

PUBLIC HEARING

before

SENATE INSTITUTIONS, HEALTH AND WELFARE COMMITTEE

To Consider Whether 24-Hour Casino Gambling
Should Be Permitted in Atlantic City

May 20, 1986
Room 403
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Senator Richard J. Codey, Chairman
Senator Francis J. McManimon, Vice Chairman
Senator Joseph Hirkala
Senator C. Louis Bassano
Senator Henry P. McNamara

ALSO PRESENT:

Eleanor Seel
Office of Legislative Services
Aide, Senate Institutions, Health and Welfare Committee

Hearing Recorded by
Office of Legislative Services
Public Information Office
Hearing Unit
State House Annex
CN 068
Trenton, New Jersey 08625

974.90
G191
1986a
copy 2



RICHARD J. CODEY
Chairman
FRANCIS J. McMANIMON
Vice Chairman
JOSEPH HIRKALA
C. LOUIS BASSANO
HENRY P. McNAMARA

New Jersey State Legislature

SENATE INSTITUTIONS, HEALTH AND WELFARE COMMITTEE

STATE HOUSE ANNEX, CN-068
TRENTON, NEW JERSEY 08625
TELEPHONE: (609) 292-1646

MAY 6, 1986

NOTICE OF A PUBLIC HEARING

THE SENATE INSTITUTIONS, HEALTH AND WELFARE COMMITTEE ANNOUNCES
A PUBLIC HEARING ON THE ISSUE OF 24-HOUR GAMBLING IN ATLANTIC CITY

Tuesday, May 20, 1986

Beginning at 10:30 A.M.

Room 403 of the State House Annex

Trenton, New Jersey

The Senate Institutions, Health and Welfare Committee will hold a public hearing on Tuesday, May 20, 1986, beginning at 10:30 A.M. in Room 403 of the State House Annex. The purpose of the hearing is to consider whether 24-hour casino gambling should be permitted in Atlantic City.

Address any questions and requests to testify to Eleanor Seel (609) 292-1646), State House Annex, Trenton, New Jersey 08625. Persons wishing to testify are asked to submit nine copies of their testimony on the day of the hearing. The chairman may find it necessary to limit the number of witnesses or the time available for each witness.

TABLE OF CONTENTS

	<u>Page</u>
Senator William L. Gormley District 2	1
Donald Trump Owner Trump's Castle Hotel and Casino Trump's Plaza Casino Hotel	8
Peter Boynton President Caesars Atlantic City	11
Jack Davis President and CEO Resorts International	13
Walter M. Read Chairman Casino Control Commission	37
John Floyd Executive Director Council of Compulsive Gambling	50
Michael Gregovich Bay Village Senior Citizens Club of Ocean County	59
Reverend Dudley Sarfaty New Jersey Council of Churches	60
Wilbur Edwards Casino Surveillance Coalition	60
Michael Carrig President Ocean County Senior Coordinating Council	68
Reverend Samuel Jeanes New Jersey Christian Conference on Legislation	70
Carol Kasabach Director New Jersey Office of Governmental Ministry	80
John Scarselletti Resident Atlantic City	82

APPENDIX:

	<u>Page</u>
Statement submitted by Carol Kasabach Director New Jersey Office of Governmental Ministry	1x
Statement submitted by Joan Diefenbach Executive Director New Jersey IMPACT	3x
Statement submitted by John Scarselletti Resident Atlantic City, New Jersey	5x
Statement submitted by Anthony Parillo Director Designate Division of Gaming Enforcement New Jersey Office of Attorney General	13x
Statement submitted by Jack Williams President Casino and Gaming Employees of New Jersey	21x

* * * * *

(Hearing Transcribed by J & J Court Transcribers)

SENATOR RICHARD CODEY (Chairman): We'd like to start today's public hearing. The subject of today's public hearing is Senate Bill 1552, commonly referred to as 24-hours in Atlantic City Casinos. Our first witness this morning will be Senator William Gormley. Senator?

SENATOR WILLIAM L. GORMLEY: Thank you. Mr. Chairman, I appreciate the opportunity to discuss the issue of 24-hour gaming with you. I additionally appreciate the opportunity that we have such an open forum in order to review this very important issue.

I think before I get into the merits of the bill, I'd like to go back to 1979 when you were the Chairman of the Committee of which I was a member and Senator McManimon was also a member. I remember someone came in from Atlantic City -- that was the first request we had had for 24-hour gaming -- and began to explain to the Committee how nothing had been done by the State of New Jersey for the City of Atlantic City. That is not the attitude of this bill. There has been a lot done by the State of New Jersey for the City of Atlantic City. Things are happening and we like to see-- We think we are on the right road. We think progress is being made.

This measure is something that we feel, now that we have experienced casino gaming for a period of years, we're able to reflect back on initial perceptions and whatever. We think it is the appropriate time to experiment, to see if, in fact, 24-hour gaming is appropriate.

What would 24-hour gaming accomplish? There are numerous versions of both the positives and the negatives of what would and would not happen as a result of 24-hour gaming. Consequently the cornerstone of this proposal is that it is experimental in nature. It is, one, an experiment that would be monitored by the Attorney General of the State of New Jersey and his offices. And he would be authorized to retain independent consultants -- consultants who would monitor the various aspects of this 24-hour gambling experiment.

It's important to note, also, before we go into-- I know we're just talking about the concept, that if it be the Committee's desire at some point to move this piece of legislation, that I would recommend that it be placed in conformance with Assemblyman Kline's bill, which has recently been moved out of Committee in the Assembly. That bill would call for a 15-month experiment. It would provide that after 12 months there would be a 30-day period for the Attorney General to submit a report to the Legislature for action, and then the Legislature would have 60 days in which to act to determine as to whether or not 24-hour gaming should be made permanent.

I think that the reason why I'm for 24-hour gaming, why I think it is appropriate to consider it at this time, is that I do feel that it does enhance the tourism aspects of the City of Atlantic City. And by giving to those people who operate casinos an additional economic incentive, which it obviously is, I think we enhance the ability of those casinos to build additional hotel rooms which has been a major necessity for the revitalization of the area as a convention resort. I don't think when casino gaming initially passed and the initial legislation passed I don't think any of us foresaw the fact that there would be such a dependence upon the bus markets, the 12 to 1500 busses a day coming to Atlantic City. I don't think anybody ever envisioned that we would also be the bus capital of the world. And what we're trying to do is add as many additional elements to the puzzle as possible that would encourage more hotel rooms, more overnight stays, and lend more towards a convention oriented industry in the off-peak hours, non-summer months, and consequently try to move, as far away as possible from the dependence as it be, on the bus traffic.

We have gone through, as you know, and you'll take similar testimony which regards to the negative aspects of 24-hour gaming. I would submit to you that the perception that there is a nexus with compulsive gaming will be addressed, and has been addressed in the Assembly Committee, and will be

addressed through your hearing process here, and there is no nexus with 24-hour gaming. The gambling around the clock does not affect one as a compulsive gamer. There has been testimony of expert witnesses on that point, and I assume that will be brought out further.

You have numerous witnesses. I will not take up your time any further, but I would just recommend that, again, if the Committee moves the bill, that it be amended to 15 months. That the bill -- that the amendments include the various economic and social impacts that are now listed in the Assembly version, which include impact on tourism, concerns of local residents, impact on the resort industry and tourism, air and road traffic, the effects or incidents of compulsive gaming, so it's actually looked at in the study, incidents of local crime, employment, revenues, and State revenues. I think that it is the fairest thing that can be done.

When gaming was initially introduced in this State, obviously because of the roots of other forms of gaming, we've been very careful. I think we have a system we can be very proud with regards to our licensing, and the caliber of people who are licensed in this State given the volume of individuals that it takes to run this industry. And what we have to do is take a step back and look at this industry eight or nine years later and say, "What can we do? How can we be fair with the industry and also continue to be fair to the residents of the State?" And I think the experimental process is, without question, the fairest mechanism to do that. Because the only way we can address certain perceptions is to try this limited experiment closely monitored by the highest law enforcement official of the State.

Thank you very much for your time. Mr. Chairman, I do very much appreciate the manner in which you're conducting this hearing, and the manner in which you're being very open with regard to this process. It's very appreciated.

SENATOR CODEY: Any questions?

SENATOR HIRKALA: Yes, Senator.

SENATOR CODEY: Senator Hirkala.

SENATOR HIRKALA: Senator Gormley, you made a statement that 24-hour gambling in Atlantic City would not have any effect on a compulsive gambler. Would you elaborate on that a little?

SENATOR GORMLEY: There has been prior testimony before the Assembly that compulsive gaming, as the disease that it is, is or would not be deterred by the break. There is no relationship to a break in the gaming and to a limitation of one being a compulsive gamer. The reality of it is, they probably would just go up to the room and have a card game in the room, if, in fact, that would be their desire to continue gaming. So the scientific evidence, if you will, the medical evidence, is not present to show that there is a remedial effect by the break and it's having a negative effect upon one who is a compulsive gamer.

SENATOR HIRKALA: Thank you.

SENATOR CODEY: Senator McManimon?

SENATOR McMANIMON: Senator Gormley, I have one question that concerns me very much. You, having served on the initial Committee, along with Senator Codey and myself, why have you selected the Attorney General's office to monitor this and not the Casino Control Commission?

