based on 1973 figures and those items relating to monies should be adjusted upwards by at least a minimum of thirty-six percent (36%).

While all of the figures are impressive, I won't bore you with a recitation of them -- suffice to say that total investment of exhibiting companies was almost \$83 million, total amount spent by attendees was over \$465 million, and that the average attendance per show was 16,329. Can anyone say that the trade show business is not BIG BUSINESS???

THE TRADE SHOW TOP 150

Total net square footage of paid space	17,451,921
Average square footage of paid space per show	116,346
Average paid per square foot	\$4.75
Total investment by exhibiting firms for paid space	\$82,722,105
Total number of exhibiting companies	62,619
Total Attendance	2,449,375
Total amount spent by attendees	\$465,381,250
Average attendance per show	16,329

Analyzing where these trade shows are most often held is most certainly germane to our discussion. In 1975 Chicago was the favored location of 36 of the 150. (six of the 10 largest were held there) New York ran a distant second with 16, Dallas was third with 13, Atlantic City was fourth with 11, and Los Angeles fifth with 10.

Positions are changing drastically and, as a result, the death-knell is likely to be heard for some of the top five if the current trend is not reversed. In 1960 as in 1973 Chicago was the favorite City. They will remain in this position through 1978. In 1960 Atlantic City was the second most desirable trade show city in the nation with 20 major trade shows -- By 1975 it has sunk to fifth place and by 1978 it is conceivable that it may be out of the top ten. I believe that legalized Casino Gambling, in no small measure, will determine the ultimate fate of this city.

Gambling is not something new created by our forefathers when they stepped off the Mayflower nor was it invented by the American Pioneers as they fulfilled our country's "Manifest Destiny" as they pushed through the Wild Wild West. Gambling can easily be traced through the annals of history to the earliest written records of man. Would you be surprised if I told you that dice have been found in the Tombs of the Pharaohs in Egypt? Well they were.

In 18th and 19th Century Europe, fashionable English and Frenchmen gambled in luxurious gaming houses. Settlers in America brought dice and cards with them from the mother country. Today private and public casinos are located in nearly all of the world's cosmopolitan cities and successful resort areas.

When I speak of legalized casino gambling, I am sure that you conjure up in your mind your last visit to Las Vegas -- garrish flashing neon signs -- A strip, wall to wall with casinos and one-arm bandits everywhere -- including the men's room and the ladies powder room. I want to tell you, as they say "right up front", that the New Jersey Hotel/Motel Association would be violently opposed to this type of arrangement. It's important to note that Las Vegas is a "freak".....the obvious exception to the rule for legalized casino gambling. To my knowledge there is no other casino on the face of the earth that operates as Las Vegas does.

The Caribbean (the Bahamas, Puerto Rico, Cuba) casinos are restricted to large resort complexes where the hours of operation and the dress code (coat and tie) are strictly enforced. Private clubs with the same stringent controls are the method of operation in London. In Monte Carlo they "make-do" with just one large casino. In those areas in which casinos flourish and prosper, they do so simply because they offer an alternative of how one chooses to spend his or her evening. Local residents and visitors, if they do not seek the casino out, may never be aware that they exist. Thus it should be and hopefully will be in Atlantic City. Licensing and control procedures can certainly assure us of this.

Just as NJHMA's fundamental reasons for supporting legalized gambling, even before it became a legislative issue, are valid today, so are the comments made by Dr. Horace J. DePodwin, Dean of the Graduate School of Business Administration, Rutgers, the State University, before the New Jersey Senate Judiciary Committee on December 8, 1970.

In his remarks, the Doctor said " The benefits dervied by a community with legalized gaming appear to be abundant when the industry is adequately regulated and controlled." He continued his remarks by saying "The starting point is the experience of other communities with gaming industries, and comparison of the characteristics of Atlantic City with these other communities." Within the body of his comparison, he explained "The casinos both in Nevada and the Caribbean depend on tourists and conventions for customers. Local citizens are believed to account for only a minor portion of gaming activity and revenues."

During his presentation, Dr. DePodwin posed the rhetorical question, "Does Atlantic City have the potential for continuing to be a major tourist area?" He answered emphatically, "Yes."

The professor observed that, "Atlantic City has had a long and rich history as a popular tourist resort, serving the citizens of New Jersey, New York, Philadelphia, and the surrounding Metropolitan areas. In recent years, the travel revolution has exposed the city's resort industry to severe competition from vacation areas the world over."