SENATOR GORMLEY: Well, I think that when you are dealing with an issue of this high level of importance -- and I don't mean to be disparaging of the Casino Control Commission -- but when you are dealing with an issue that is so sensitive, because it is gaming, and just by its nature it has always been treated in a very sensitive manner, I think that an official, cabinet-level, and obviously the Attorney General being the one in charge of the law enforcement would be the cabinet-level official who I would select to monitor such an experiment. He's also, you have to understand-- This person has to have some arm's length from the issue in that he's not as close to it as the Casino Control Commission, although he does have the DGE under him. I think he would be able to give more of an objective

review of the socio-economic effects of casino gaming. Also, quite honestly, there have been some opinions expressed somewhat negative towards the issue in certain areas by the Commission. I think in fairness to the Commission and to everyone, I think the Commission would probably prefer, I assume, or I think they would-- Strike that. I don't want to speak for the Commission. I think it would be everybody's best interest that a body of government or a head of a department of government that has not expressed an opinion, but has been neutral on the issue, be the one to monitor the issue. Also, it is without question the head of a department of State government who would you chose to do such monitoring.

SENATOR McMANIMON: In other words, I can conclude from your statement that you're primarily concerned with an unbiased approach?

SENATOR GORMLEY: Unbiased, and I sincerely mean this. I don't mean to reflect upon any other opinion that was given by any governmental agency, but I do think in this particular circumstance the Attorney General would be the appropriate arm of government to monitor such a program. Obviously the Attorney General's office through the DGE does have some contact already. And I just think-- You can always find a nexus with a particular State agency or State body, but I think given the fact that integrity, as you well know, being there from the inception, has always been the number one issue that New Jersey would avoid the taint that people associate with gaming from its history in prior jurisdictions, and the illegality with which it was conducted in prior jurisdictions. We would want to make sure that our top law enforcement person be the person to monitor the review of this experiment.

SENATOR McMANIMON: Very good.

SENATOR CODEY: Any further questions? Senator?

SENATOR McNAMARA: Not at the moment.

SENATOR CODEY: Senator, in 1976 you were not a State official at the time, but as you're well aware, during the

referendum it was made clear by the people who were supporting the referendum financially and other ways and State officials representing Atlantic City that there would not be 24-hour gambling in Atlantic City. That was a commitment that was made to the voters in 1976. I read where you said that was certainly not binding upon you, which certainly is correct, nor any other official. But do you feel any kind of a moral obligation to the people based on that commitment made in 1976 when it was voted in?

SENATOR GORMLEY: Well, based upon the information that I've received I don't-- First of all, it would have been included in the Constitutional amendment if it were to be promised it be ad infinitum, which I think you would agree with. I think that if it is construed that certain statements that were made caused this to be a permanent limitation, I think that would be unfortunate, but I think to ascribe to the Legislative body of 10 years ago the ability to bind a Legislative body 10 years later, I think it's unrealistic. I think, also, when those-- And I'm giving my recollection of the issue. Okay? When it was stated the conversations with regards to 24-hour gaming, I believe there were certain representations by former Governor Byrne. And I think the concern at that time was that you would like to recreate the atmosphere of the casinos that you have in London, whatever. That is my recollection. And I don't think that we've done that by limiting the casinos to the limited number of hours. We have, I think, placed a minor, not a major, but a roadblock to a degree, with regards to the atmosphere that you find induces people on conventions to attend conventions. So I think there might have been some statements. I think if it were "a promise" it would have been in the Constitutional amendment. And I think that certain statements were made, but I sincerely, Mr. Chairman, don't think that there was-- I really have found no hard evidence of there being a public promise. I don't doubt your sincerity that that may have been a commitment that you made.

SENATOR CODEY: No.

SENATOR GORMLEY: It wasn't. Okay. We're narrowing it down. I'll find out who made the promise. But it was something that was mentioned, but I think we have kept faith with whatever representations were made because we're now dealing with an issue a decade later. And I think, quite honestly, given the turn-around time for promises in this Legislature, sometimes they last about a month, so I think a decade or so with the change in the Legislature--

SENATOR CODEY: Speak for your side of the aisle, not ours.

SENATOR GORMLEY: I'm sorry. I won't refer to your side again.

I think that's it very reasonable to relook at it. Unless we had done it by Constitutional amendment, I don't think that anybody can say that was a permanent promise. That was an initial commitment, and it was kept, and it was kept for almost the first decade. I think that it would be unrealistic and unfair, and I think that people would be manipulating the word promise to say that it extends beyond that period.

SENATOR CODEY: In regards to the so-called experiment, do you really think the Legislature after 15 months would come back and say, "Okay, we'll put those people out of work, and the extra revenue we don't need any more."? I mean, to me it's nothing more than a farce, and it's just a way to get 24-hours done permanently. We're not going to come back 15 months from now and say, "We'll give up whatever jobs you created" -- not nearly as much as you state publically -- "and the revenue" -- which again is not nearly as much as you would state publically. But, in fact, it is extra revenue and it is extra jobs and the pressure from the revenue and from the jobs would be too much to go back and say, "We'll do away with 24 hours."

SENATOR GORMLEY: Well, if--

SENATOR CODEY: I mean, either we're going to have 24-hours or we're not. You don't need an experiment.

SENATOR GORMLEY: Well, Mr. Chairman, the numbers that have been given with regards to jobs come to between 1500 and 2000 jobs. I don't know, are those the numbers you're referring to?

SENATOR CODEY: Have you ever been in a casino at 4 A.M. in January during the week. There's not too many people there.

SENATOR GORMLEY: Well, if you say those numbers are inflated--

SENATOR CODEY: Yeah.

SENATOR GORMLEY: Then I would submit to you, and you're probably thinking it's 300 or 400 jobs. I think-- I'm just going by what you've indicated, that I would think that the Legislature would, if they thought there were serious socio-economic effects, then I would think they would have the courage to change the law. So I think if it is as minimal as you say, the actual economic effect, then I don't think that would be hanging over the head of the legislators and they would take that action.

SENATOR CODEY: Any other questions? Thank you, Senator.

SENATOR GORMLEY: Thank you.

SENATOR CODEY: See, as soon as you finish that din leaves, that sound. (Laughter) I don't know why, but--

SENATOR GORMLEY: I would make a bugging joke, but not from my district.

SENATOR CODEY: Thank you. Our next witnesses, who will testify together, are Mr. Donald Trump, Mr. Jack Davis, and Mr. Peter Boynton. Gentlemen? Gentlemen, you can proceed any way that you'd like.

D O N A L D T R U M P: Thank you, Senator. My name is Donald Trump and I own the--

SENATOR CODEY: Excuse me, Mr. Trump.

MR. TRUMP: Yes.

SENATOR CODEY: If you just kick in that button before

you.

MR. TRUMP: This one?

SENATOR CODEY: Yes.

MR. TRUMP: How's that?

SENATOR CODEY: That's fine.

MR. TRUMP: My name is Donald Trump and I own two hotels in Atlantic City: Trump's Palace, subject to our friend on the right, and what's going to happen with regard to that, and Trump's Castle. And I have a major investment in Atlantic City, a very major investment. I am doing what is right, I hope, for Atlantic City because ultimately that's what is going to be good for my investment. I'm not looking at it as an investment, per se. I'm looking first for Atlantic City and I think the better Atlantic City gets, the better off my investment will be.

The fact is I feel very strongly that 24-hour gambling will be a great positive to the town, tremendously positive. Little things, such as we're losing business to Las Vegas. Now, people don't think of that, but the fact is that there are now people going back to Las Vegas from Atlantic City because of the fact that Las Vegas is a 24-hour town. I'm not a gambler. I don't understand many of the little machinations of the gambler and the gambling mind, but there are many people wanting that 24-hour. If we have it, we should really be allowed to compete.

Big things, traffic. Traffic is a very big thing. In Atlantic City right now ten o'clock on the summer days especially, obviously, you have cars coming in for that ten o'clock. You can't even get on the roads. You literally can't even get on the roads. This is something that's a huge point to me, but I don't hear a lot of people mentioning. You can't even come into Atlantic City on a busy day in the summer at ten o'clock in the morning. And at four o'clock in the morning, when they close up, you can't leave. If you look at the traffic, and it sounds strange to people that aren't up at four o'clock in the morning, but on the busy times and the busy mornings, it's very crowded, the roadway systems, because you leave at four and you

come in at ten. Twenty-four gaming is going to alleviate a lot of the traffic problems in Atlantic City and I think that's a very big point, and I think it's a point that a lot of people aren't focusing on and aren't looking at.

I believe it's going to make Atlantic City much more of a destination resort. People are going to come and they're going to stay. This is almost obvious as to why, and I don't think I necessarily have to get into it in great detail, but Atlantic City to really be successful, and to become successful, is going to have to be more of a destination resort -- not when they come down, the bill rings, and they all go home. They should come down and stay and maybe stay two days or three days. They don't do that right now. They come down and they leave. They go back home after the bell goes off at four in the morning. I think it's a great, great negative.

The employment is obvious, but one of the elements is the quality of employment. Right now we have a lot of employees, and I think I can speak for my two friends on my left and right, we have a lot of employees that are very unhappy with the shifts, because some employees are forced to work a ten-hour shift and they don't want to work a ten-hour shift. Because we're working on 18 hours as an example, and you have one shift of eight hours and one shift of ten hours. And they're very unhappy people, and it's tough work, and standing for those periods of time is tough, and maybe it's not even proper. Under the normal 24-hours you have eight, eight, and eight. Then it works out, just from an economic standpoint, from a business standpoint, to be effective and good.

The competition from other places I think is very important. Florida is looking at gambling, or gaming. Other jurisdictions are looking at it. I don't know that it's going to pass. I don't know that it will be good if it did pass for all those jurisdictions. I'm not sure that you folks think that it's been very good necessarily for New Jersey. There are many people that think it's been bad for New Jersey, to be perfectly honest.

But if it does pass, I'd like to see at the time that these things pass, I'd like to see Atlantic City vested. Vested in the sense that it's a nice place. So when Florida gets it, if they get it, when someplace else comes along, a New Orleans and they get it, that people don't say, "Great, we don't have to go to Atlantic City again." I want Atlantic City to be competition for the other places, not just because it's the only alternative. I'd like it to be competition. I think it's very important. I think 24-hour gaming is a very important element in the reconstruction of Atlantic City and the success of Atlantic City. With that I can end my case, and I'll ask somebody else to say a few words. Either way, Jack?

P E T E R B O Y N T O N: Mr. Chairman, members of the Committee, I thank you for the opportunity to speak on behalf of the test period for 24-hour gambling. My name is Peter Boynton. I'm president of Caesars Atlantic City. The Casino Association represents more of the Atlantic City casino hotels and they all strongly support the issue of 24-hour gaming. We believe that it will produce significant social and economic benefits to the City, to the State, and to the industry. We also believe that this trial period, as it is structured under the Scruber bill, will be appropriate and that the test period mentioned in that bill will be the only way to truly evaluate the merits of 24-hour gambling.

We also are excited about the prospects of the monitoring of this bill by the Attorney General's office and by independent consultants hired for that purpose, and funded by the casinos. That independence is important to us because it gives us an assurance that the data will be independently and objectively analyzed. As you know, the Attorney General is to report back after 13 months so that the Legislature has time to debate the issue. I believe, in essence, this is a true experiment, because when we talked about the experiment of gambling in Atlantic City originally I don't think anybody foresaw both the benefits and the negative aspects of it. I

believe that like the original experiment, 24-hour gambling can be evaluated, and with sufficient time, those people can be absorbed into the economic environment of Atlantic City.

I would like to share with you the Casino Association's data on the projected impact of 24-hour gambling. Our projections indicate that between 1990 and 2000 new jobs in casino hotels will be directly the result of the 24-hour gaming, injecting an additional 14 -- \$28 million in wages and benefits to the economy. In addition, the 24-hour gaming could lead to the stabilization of our employees shifts. As Mr. Trump said, the division into more logical segments would have a great impact on both the efficiency of our operations, and on the health and welfare of our individual employees.

Twenty-four-hour gaming will produce an estimated additional 10.7 million annually in tax revenues, including 8.2 million for the Casino Revenue Fund, 2.5 million for New Jersey and Federal payroll taxes, and the Casino Reinvestment Development Authority will also benefit from the expansion of hours. Twenty-four gaming will increase the casino industry's contribution to the CRDA by \$1.2 million. Twenty-four hour gambling should increase the casino hotel revenue by an estimated \$103 million annually. Fifty-two million of that will be operating expenses which will be used for wages, benefits, taxes, and also to purchase goods and services from other businesses. Fifty-one million will be operating income for the casino hotels which can be used to improve individual companies' profitability, and also to encourage additional incremental investment.

Nineteen eighty-five was a period of mixed results for the casino industry in Atlantic City. Although revenues increased industrywide, profitability continued to follow a downward trend. Profit as a percentage of net revenue fell from 8.4% in 1983 to 5.5% in 1984 to 2.5% in 1985. While we are optimistic about the long run, there's no question that this is a very difficult time period for us. Perhaps it is more important, however, to realize that 24-hour gambling can produce benefits

far beyond the projected economics that I've outlined.

From a developmental perspective we believe the additional revenues and added financial stability provided by 24-hour gambling will encourage additional development in Atlantic City. We have already seen significant development through Atlantic County because of casino gambling. This includes additional hotel and motel development, growth in the food services industry, health services, and educational sectors of the labor market. More than 10,000 new non-casino jobs were created in the greater Atlantic City area in 1984 alone. In fact, Atlantic County has lead the State in new jobs each year since 1980 according to the 1985 "State Economic Report." The presence of the casino industry is beginning to transform the area's seasonal economy into a year-round economy that is much more balanced. We believe that 24-hour gaming will help stimulate further growth and development in Atlantic City.

There's one more important issue that I'd like to address before closing, and that is the issue of compulsive, or as it is commonly referred to, as pathological gambling. While millions of individuals can enjoy the excitement that casino gambling provides, some compulsive gamblers find the atmosphere personally destructive. While compulsive gambling existed long before casino hotels came to New Jersey, we must all work together to study and to treat those who suffer from it. The Department of Health, in conjunction with other legislators, has worked to establish a framework in which to fund programs for compulsive gamblers.

In summary 24-hour gaming offers significant social and economic benefits to the State. We urge you to support the 15-month trial period of 24-hour gambling. Thank you.

SENATOR CODEY: Mr. Davis?

JACK DAVIS: Thank you. My name is Jack Davis, and I'm President and CEO of Resorts International. It's a pleasure to be before this Committee again. It takes me back some ten years when this same Committee, maybe not all the same faces, but the

same Committee did a very fine job of being the architect and designer of a law which I think has carried the spirit of what the voters wanted in 1976 and has caused a degree of investment and economic impact on this State which positive effect, which I think far superseded anything that we foresaw at the time.

The cornerstone of that economic prosperity for the State is keeping the industry profitable. Everybody may have their pros and cons about the benefit of gambling to New Jersey, but I don't think anybody can argue with the fact that the job income that has been produced, the private investment that has been created, has surpassed anybody's wildest dreams. And if that return on investment for investors is not maintained then it could develop into the worst economic disaster that New Jersey has ever seen. We feel -- we in the industry feel -- speaking for Resorts, that disaster will not happen but we must keep moving ahead to expand the market. And 24-hour gambling is one of the key ways in which the market can be expanded.

We can promise that it will increase tax revenue, that it will increase jobs. We cannot promise it will be more profit for us. We're willing to take that gamble and we think that it positively will. At the same time the downside risk is more for the investors than it is for the beneficiaries of job income and tax revenue.

One of the other elements that we all look forward to and have tried from the beginning to create is to make Atlantic City a full-time resort city, destination resort, family resort, all the terms that are used that are the good things. I can tell you from having personally dealt with some 20 different parties that have come in to talk about building non-casino hotels and other non-casino forms of investment, that we cannot close the deal. We do not have enough attraction in Atlantic City today to get non-casino investors. And we must get that to achieve the kind of resort that I think the citizens of New Jersey wanted to achieve and still want to achieve by having passed the original law.

Twenty-four-hour gambling will fulfill part of the void which must be filled in the minds of non-casino investors to come into Atlantic City. The only argument that I've heard in objection to this 24-hour gambling is the social impact. And that is certainly a very important factor to consider. But against the fabric of Atlantic City always, in my association with it anyway, having been a 24-hour city, bars are open 24 hours, entertainment is open 24 hours. Everything is open 24 hours. Why shouldn't the casinos be open 24 hours? It seems to me it only completes a pattern which was set long ago when 24 hour alcohol was passed, I guess, by the Legislature and I don't even know when that was. But I've always heard of Atlantic City as a 24-hour city. I think that's one of the appeals that makes it a great resort and can make it a greater resort. I don't think we're out of conformance with what the trends are, the social preference trends are here in asking that a test, not a commitment -- although it has been represented that a test is virtually a commitment, but that's an area that I have no expertise in so I can't comment on that -- but to us it is a test and we view it as a test. And we just think that it's necessary to fulfill what Atlantic City is designed to offer, and that is a family resort and a destination resort. Twenty-four hours would only fulfill that objective.

I remember just going back to 1977 there was a lot of discussion about hours in the formation of the law, and I remember the first suggestion out forth was that it be eight hours, from eight at night until four in the morning or something like that. Gradually and gradually through hearings with your Committee and other committees it was extended to its present form. One of the arguments that I think was persuasive at that time was that if you have short hours you would not have the incentive for people to stay overnight and utilize the other elements of the city and the hotels and so on and so forth. I think what we're asking for here is just an extension of the factors that would create that same all-purpose resort, by making

it 24 hours instead of 16 or 18 or 20, which it is now. So I would really like to ask your support for this 24-hour gambling. Thank you.

SENATOR CODEY: Thank you. Senator Hirkala, any questions?

SENATOR HIRKALA: Yes. I'd like to ask Mr. Trump a question regarding the percentage increase in the workforce. Mr. Boynton mentioned that we would probably see an increase in jobs between 1000 and 2000.

MR. TRUMP: Yes, sir.

SENATOR HIRKALA: What percentage increase in the workforce would the average casino have if 24-hour gambling were approved?

MR. TRUMP: Well, based on those numbers, I guess if you divide by 11 you'd come up with a number of maybe 5% or 10%. But my own impression, my own feeling, I think that's a very conservative number -- I think it's been reported to be a very conservative number -- I think you could have an increase of 7 or 8000 jobs. And that doesn't include outside jobs, food vendors, people that supply the hotel. The hotels, in theory, could do better business and all of the very many companies outside of Atlantic City, and actually within New Jersey as a whole, generally in New Jersey that are now going to be adding staff in order to support the hotels for a longer period of time because they're going to be open for a longer period of time.

So you might be saying, based on those numbers, between 5 and 10% but I actually believe that it could be as much as 20% in total if it works as well as we all hope it's going to work.

SENATOR HIRKALA: Mr. Boynton, we're heard of the positive aspects concerning the possibility of 24-hour gambling: increase in jobs, increase in tax revenues, alleviating the traffic problems. What would you consider the negative aspects for the State or Atlantic City if 24-hour gambling were approved?