"Considering its vulnerability to trends in tourism, the Atlantic City industry has sought to use its facilities for convention business. Even during the relative decline of the area in recent years as a tqurist mecca, Atlantic City has hosted over 600 conventions with excess of 500,000 attendees each year. These figures could very well increase if the city could offer a complete entertainment package that included casino gaming." (Ed note: Obviously these figures are pre-Arab oil embargo)

Within his analysis, DePodwin further projected, "The city might also attract vacationers, in larger numbers, from the entire Atlantic Seaboard. The majority of Nevada's gaming customers drive there from California for the day or a weekend. In this respect, New Jersey is strategically situated. By 1975, it is projected that 60 million people will live within 250 miles of Atlantic City." (Ed note: This projection has become a reality)

Dr. DePodwin continued his prepared testimony by saying. "Atlantic City's ability to attract conventions, (trade shows), and vacationers will depend on the scope and quality of its lodging, entertainment, and meeting facilities. Substantial investment in improved facilities, which is needed, will be made only if potential income is greater than now seems possible under present laws."

"Whatever the method selected to optimize the tourist potential, there appear to be opportunities for contributing to the overall growth of New Jersey. Other communities have found that as the number of visitors and conventions increases, so does income and employment opportunities in hotels, restaurants, casinos, and all the supplying and related industries," he added.

"Another advantage of legalized gaming," the Dean pointed out, using statistics gained from Nevada, "is that (gambling) is less sensitive to the whims of business cycles than any other industry. During the recent slowdown in the national economy, (1969) Gross National Product for the United States rose only 5.6. In contrast, the Nevada Business Activities Index increased 9.5 percent.

Much of this increase may be attributed to continued growth in tourist and closely-related industries. The rise in gross gaming revenues, alone, was 15.4 percent. "This stability should be an important consideration in the selection of new tax sources for New Jersey. Legalized gambling receipts dedicated to senior citizens certainly could do nothing but improve this neglected segment of our population," DePodwin concluded.

Based on the foregoing, I urge your wholehearted support of ACR-126, not only because it is perhaps the last vestige of hope and the last chance for survival for one of the few cities within our state which is known throughout the world but -- But because of the,

- *Overwhelming contribution that the Gaming Industry can make to the economic recovery of New Jersey....and
- *Because tax revenues received from the Gaming Industry have a history of consistantly growing at a more rapid rate and with little or no fluctuations, associated with traditional forms of taxation.
- *As unbelievable as it may seem, gross gaming revenues (in Las Vegas) grew at a rate five times that of the US Gross National Product. Gambling taxes in Nevada have been insentative to business cycles while general sales tax revenues have not been.
- *Acr-126 must be looked on with favor since the revenue derived from legalized casinos will be dedicated to our senior citizens. Obviously current tax levels do not allow for the resolution of their lamentably sorry plight. It would be unconscionable to turn our backs on those who have for so many years supported and provided for all of us. Legalized Casino Gambling could do nothing but improve the overall condition of this, for too long, neglected segment of our population.

In closing, let me remind you, lest you forget, that legalized gaming and betting is not new to the Garden State. New Jersey is an enlightened and progressive state, not the puritanical, prestine entity that some would delude you into thinking. Our leaders in the past, those currently serving us, and hopefully those to follow, have been sagacious and eminently shrewd when it came to financing state, county, and local government operations.

Let us simply recognize and accept the irrefutable fact that New Jersey is one of 29 states which obtain revenues from legalized betting and gaming. According to the US Department of Commerce, in their publication "State Tax Collections in 1969", New Jersey ranked fifth among those states generating income from this source behind New York, California, Florida and Illinois.

As unbelievable as it seems, Nevada was sixth.

How long can we afford to buckle under those vocal minorities who would have us believe that Casino Gambling would bring about the violent overthrow of this states economy. In-action, apathy and insidious half-truths, which have been accepted as "Gospel" in the past, have brought this state to the brink of financial collapse today.

A reordering of beliefs must take place if we are to survive. Obviously I am not naive enough to believe that Casino Gambling is the total answer -- obviously its not a panacea unto itself nor will it heal all of our ills.

But as my little old grandmother, who came from the old country said when I rejected her "cure-all" chicken soup -- "Believe me it can't hurt!"