MR. BOYNTON: Sir, my perception of the negative

aspects of the industry is obviously clouded by my participation in it. I think there are, certainly, negatives. I believe that the study that would go along with this bill would really form the basis for getting much more objective viewpoint as to what those negatives really are. I see 24-hour gaming as an increment really producing a lot of benefits with very little negative impact.

SENATOR HIRKALA: My final question of Mr. Davis. I've seen a great improvement in Atlantic City. I can remember before casino gambling came in and we would have a League of Municipalities convention. I think it was the most depressing city I had ever been in, and I've been into some of the depressing industrial communities in this State. Riding a cab going to a restaurant the people were 100% down on everything. They just had no hope, no future. I think that even with some of the negative aspects we've seen a great, great improvement. And I'm sure we'll have more.

My final question of Mr. Davis is we've had the advent of casinos and we've seen it increase from time to time. What plan is in the offing for casinos to build other hotels which are not casinos?

MR. DAVIS: Well, sir, we are presently building the most expensive casino/hotel that's ever been built, and I believe it's the second most expensive hotel that's ever been built. We have exceeded the requirements of a 500-room hotel. We've exceeded the requirements of 1000 rooms that we stipulated to build on the urban renewal track. We're going to 1300 rooms and we're doing that and we're accompanying it with far more than required public space for conventions and exhibit halls and so forth because we want to give a real shot in the arm to the ability of Atlantic City to attract conventions.

To answer your question, we have also been offering deals to non-casino hotel potential investors on our property adjacent to our new hotel at below our cost for the land. And, as I mentioned before, we have been unsuccessful in luring any of

them to make that investment at the present time for various reasons, which include the fact that their assessment of the market is that it is not yet mature enough for this type of investment. I think that 24-hour long casino availability will again bring these people back and interest them in reviewing the situation again. I think it's this and other things that must be done to attract non-casino investment.

SENATOR HIRKALA: I have no further questions. Mr. Chairman.

SENATOR CODEY: Okay. Senator McManimon?

SENATOR McMANIMON: Mr. Trump, there was one little expression you used that caught my attention, that was the expression of bell ringing, people being subjected to bell ringing at four o'clock in the morning, or at six on the weekend. And yet, we as a Committee, back in the '70s demanded of the industry to come in and provide 500 units to each hotel. We realized what a burden we put on them and the whole purpose of that was to open up our trades, get them back to work at that particular time because this State was in dire trouble. And when you say bell ringing and going elsewhere-- in other words, you sincerely feel that the four o'clock is working adversely to the casinos in respect to people who ordinarily would stay because they want to gamble, but once they leave they just go further away?

MR. TRUMP: Well, I've become a little bit, and I certainly cannot say expert, because until this issue came up I knew very little about compulsive gambling, but I have read quite a bit since then on compulsive gambling, which is, I think, basically what you're addressing, or to a large extent I think that's the point of your question.

SENATOR McMANIMON: A little bit.

MR. TRUMP: We've had expert testimony and we've met with experts on compulsive gaming and it was very interesting to me to realize, as we were going along, we think of casinos as being this great devil coming down from the sky. And the fact is

that the experts say that 20% of the problem of compulsive gaming, a maximum of maybe 25, is caused by the casinos. The biggest culprit with regard to compulsive "gaming" is a thing called the New York Stock Exchange, which I can see. That's your biggest casino. I mean we're just peanuts by comparison to that. And you have your race tracks, and you have your betting, and your this and your that. And I found that very interesting because we think of the casinos as the big bugaboo. But the New York Stock Exchange, the hallowed ground on which it sits, that's the saintly, magnificent old building with great traditions, except much more money is lost in gaming in the New York Stock Exchange than could ever possibly be lost -- in one day than could ever be lost in the casinos.

And that opened my eyes to something, and the next automatic thing to look at, where do you go from there? When that so-called bell goes off, Mr. Senator, what happens is if somebody really has got a problem and that's a bad thing that they do, they need treatment. But if they have a problem they go to the telephone at four in the morning, or five in the morning, or six in the morning, and they call any one of a hundred different outlets of gaming, not casino outlets, but they call up on the horses or they call up on the sports betting or they call up somebody, legal or illegal. There are too many other sources. So, you know, we look at ourselves as this horrible thing. The fact is it's not this horrible thing and there are-- Now, if there were no other outlets I'd say 100% you're right, and maybe we shouldn't have it at all and would never have a problem. We shouldn't have gaming, we shouldn't have anything. But there are hundreds of other alternatives and I just don't think it's necessarily fair to blame solely the casino industry.

SENATOR McMANIMON: I asked you that question specifically because if I recall correctly when we had the hearings back in the early '70s that the State Police took the position where they were concerned about whether it would result in the after-hour gambling. I think they were also concerned

with respect to what effect does that last hour of play have on the ordinary gambler when he knows that bell is going to ring at four o'clock because the style of play can change completely and does it work out adversely to the gambler?

MR. TRUMP: There are those that say--

SENATOR McMANIMON: And I think these are points that should be raised and should be brought out.

MR. TRUMP: There are those that say they go wild in that last hour as opposed to doing it more slowly over a four or five hour period, and it makes sense. I mean it makes sense. They know there's one hour to play so they take everything they have and they put it down. So you know, the 24-hour-- You asked the question before, Senator, to Peter, as to what are the negatives. I don't see any. I can say it much more assuredly than Peter. Peter basically said the same thing, but perhaps with reservations. I just don't see any and I think that's the primary reason why you won't be having to worry about your 15 month experiment. I mean I think it's going to come out very positively. So you won't really have to worry about well, are we going to really be forced to continue it even if it's not working. I really believe it's going to work very well.

SENATOR McMANIMON: One other question. Do you think by closing at four o'clock it definitely has an effect on the safety at driving once they leave the premises?

MR. TRUMP: Well, I don't know about the safety. I know it has an effect upon the traffic itself. It's not only the closing at four, it's the not opening at ten, perhaps that's the bigger problem because at ten o'clock on a busy summer day or spring day or fall day where it's warm and beautiful where a lot of people want to come to Atlantic City, and they know the casinos all open at ten o'clock. They're all trying to get in there by approximately ten o'clock. Now if the casinos are open 24 hours they can get there at nine, they can get there at eight, they can get there at 9:30. I mean, it's going to have a major effect on traffic. I think that's one of the very important

points, not the most important point, but I think it's one of the very important points having to do with 24-hour gaming, Senator.

SENATOR McMANIMON: Thank you. No further questions.

SENATOR CODEY: Senator?

SENATOR McNAMARA: Mr. Trump, I don't know the arguments about the New York Stock Exchange might be one of the best arguments to keep it limited in the hours. They're limited as to how often you can gamble there.

MR. TRUMP: It's a very good point.

SENATOR McNAMARA: I'm not sure I'd use it if I were on your side, but it's a good one for--

SENATOR CODEY: Don't give them any help.

MR. TRUMP: Senator, they are talking about significantly extending their hours beyond that.

SENATOR McNAMARA: But they haven't been successful yet.

MR. TRUMP: No, they haven't.

SENATOR McNAMARA: In your statement--

SENATOR CODEY: He hasn't lobbied yet.

SENATOR McNAMARA: --you had addressed the fact that you'd like to see Atlantic City a nice place. And I think that's a very nice statement to make. I don't exactly see the relationship to how 24-hour gambling would make it a nice place. And I think that obviously when you made your recent investments into Atlantic City you bought knowing the rules of the game. It's not a-- You know, you weren't surprised by the limitations of the casinos.

MR. TRUMP: That's correct.

SENATOR McNAMARA: You know, what has driven you to now focus on the 24-hour gambling?

MR. TRUMP: Well, I did, Senator, buy based on the rules of the game, and if that's the rules, I'm certainly satisfied to live with them. I just-- And by the way, as Jack Davis has said, we don't know necessarily that after we pay all of the additional employees, all of the additional guards who-- Maybe

the casinos aren't full enough to really break even or make a profit. We don't know what the end of this experiment-- And we really don't know. I can tell you in the summer we're going to do very well. In the winter we're going to do very badly. In the end we may very well have a negative as far as income, but I'd be willing to actually lose a certain degree of money -- hopefully not a lot of money -- because I do believe it will make Atlantic City a better place. I do believe when I talk with the town-- Let's face it, you know, we're not talking about Palm Beach when we're talking about Atlantic City. This city is not one of the great beautiful cities of the world right now, but it's better than it was and hopefully it's going to get better. The 24-hour gaming will have an effect on making it a destination resort. There will be more money spent, and hopefully more money earned by the casinos because of 24-hour gaming, and therefore more money can be spent in Atlantic City.

Jack's statement about hotels-- It's very possible, and nobody can promise this, but it's very possible that that additional incentive will allow something that, in my opinion, Atlantic City needs desperately, and that's non-casino hotels. We don't need additional casinos. I mean between his 120,000 foot monster that they're going to be opening and Showboat opening, and right now you can shoot a cannon through half of the casinos in the middle of the winter and you'll never hit anybody. you won't come close, we don't need additional casinos in Atlantic City. Atlantic City is casinoed out. What we need in Atlantic City is rooms, non-casino hotel rooms, and you're not going to have that, in my opinion-- There's a lack of, because of the obvious reasons, there's a lack of incentive for people to build that based on the fact that at four o'clock people go home. People are going to stay. It's going to become more of a destination resort if you have the 24-hour gaming. And I do want to play by the rules, and if it's not approved I'll continue to play, and I'll continue to smile, but I do believe that Atlantic City could be a better place with 24-hour gaming.