THE BEGINNING OF WISDOM IS THE RECOGNITION THAT A PROBLEM EXISTS -- I believe we recognize that New Jersey is currently sitting on the horns of a financial dilemma. Will you and the general public as well be wise enough and have the wisdom necessary to take the action which is demanded today. I sincerely hope that you will.

Assemblyman Codey, I appreciate the opportunity you have given me to appear before your committee today -- Thank you.

Appendix A

WHERE THE DELEGATE SPENDS HIS MONEY

<u>CLASS OF BUSINESS</u>	<u>TOTAL EXPENDITURES</u>	<u>PERCENT OF TOTAL</u>
Hotel/Motel rooms & individuals	95.52	42.19 %
Hotel Restaurants	37.69	15.77
Other Restaurants	42.09	14.37
Beverages	13.70	6.48
Retail Stores	23.10	10.24
Local Transportation	9.03	2.66
Theater	.45	.01
Sightseeing	2.85	.01
Night Clubs & Sports events	8.81	3.47
Car, Oil, Gas Service	2.85	2.37
Other (MISC.)	12.82	4.43
	<u>248.91</u>	<u>100 %</u>

Mildred Fox

Legalized casino gambling is the blood transfusion needed for the dying patient -- namely Atlantic City. It is the life blood which will create new health for Atlantic City and the benefits will reach all areas of the State.

Just think -- outside capital being invested in the queen of the resorts creating new hotels, new forms of amusements -- new restaurants -- new ratables and tremendous new employment opportunities.

Atlantic City would be the mecca for new conventions and gatherings -- tourism would be our number one industry bringing additional revenue into the coffers of the State. There would be no need for additional taxes.

Atlantic City is a natural spot for gambling -- it is the vacation spot attractive to the world with its famous Boardwalk and Beach.

We ask you Ladies and Gentlemen, to give the people of Atlantic City the right to decide their own destiny. And if any Church or related groups stand in this Chamber voicing their opposition -- let them do so prepared to eliminate their bingos, lotteries and raffles.

HOW DOES LEGALIZED CASINO GAMBLING WORK? Let's look at an example:

In Israel, particularly, the case for legalization becomes very impressive if one compares the American pattern of unsuccessful suppression of casino gambling with Israel's conversion of casino gambling into something approaching a public utility.

It is administered as a public corporation. Its chairman is a Ph.D. from the Ministry of Finance. Other ministries and local governmental units are also represented on the board.

From the net profits, low interest loans have been made to local authorities to build hospitals, dispensaries, classrooms and scores of youth clubs. That which is labeled as a RACKET in the United States is a social welfare resource in Israel.

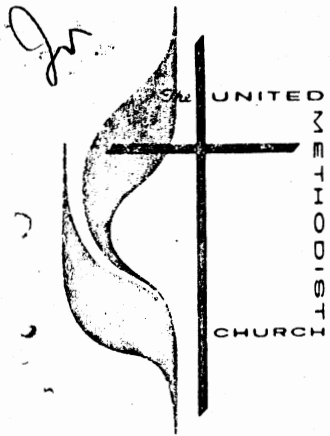
But some may ask "at what price to the country's moral fiber?" Crime has greatly decreased and corruption among public officials has virtually been eliminated.

There is no evidence that even among the poor, a sizeable proportion of the family income is risked on casino gambling. It has provided Israel with an unexpected new export business. Several new African Nations have asked for help in setting up casinos of their own. There have been enough requests to justify a training program for Israelies who will go into the field as technical specialists.

It can happen in New Jersey. Experience has shown that anti-casino gambling laws cannot be enforced. It is time

Page 3

to compromise. It is time for North Jersey to help South Jersey survive by helping to rejuvenate and rebuild Atlantic City which is the largest resort in the State. And by so doing, every person living in New Jersey will be a winner.



Saint Andrew's United Methodist Church

Box 189E Church Road — Toms River, New Jersey 08753 — Phone (201) 349-5367

April 14, 1976

MEMBERS OF THE ASSEMBLY:

We wish to again go on record in opposition to any form of a constitutional amendment which would legalize Casino Gambling in the State of New Jersey.

We believe that gambling is a menace to society, deadly to the best interest of moral, social, economic, and spiritual life and destructive to good government;

We believe that the revenue from the proposed "Casino gambling" will not prove to be the "Savior" of our urban centers;

We believe that the proposed "Casino gambling" will only increase the degree of corruption and decay in our state in terms of the presence of organized crime;

We further believe that the citizens of New Jersey have registered their opinion by the defeat of the 1974 proposed constitutional amendment and that the new proposed amendment will have the same adverse effect upon our state; therefore, the Assembly should respect the voice of its citizenry.