SENATOR McNAMARA: All right. But, see, you're-- You know, if we go back to your argument of you're willing to take the so-called risk, that's a limited exposure, because let's be very candid with each other. If after the 15 months you find out that there's no economic benefit what you're going to do is cut that third shift. I mean that's the reality.

MR. TRUMP: That's possibly correct.

SENATOR McNAMARA: You know, I mean, I've got to believe as a successful businessman you're not in it to lose money.

MR. TRUMP: That's right.

SENATOR McNAMARA: And believe me, I don't want anyone in business to lose money. So the risk is very, very limited because you have parameters that your risk is set in a 15 month time frame.

MR. TRUMP: That's right. I agree with that, sir.

SENATOR McNAMARA: The risk of once the final commitment is made to 24 hours go on ad infinitum.

MR. TRUMP: That's correct.

SENATOR McNAMARA: And we're looking to get new construction to invest in non-casino hotels. See, I look at that and I say to myself why would someone without the benefit of the casino, if the casino hotels are not willing to put together the consortium to build those other hotel rooms that are going to be needed by this panacea that's going to be created by 24 hours, why would I, as a private investor, go in, sink in \$100 million into Atlantic City? You find out that the 24 hours really doesn't work and you shut down. I still have my \$100 million investment. I don't understand why the casinos themselves haven't gotten together to address the problem of additional hotel rooms if that's, in reality, one of your problems?

MR. TRUMP: Well, right now, Senator, you have a situation where your occupancy factors are not really that high in Atlantic City in terms of hotel rooms because they tend to leave, they go home at four o'clock in the morning. And, in

fact, the hotel business is a very good business. In New York City, we were just talking, the rates are the highest they've ever been. New York City is a fantastic-- I own hotels in New York, and I'll tell you what, it's a fantastic business. The hotel business in Atlantic City could likewise be a fantastic business. The only thing I would disagree with you on, see, the nice part about the hotel business is it doesn't cost you \$100 million to build a substantial hotel non-casino in Atlantic City. It can cost you \$22 million, \$20 million. It can cost you \$25 million and you have a magnificent new building because you're not building these huge buildings that are five blocks long with 14 restaurants and huge ballrooms and all of the other things that go with it that add up to 4 and \$500 million.

The hotel industry is not going to jump right in if you approve this until they find out that it's going to be there for a while. If it's going to be there, I think you're going to see additional investment because Atlantic City by its nature, by the fact that it is there, they don't want to take a chance that this experiment is going to be cut back at the end of 15 months. By its very nature Atlantic City, by the nature of what we're asking, I believe it has to become more of a destination resort. And, again, I don't say it's going to be Disney World. It will never be Disney World. It will be something else, but it will never be Disney World, but at least there will be a chance to have destination hotel rooms built in Atlantic City at moderate cost. And I think that will be a great thing and I think that's what the City needs perhaps more than anything.

SENATOR McNAMARA: I don't think it will be a Palm Beach because the snowbirds are going to take off regardless whether Atlantic City has gambling or not.

MR. TRUMP: And it doesn't have Maralago.

SENATOR McNAMARA: That's a very good point.

Mr. Boynton, your estimate of 1000 to 2000 jobs, on what formula-- You know, where will those jobs actually be? I mean the operations now are essentially open 24 hours a day.

aren't they? Other than your gaming?

MR. BOYNTON: Yes, they are, but, of course, they're driven by casino activity. I mean all of our operations existed because of the casino. They really are not independent of it. They support it. The distribution of that, maybe to give you a typical profile, and let's use 200 jobs just for hypothetical argument. About 90 of those 200 would be directly in the casino itself. Then we would have another 30 to 40 in ancillary support areas of the casino, the coin, the cage. Security that would be 15 to 20 jobs there. You have some maintenance because you have some additional maintenance requirements not being, not closing down will make it a little more difficult so we'll have some additions in that area. The hotel would have some minimal additions. So it's a fairly even distribution of job opportunities as an increment.

SENATOR McNAMARA: Any one of the three-- Do you really see a decrease in the bus traffic? Because it would almost seem to me as a non-participant, that that particular trade is, in fact, a particular segment of the market that's going to exist whether you're open or closed, and therefore I don't really see how that's going to improve a traffic situation in handling 12 or 1400 busses during your peak season.

MR. BOYNTON: There's no question that we are married to the bus industry. And I think we have to think of it in terms of a method of conveyance as opposed to bus people get off the busses, because there's quite a mix of people who get off those busses. What this will do for us, will enable us to increase our profitability, because the bus business in a very general sense is certainly profitable, but there are many segments within that, that are at best break-even and in some cases unprofitable. So it will enable us to substitute a more profitable form of business, the conventioners, for example. People that stay in the hotels. People that stay in the hotels typically have a little larger gaming budget than somebody that would step off the bus for the day. It's the substitution factor that we're very

interested in because that speaks to profitability. That will create opportunities.

SENATOR McNAMARA: One of the other items -- and I forget who addressed it -- was talking about your net decreasing. In recent, since there seems to be a little turnoff in traveling to Europe, has there been any positive impact on the net to the hotels? Any one of the three.

MR. BOYNTON: We see every indication that this will be a pretty busy summer and certainly for the same reasons I'm sure all of you have read about, the lower gasoline prices, the threat of terrorism, the turnaround situation on the dollar valuation. We're very hopeful that this will be a banner summer for Atlantic City. Weekends are always good in Atlantic City, I might add. So it's that midweek, off-season cycle that we're vitally concerned about.

SENATOR McNAMARA: Does the place stay very, very active between the hours of four to six on the weekend, during which you're permitted to stay open those two extra hours?

MR. BOYNTON: It certainly does in the season and in the shoulder season, it's quite active.

SENATOR McNAMARA: What is the percentage increase in a day's take?

MR. BOYNTON: It's very difficult because the play does not necessarily depend on the numbers of people. In our instance one person could make the difference in that time frame because of the size of their bet and their betting behavior. Very difficult to pin down. When we're talking incrementally we don't know-- It's not necessarily a linear progression. We don't know whether somebody is going to make a different decision because 24-hour gambling is there, whether they will tend to arrive later and play later. These are nuances that we really can't nail down, and that's why we need the test period.

SENATOR CODEY: Senator Bassano, any questions?

SENATOR BASSANO: Yes. The casinos that are down in the islands, the casinos that are in Las Vegas, they are open 24

hours a day?

MR. DAVIS: In the Bahamas, yes. They're open 24 hours.

SENATOR BASSANO: They're open 24 hours a day.

MR. DAVIS: Now we periodically may not run all the games all 24 hours. We vary the games according to demand. But if there's demand we stay open 24 hours, and the slots are open 24 hours every day. And in Las Vegas--

UNIDENTIFIED SPEAKER FROM AUDIENCE: Likewise in Nevada, yes.

MR. DAVIS: In Nevada all casinos are open 24 hours.

SENATOR BASSANO: The average today, and I missed the beginning of the meeting, are to four o'clock and then open again at ten during the week, to six on weekends?

MR. DAVIS: That's correct.

SENATOR BASSANO: Okay. Have you, as the owner of a casino, taken a look at when gambling is the heaviest, what hours, what part of the day? Can you give us any insight with regard to that?

MR. TRUMP: Well, I think it's different, different hours for different seasons really, but generally speaking your evening hours on a Saturday and Sunday. Saturday and Sunday are generally pretty busy throughout the day, but your evening hours when you get into the nine o'clock area over the weekend it gets very heavy. And frankly, during the summer weekends it stays very heavy very late into the morning. I think the casinos would do very well beyond four o'clock in the morning.

SENATOR BASSANO: I guess the question I'm really asking is two, three, four o'clock in the morning is gambling at its heaviest or close to its heaviest at that time of the day?

MR. TRUMP: No, it's not, and that's why I just don't know at the end of a period of time it might be from an economic standpoint this isn't even that good. It's not the heaviest at that particular time, but it's heavy enough, I think, to justify it. And it's heavy enough to hopefully make some additional

profit and it's certainly heavy enough to employ a lot of people in terms of jobs in Atlantic City and New Jersey.

SENATOR BASSANO: I guess you recognize the fact that if we go for a 15-month study that, in all likelihood, after that study is complete regardless if there are some negatives or some positives from that study, we're going to have a lot of pressure placed upon the Legislature from those people that are employed under the new shift system that you're talking about. There's going to be people that are going to say they're going to lose their employment in the event that we go back to the system that we have right now. I think that that should be pointed out.

The new jobs that we're talking about creating, those jobs would primarily be a spinoff of gambling, wouldn't be the gambling aspect itself. In other words, the dealers and the-- It would be the support industries that would be getting the additional jobs. Am I correct as to that is what was stated?

MR. BOYNTON: Support industries, I don't know what you mean by--

MR. DAVIS: Mean both.

SENATOR BASSANO: You mentioned before that there would be people, additional guards, things of that nature. It would be that type of employment that we would--

MR. BOYNTON: Fairly evenly balanced, yes.

SENATOR BASSANO: Which means that there would be an opportunity, then, for some additional people who reside in Atlantic City to gain employment?

MR. TRUMP: Yes, sir. Yes.

SENATOR BASSANO: Last question I want to ask. We're talking about two different pieces of legislation. I see one bill has been amended already for 15-month study. Does the industry itself feel that 15 months is adequate for a study of this type? Is that an adequate study? Can we gain enough information in that period of time, or is a study longer than that needed, or can we really cut the 15-month-period back and still get the information we need?

MR. TRUMP: Well, I wouldn't want to speak for the industry, but I think that the industry feels that it's certainly adequate. I personally can tell you I'm disappointed that, because we have been talking about this for a long time, as you know, and I would think we've been talking about this, in effect, for years, but this particular issue has become hotter over the last number of months.

I'm very disappointed that we're not going to be able to implement it prior to this summer, because here we are, we have a great summer coming up. We have a summer where the European problems will hopefully cause us to do very well in the States generally, and in Atlantic City as one of the very particulars. And we're not in a position to really take advantage of what we're being given.

I think, frankly, next summer is not going to be a good summer for Atlantic City. I think this summer could be a record breaking summer. I think next summer is not going to be good. I think when Resorts opens up their casino and when Showboat opens up their casino, and you're not going to have the same world problems, perhaps the problems will revert to the United States and people are going to want to go to Europe for safety. I mean, who knows what is going to happen?

So I think that this summer, I think it's a -- and I can't use the word travesty because that's a very strong word -- but I think it's a great shame that the bill could not be implemented for this summer, and I think that's a much more important issue than whether it's 12 months, or six months, or 15 months. It's a shame that we're missing all of the income and all of the jobs in what will be already a banner summer. I really think it's a shame.

And now I hear that we're talking about a possible October date. I mean October. You really tend to lose your enthusiasm. We'd do it because we're waiting for next summer, but the purpose of the 24-hour gaming isn't so much for October and November and December. It's for July and August and June.

And it's a shame that we're missing that opportunity in what will be a banner year. To me it's a shame. I heard this today for the first time, they're now talking about implementing in October, and I say it's a great opportunity lost for the State, for the money, for the jobs, for everything else that comes with it. I think it's a tremendous opportunity lost and I don't know why it has to be so long, but if they say it has to be, it has to be I guess.

SENATOR CODEY: Mr. Trump, I've heard a lot of arguments for 24 hours, but it's the first time I've ever heard the argument terrorism in the United States should be one of the reasons that we implement this. You've come up with a new one this morning.

Mr. Davis, at the beginning of your testimony you stated that, referring to myself and Senator McManimon some nine years ago, that we did in the Act was what the voters wanted. And I'm assuming then you meant the voters wanted no 24 hours.

MR. DAVIS: No, I didn't mean to leave that impression.

SENATOR CODEY: That's what you said, though.

MR. DAVIS: I said-- Well, let me try to refine it then. What I meant to say was I think at that time you did a very fine job of interpreting what it appeared was indicated by the voters at that time. We all know that times change, impressions change. A lot of things have changed in the industry and conduct of the industry that are improvements since that time. That doesn't mean that we shouldn't have had them.

SENATOR CODEY: Well, Mr. Davis, you were in the room when we decided the fate of the hours, along with myself and Senator McManimon, Dr. Bockelman. You didn't complain. You were very pleased with the hours that were written into the bill at the time.

MR. DAVIS: Well, I think my sentiments were that it's -- two is better than one but three is better than two. I was happy that I got two. If you'll recall we started off talking about eight hours, and inch by inch we got to the 18 and 20

hours. But I never recall my sentiments as being that didn't favor the 24 hours.

SENATOR CODEY: I thought you had a smile on your face when we hit 18 hours.

MR. DAVIS: Well, when you let me out of the room in one piece I smiled.

SENATOR CODEY: How about the referendum? Resorts was very instrumental financially in the referendum and at that time the group said no 24 hours. You were a part of that group. You were the most significant part of that group.

MR. DAVIS: Right, but I didn't agree with everything that was said in that group. I think that we only promised 30,000 jobs, and we've got 40 already. Is that bad? I mean, should we cut it off at 30?

SENATOR CODEY: What's the analogy to 24 hours though -- the commitment to 24 hours?

MR. DAVIS: Well, we've exceeded, on the positive side, a lot of things that we promised in that referendum.

SENATOR CODEY: You have.

MR. DAVIS: So I don't see why we can't exceed, as the times move along, some of the restrictions that were put on the industry at that time because let's face it: If the public wants 24 hours they'll come down and use it; if they don't want it, the experiment will fail. And if we want to do what the public wants, let's give them a chance to express their opinions in their actions. If we find people are coming to the casinos between 4 A.M. and 10 A.M. then that's what the public wants. So let's give them a chance to express it.

SENATOR CODEY: But you're only, in the casinos, maybe at 6 A.M. if this passes, you're talking about maybe the infinitesimal numbers that would be in the casino, you know, compared to eight million people. So you can't say because there's a couple thousand people in the casinos at 6 A.M. that represents the majority of eight million people in the State. Mr. Davis--

MR. DAVIS: Well, I would say--

SENATOR CODEY: Go ahead.

MR. DAVIS: I would say that if those extra hours proved to be economically sound that not only have we created more jobs, more tax revenues, but we've catered to the wills of those people that want to come. All eight million people didn't vote for gambling. Only 56%.

SENATOR CODEY: It was enough. I was one of them.

MR. DAVIS: We appreciate that.

SENATOR CODEY: You mentioned the word restriction -- that we're doing away with a restriction here. One of my fears is that you come in today to do away with 24 hours and what is it tomorrow? Or a couple of months from now? Or a couple of years from now? If this goes by the boards, then I don't know if the dike can be held back any longer. I think you'll just come back and come back and come back and ask us to do away with this, do away with that. So the Act becomes meaningless as to the way we wrote it. We wrote an Act that was designed not to be like Las Vegas, not to be like London where they are private clubs. We wanted to carve out or own special niche, and once you do away with no 24 hours that all goes by the boards. Everything is wide-open once more.

MR. DAVIS: Well, I--

SENATOR CODEY: I don't direct that solely at you, either.

MR. DAVIS: I'd just like to say that you have carved a very special niche. I think that you've laid on a regulatory system that is respected around the world and that has certainly been -- has exceeded any other jurisdiction in the degree of regulations. So I don't think that you can portray this as a washing away of control. I think what we're talking about here is exceeding to what we think is a market demand that the people want. And it doesn't represent-- I mean, I'm sure that the same strong controls that are in effect the other 18 and 20 hours will be in effect during these four and six hours. So I don't see it

as any dilution of the regulation of the industry.

SENATOR CODEY: I've heard the testimony and then I saw how Mr. Trumo was -- pardon the characterization -- but you're upset that this summer may go by and you may not have 24 hours, which all indicates to me, based on the testimony and the reasons, that this seems to be merely a move by the casinos to put more money in the casinos' pockets. You said one of the arguments for it was that it makes it easier for your employees' shift work. I've never had anybody come before the Legislature, and I've been in since January of '74, say do something because it makes it easier on our shift work. We should have 24 hours because it creates three 8-hour shifts and it makes it a lot easier for the casinos to operate with that.

You said that it eases the traffic burden. I don't think that's really as significant as you would like to point out. You said it may help some gamblers because when you close at four they get on the phone. I don't know any stockbrokers that are up at four in the morning that are taking orders. I know of no bookmakers that take bets at four in the morning. There's no horse racing in the State of New Jersey at four in the morning. But I do think, and I would agree that this really does not go towards compulsive gamblers, because they will wait you out and come back, for the most part, and gamble.

But I do think it helps a person who goes down for the night and at four in the morning he's pilled some liquor in himself, he's feeling good, he's lost some money, and he thinks he can get it back and he bets more than he normally would. Well, if you close at four A.M. that makes him think about what he's doing and may force him to go home or go to work the next day or whatever. So I really think you help those people who are not compulsive gamblers but who may have a tendency at four in the morning or at five in the morning to have their judgment clouded, and you force them away from the table to rethink what they're doing. So I think when we do close, we help them.

But when I look at Atlantic City, there's so many

things good about it, and I think they've been great for the City, great for the State, but there's so many things that are so much more important than 24 hours. I mean Convention Hall still hasn't been done. The airport. There's the kind of amenities do not exist in Atlantic City that should. The Boardwalk could be a jewel of the City. Nothing has really been done on that. But I just can't imagine or envision someone in Kansas saying to themselves, "Well, gee, let's go to Atlantic City now because their casinos are open 24 hours and that's why we make our decision to go there and spend the weekend there." I don't think this will fill any rooms at all. I don't think it will have any of the kinds of effects that you think except more revenue, which is your right, no problem with that, to the casino. I think the only beneficiary of the whole 24-hour thing will be bottom line to the casinos. If you want to comment on anything I've said, go right ahead, gentlemen.

MR. BOYNTON: Two points, Senator, that I'd like to comment on.

SENATOR CODEY: Sure.

MR. BOYNTON: One is that there is-- we are as frustrated, I'm sure, as you and other are over the lack of visible progress in Atlantic City. I think in terms of perspective we need to remember that the reinvestment provisions which were enacted in the original statute and later changed have at current levels about a \$55 million pool of funds available for reinvestment purposes, which housing will be certainly a major priority. And we have about \$25 million or more a year depending upon business levels of funds coming into that which can be leveraged through bond issues and what have you. We believe that that's going to be some very visible progress and it should start very soon.

We also have seen a major renovation of Convention Hall. I am on the Convention Authority in Atlantic City. A twenty million dollar improvement to the existing hall, which has had a profound impact on our ability to book city-wide

conventions in the future. That was funded through luxury tax revenues. This will also help increase luxury tax revenues because those are paid, of course, by the consumer. They are a pass-through tax on rooms, entertainment, certain types of beverage service. So I think there's a lot of very positive things that this will stimulate.

SENATOR CODEY: Okay. Anything else you gentlemen would like to say?