We had invested our time and resources to defeat this proposal and we do not appreciate having to launch another "Casino No Dice!" campaign.

Gentlemen and ladies, we appeal to you to defeat this bill in the Assembly in order that voters of New Jersey again do not have to reject said proposal.

Reverend Jack Johnson
Chairman of the Board of Church
and Society,
Southern New Jersey Annual Con-
ference of United Methodist Churches

PUT
IN
RECORD

We of the Millville Ministerial Association
of Millville, New Jersey, representing the
23 congregations of Millville wish to express
our opposition to the proposed gambling
issue. We stand as a united group
on the basic moral issues as stated in
God's Holy Word. That something of this
nature can only lead to the moral decay
of our society.

Rev. Glenn Daisey - Secretary
Rev. Richard A. Frank
Rev. Richard S. Sykes

In Reference To
Atlantic City Gambling Issue,
April 14, 1976



WAITERS, WAITRESSES, HOTEL, MOTEL SERVICE EMPLOYEES,
COOKS AND BARTENDERS UNION, LOCAL NO. 109, AFL-CIO



AFFILIATED WITH HOTEL AND RESTAURANT EMPLOYEES AND BARTENDERS' INTERNATIONAL UNION
17 LOMBARDY STREET, NEWARK, N. J. 07102

Telephones 622-3580-1-2-3

April 12, 1976

MR. WAYNE BOCKELMAN, Committee Aide
State Of New Jersey
Assembly State Government
Room 222
State House
Trenton, New Jersey

Dear Mr. Bockelman:

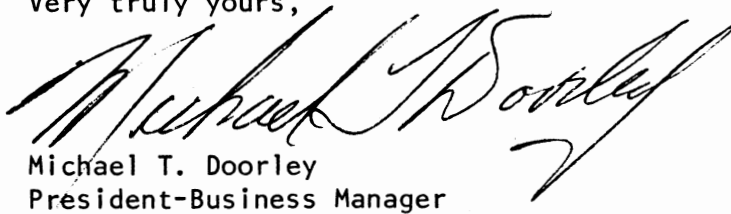
Regarding our telephone conversation, I am firmly convinced if this Bill ACR-126 (2 OCR) is presented as a package of entertainment, leisure, food and beverage as well as gaming the number of jobs, income and captive interest in our state will increase as it exists in the continental U. S. in an island surrounded by sand namely; Las Vegas and the off-shore islands with much success.

Atlantic City has always enjoyed the reputation of being our resort and I think passage of this bill would restore it to its former attractiveness to the one day commuter, the short vacationer, the conventioner and those who have always enjoyed the long summers there.

I will develop more specifics on each item mentioned.

Success to the Hearing and have an enjoyable holiday.

Very truly yours,


Michael T. Doorley
President-Business Manager

MTD:rma

STATEMENT FOR COMMISSIONER HOFFMAN ON LEGALIZED CASINO GAMBLING

"In view of our efforts at this time to leave no stone unturned in the creation of employment in our State and the general improvement of our economy, I certainly support the proposal to legalize casino gambling in Atlantic City.

My reasons are entirely economic. I personally do not view casino gambling as a moral issue. Those who wish to gamble can go into the casinos and those who do not can stay away.

It seems to me under the careful controls that are being considered this kind of gambling is certainly not objectionable.

I think it is far more important to consider this issue in terms of the contributions it may make to Atlantic City and to its environs. At this time this resort city is suffering from a prolonged economic recession. Its unemployment rate is high. There is scant industrial or commercial activity in the area which could be expected to support any meaningful economic renaissance.

Legalized casino gambling in Atlantic City would certainly bring employment, would increase payrolls in the area and add to tax revenues.

It should be clearly stated, however, that casino gambling is not the answer in the last analysis to the economic difficulties of the area. Such an enterprise will help. The eventual economic recovery of Atlantic City will come from urban redevelopment and a general improvement of economic conditions throughout the State.

Because casino gambling will add jobs, payroll and tax revenue to the area, I am in favor of legalization.

###

BRODART, INC.	Cat. No. 23-221

BRODART, INC.

Cat. No. 23-221

V