MR. TRUMP: I'd just like to thank you very much for hearing us. I do feel it's a very important issue. I do feel that at the end of the your 15 month period or whenever the period ends up being that you won't have a dilemma, you won't have a problem with having to worry about ending it, because I believe it's going to be a very positive experiment, and I hope it is. And I hope it is for the casinos, too. I hope it's positive from a bottom line standpoint and from every other standpoint, but I think overall for New Jersey and for Atlantic City it will be positive. I don't think you will be faced with this dilemma.

SENATOR CODEY: Okay.

SENATOR McMANIMON: I have one other question I'd like to ask.

SENATOR CODEY: Go ahead, Senator.

SENATOR McMANIMON: Now at the time the law was created, the time elements seemed like a good idea. It apparently has worked exceptionally well. Do you envision any potential problems with round-the-clock knowing full well that we're operating presently with the hours we are, and the success we've had with it?

MR. DAVIS: I don't envision any problems, sir. As a matter of fact, I've always been struck by the support that we get from the law enforcement agencies that 24-hour gambling would alleviate a lot of problems for them outside the casinos. So, frankly, I can only envision positives. I can't guarantee that we're going to make profit out of it, but I can guarantee there

will be jobs and taxes.

SENATOR McMANIMON: One other point I'd like to bring to Mr. Trump's attention. I do look at the national level here in this country, Gramm/Rudman is going to have a very devastating effect on New Jersey. We're already tapped into casino moneys for pharmaceutical assistance and that, and it's quite apparent with our present tax structure today nothing to be done to completely reform that. We better concern ourselves about the additional jobs and the moneys that are put out in the open market in this State. I think you're on the right track.

MR. TRUMP: I appreciate it very much, Senator. Thank you, Senator.

SENATOR CODEY: If I could, gentlemen, when you finish if you could just go outside, because I know some of the press would like to interview you. If you could go outside so it doesn't disrupt the rest of the hearing.

Just let me say, Mr. Davis, it's been good to see you again.

MR. DAVIS: Likewise.

SENATOR CODEY: I know I speak for Senator McManimon. You've done a lot of good for Atlantic City. I don't know Mr. Boynton that well, but Mr. Trump has been lobbying at me now for about six months--

SENATOR HIRKALA: He didn't seem to have much success.
(Laughter)

MR. TRUMP: I did very badly, Senator. You're right. That was one of my great failures in life.

SENATOR CODEY: But just let me say you've been a gentlemen throughout that. It's been a pleasure to have met you. You're a credit to our State. I'm very happy and glad that you're part of our State. Maybe some day you'll move here, who knows?

MR. TRUMP: Well, I just hope you tell that to Bud Read. (Laughter)

SENATOR CODEY: Thank you again, gentlemen.

MR. DAVIS: Thank you very much.

SENATOR CODEY: Our next witness will be Mr. Walter Read, Chairman of the New Jersey Casino Control Commission.

WALTER M. READ: Good morning, Mr. Chairman, members of the Committee. I appreciate that plug from Don Trump, of course.

I'm Walter Read, Chairman of the Casino Control Commission and I welcome this opportunity to discuss the views of the Commission with you on this matter which represents, I think, a proposed change in the broad public policy of this State with regard to casino gaming.

Basically, what I have to say this morning is a repetition of what the Commission presented to the Assembly Independent and Regional Authorities Committee. But I think it bears repeating because I believe it was misunderstood in some quarters the last time, and because I think it's important that the members of this Committee and the Legislature in general understand exactly where we stand.

To understand our position you have to go back almost ten years to a time immediately after the 1976 referendum. You will recall that the people of New Jersey rejected casino gambling in 1974 and only approved it two years later because it was restricted solely to Atlantic City.

In commenting directly on a question of operating hours during the debate on the Casino Control Act, former Assemblyman, later Senator, and now Judge Perskie told the Assembly State Government Committee in 1976 he opposed unlimited hours. And I'd like to give you a direct quote of what he said about that and why he opposed it. He said, "In keeping with the commitment that we made to the people of New Jersey in the referendum that Atlantic City would not become a gambling mecca specifically, but that gambling would be offered as an element of the resort and tourist trade."

That position was reinforced at the same time period by the late Joseph P. Lordi, who was the first Commission Chairman.

and a man generally credited with being responsible for much of the early success of casino gambling in the State. When Lorci testified before the Assembly Oversight Committee, and I'd like to give you a direct quote from him: "I would favor the present proposed statute as opposed to an amendment permitting the casinos to stay open 24 hours a day. It gives the bettors an opportunity to sit back and reconsider what they are doing."

That's the type of climate that existed in the State in the late '70s as the Legislature adopted the Casino Control Act and the Governor signed it into law. Those were the conditions the various casinos accepted when they came to this State to operate.

It was also the burden that was placed on the shoulders of the first Commission members and subsequently handed down to the present members. The Commission members were entrusted with the responsibility of carrying out the mandate of the Legislature, and the Governor, and ultimately, the people of the State of New Jersey. We recite that history because we think it's relevant.

Nothing has happened since that time to change that fundamental policy. The people of the State haven't spoken. The Legislature hasn't changed its position. The Governor hasn't indicated that he wants it changed. Consequently the Commission members still have a legal and moral obligation to carry out the present State policy. Furthermore, there's no hiding that some members of the Commission, speaking personally and as individuals, have opposed any extension of legalized gambling in the State.

I don't mean to bore you with a lot of history, but it's important to understand why the Commission has taken the position it has. Today the question is before us again and in considering any change in public policy, it's important to understand how we arrived at our present position. If the public policy is to be changed, then we must address the questions that we faced ten years ago. We must be able to respond to the

concerns raised by men like Perskie and Lordi.

The questions we must face go beyond purely economic conditions. The current public debate, which I have followed rather closely, has focused on economic considerations. There are estimates of increased revenues, improved profit ratios, added employment, bigger payrolls and more tax revenues.

The Casino Control Act talks about casino gaming as a unique tool for the revitalization of Atlantic City as a convention and tourist center. And although I've heard some casino executives say that 24-hour gambling will make Atlantic City a more exciting place, I haven't really heard that it will bring more conventions or encourage more families to visit. At least specifically I don't understand what they're saying could accomplish that.

It's no secret that Atlantic City needs to become a better convention attraction. Every casino executive in Atlantic City can recite a litany of the need for more hotel rooms, better convention space, improved highway and air transportation, and the inauguration of a rail system. And to say that Las Vegas has become a great convention center simply because it's the city that never sleeps is begging the question. An extra few hours of gambling is not going to provide the hotel rooms or the convention space or the improvements to the infrastructure that are needed to make Atlantic City a great convention center.

There are no clear indications that around-the-clock gambling will result in more hotel rooms being added in Atlantic City or more conventions scheduled or whether the length of stay of guests here will be extended. How would this fundamental change in public policy enhance the City as a convention attraction?

I'm concerned, too, that this proposed change in public policy doesn't address questions about the impact on the people of Atlantic City. Is there an advantage or a disadvantage to Atlantic City if the gaming hours are extended? It's been suggested by some people that a longer day would eliminate

traffic problems in the early morning hours. Possibly so. Still our observation is that there are not great numbers of people in the various casinos at 4 a.m. I might add parenthetically that at a 1978 hearing on the Casino Control Act one casino executive from another jurisdiction testified, and I would quote him. "There is even a road safety factor involved in limited hours. As gamblers who have been up all night without respite will constitute a hazard on the highways in the early morning as they race to work at the same time children are going to school." That was a casino executive said that. I'm not sure how valid that conclusion is, but it was part of the public testimony which helped to shape our present position.

Will there be a tangible benefit to the City if gaming is extended? Probably not. Real estate taxes will not increase because casinos stay open longer, nor will the impact on the luxury tax be significant. Yet there ought to be some compensation to the City to offset the burdens that any of the proposed 24-hour gambling experiments will put on the municipal government.

Without becoming bogged down in the legal intricacies of the question, I suggest that the Legislature might want to consider imposing a 2% levy on windfall gaming revenues if the present hours are extended. The money could be used to repair storm damage to the beach, and to repair the Boardwalk, and paint and cleanup parts of the City. You could call it a beautification fund.

The fund, which would exist for the life of any experiment, should not be considered too costly for an industry which last year gave away about a half a billion dollars in comps. While there may be some legal barriers to creating such a fund, there should be some way to do it as long as it's tied to the extended hours of operation.

Let me digress for a second here and tell you of another concern which I have relative to any proposal to extend casino operations to 24 hours. And that's the issue of whether

there will be sufficient work force to service these extended hours. Briefly, the situation is this: we had approximately 42,000 persons working at the height of the season last summer, and there's every likelihood that we'll reach that peak again, particularly in view of the 11% growth we're experiencing for the first four months of this year in gross revenues. The industry's estimates are that we'll need between 1500 and 2000 more workers, depending upon whose figures you accept, when 24-hour operations get underway.

Now, then, before any of the publicly proposed experiments to extend gaming hours could be completed, two more casinos are scheduled to commence operations, as you've heard from the testimony so far this morning. One of those, an average sized casino/hotel will require about 3500 to 4000 more persons. The other, Mr. Davis' operation, by far the largest casino in New Jersey's history, will require probably in excess of 5000 more workers. In addition, two other casinos are presently being expanded. They equal about another half a casino.

All those figures together produce a work force will in excess of 50,000 persons, even without the addition of 24-hour gaming. The labor pool for these types of jobs is limited, although some people may not want to accept that premise. But in 1984 the situation was so desperate that one casino was offering bonuses of \$1000 just to accept a job. A bonus, no less, just to take a job. And these people can't pass, dribble, or hit a home run.

To give you some insights into the labor situation, our records indicate that about 21% of the work force comes from Atlantic City itself. That's 8500 jobs in a City with a population of slightly more than 36,000 people. Just about any able bodied person in Atlantic City who is qualified can obtain employment in the casino industry today. About 2/3 of the total work force comes from Atlantic City and Atlantic County. To add another 8000 to 10,000 workers means we'll go beyond the county lines, and that adds to either the traffic problems of Atlantic

City and its environs or to its housing woes. I'm sure that I don't have to tell anyone here this morning that there is a scarcity of good housing stock in the City at this time.

We haven't touched, yet, on the question of compulsive gambling today. There are numerous horror tales about compulsive gamblers and the effect of prolonged gambling on the lives of the gambler, his family, his friends, his business concerns, and even, sometimes on his own life and safety. Stories of the tragedies involving compulsive gamblers abound. I don't plan to recount any of those here this morning because I'm certain each member of this Committee knows of personal tragedies right in his own district. The record is replete with every kind of personal disaster, including suicide.

My fellow Commissioner, Carl Zeitz, testified before the Assembly Independent Authorities Committee three years ago and said at that time, and I'd like to quote Commissioner Zeitz: "There ought to be a time of day when a gambler has to leave the casino, get some fresh air, a meal, a cup of coffee, some sleep, and above all, a chance to think things over before signing another marker."

One industry representative, however, dismisses that by saying, "I don't believe the break is meaningful." He called it "illusionary" and said that you can't stop compulsive gamblers from gambling. Well, I say we can try. Certainly extending the gambling hours further isn't going to help them. Casino gambling, you know, is to some degree like getting a sun tan. A little bit of sun is good for you, get too much and you get burned, and if you're a compulsive sun bather you may get cancer.

It's a time to recognize that the State, as well as the casino business, horse racing, and other gambling industries have an obligation to provide funding for programs which treat compulsive gamblers, with or without 24-hour gambling. This issue should be resolved now.

This is a severe problem in this State. Any program to address it should not be tied to an extension of casino gaming

hours, and yet I sense that there is a quid pro quo here, that there may be help for compulsive gamblers if 24 hours is approved. I hope I'm wrong because this is a problem that the State and the gambling interests have an obligation to address. Anything less than a full, honest effort to respond to this need would be shameful and immoral.

There are a couple of points I'd like to make briefly before closing. What we've been talking about here this morning is the broad public policy question of whether to extend gambling further in this State. Granted, this will be a limited extension. But it's one more step along the way as the State leans more and more on gambling revenues to operate.

How far does New Jersey plan to go in relying on gambling revenues? Do we plan a bigger lottery? Offtrack betting? Maybe sports betting in the casinos as they have in Nevada? Will that be the next thing the casinos are looking for?

As you know Assembly Speaker Harowitz has proposed the creation of a panel of leading citizens to define the role legalized gambling will play and should play in the future of this State, and how dependent the State wants to be on tax revenues from the lottery, the race tracks, and the casinos. I appreciate your support for that bill. I also feel strongly that this comprehensive review should take place before any other actions which should expand the scope of legalized gambling in New Jersey.

In coming to grips with this issue, the Legislature must be certain that the benefits far outweigh the dangers before making such an important policy change. Although Director Anthony Parrillo of the Division of Gaming Enforcement was testifying about 24-hour gambling at the Assembly Committee hearing, his remarks went far beyond that when he said, and I'm quoting again: "It is not enough that one casino is experiencing financial trouble or that other states are actively considering gaming proposals. The State need not adjust its regulation of the casino industry with every shift in the economic tide or with

each threat of competition. Rather, if there is to be legislative change it should be for the right reasons. If there is to be 24-hour gaming, there should be overriding social and economic justification." That's the end of that quote.

I suggested earlier that any extension of gambling in this State by way of longer hours for the casinos should be delayed pending the findings and recommendations of this study group, which I believe will make a major contribution to the public policy questions now facing this State. I recognize that we've been discussing broad public policy issues here today and not specific legislation. But we're all aware that a bill authorizing 24-hour gambling on an experimental basis has been reported out of Committee in the Assembly. That bill provides a mechanism to determine whether the so-called experiment is to be continued on a permanent basis.

Even the advocates of this legislation admit that it will be difficult, from a political standpoint, especially for a lame duck Legislature, to terminate such an experiment. It will take great political courage to tell 1500 workers that they are losing their jobs and to tell senior citizens that the Casino Revenue Fund stands to lose added tax revenues.

I have said this before and I believe it needs to be said again. We stand in grave danger of having 24-hour gambling thrust upon us in the guise of an experiment that will never end. And I still don't believe that this is what the people of this State or the legislators want. Unless you are prepared to deal with this question right from the beginning, that is stopping the experiment at the end of the time, you shouldn't authorize the start of the experiment.

Finally, to repeat the position taken by the Commission at the Assembly Committee hearing, let me state exactly where we stand. First, we are unanimous in questioning the need for extended hours before any resolution has been found to assist the 375,000 compulsive gamblers in the State.

Second, we question whether 24-hour gambling will help

Atlantic City become the convention and tourist center that its leaders and the voters envisioned ten years ago.

Third, that it would be appropriate to await the results of the Governor's Advisory Commission on Gambling before becoming more dependent on gambling tax revenues.

And finally, if a limited experiment is approved, safeguards should be provided to balance the economic and social considerations presented.

Notwithstanding our position today, the Casino Control Commission stands willing and able to help evaluate the impact of any proposed public policy change. I feel confident that we have the expertise and the trust of the public to carry out that task. That trust, as pointed out earlier, is worth more than all the bricks and mortar in Atlantic City.

This public policy debate is not a silly question as one casino critic recently described it. It's an important, vital issue, and to treat it less so would be cavalier on the part of the Legislature, and demeaning and insulting to the public.

Thank you, Mr. Chairman. If I can be of any further assistance, I'll be glad to answer any questions.

SENATOR CODEY: Senator Hirkala?

SENATOR HIRKALA: Mr. Read, in your testimony you mentioned compulsive gambling. Does it really matter to the compulsive gambler whether it is 18-hour casino gambling, or 24?

MR. READ: With the casino closing it isn't going to cure the compulsive gambler's problem, there's no question about that. But I think it does matter, and I think not only the compulsive gambler, but I think the heavy social gambler needs a time out for a break.

I don't know how many of you may have seen "The Today Show" this morning, but they're on a cruise ship, and Brian Gumble was commenting about some of the sports and things that they have aboard, one of which is a casino. His comment, at eight o'clock this morning, I think he wrote the script for me,

he said, and I think I can give you almost an exact quote. He was there the day before and he said, "You know, yesterday they closed it at four o'clock so I didn't get hurt too bad."

SENATOR HIRKALA: Yeah, and he'll be back at ten.

MR. READ: Well, I don't know that he'll be back there.

SENATOR HIRKALA: We're going to hear from John Floyd, the Executive Director of the Council on Compulsive Gambling, and this is a serious problem. I feel for them. I can remember going to the race track eight solid years six days a week. God cured me from that. And I feel very sorry for them. I don't know whether the hour difference would make a difference to them in so much ways, but I'd like to hear what John Floyd has to say about that. Thank you, Mr. Read.

MR. READ: Thank you, Senator.

SENATOR CODEY: Senator McManimon?

SENATOR McMANIMON: I'm glad Mr. Read brought up the real problem of compulsive gambling. I think that's a separate issue within this structure that should be dealt with separately and we should come up with proper legislation to more or less try to help where it is warranted. And it is rather shameful to say that we've been in operation for eight years down there and we still have not come up with anything of any real significance to really deal in on the problem.

In respects to the 24-hour gambling, if you recall I asked Mr. Trump, realizing we go back to 1976, at that particular time the break seemed like a very good thing. Indirectly I have to compliment the Commission. I've now seen the job they've done. They've got the thumb on the industry. You've been tough, real tough. But do we foresee any major problems if we do conduct this experiment, in conducting it? I mean major problems. We've had none up to now, and I attribute that to the Commission.

MR. READ: Do you mean by that a greater opportunity for mob influence or something of that sort? I don't think that's a thing that we can't control unless you get into some of

the other related areas down the road. For example, I referred in my direct testimony to the very substantial increase in the number of jobs in the year and a half, two years ahead, including additional jobs may be generated by 24-hour gaming. I foresee a real problem in the industry being able to fill those jobs from the people that are licensed and cleared at the present time. I think there very well might be a subsequent request to relax the supervision of people being licensed so that they can get them on board faster, with less supervision. That would concern me.

SENATOR McMANIMON: I think some of us are that convinced that as far as the supervision is concerned, we'll never relax that. If you recall correctly, in the beginning I asked Senator Gormley why was it that this jurisdiction would be placed under the Attorney General's office and not completely under the Casino Control Commission. You know, because of the fact that I have been very pleased with the way the program has been handled over a period of eight years. I know Senator Codey, I think he chaired a wonderful Committee back then, and we were getting hit from all sides, but we came up with a positive program. And at the time the 4 A.M. was a complete consensus of everyone. Then we extended it to six, you know, for weekends. But I get concerned when I think about the gambler down there in that last hour, and he seems to bet differently than if that casino was allowed to be open. They seem to plunge, and I don't think they would plunge. I think we're protecting those who want to go down there and do want to gamble to the point where they won't be throwing it all in there in that last half hour. Plus the fact, I think we'll eliminate a lot more of the driving between the hours of four and five, dangerous hours.

And I think basically by conducting this experiment-- My concern was on conducting the experiment is that we have good controls over this experiment, so we really get the full story and the impact. And I'm rather surprised, I had not heard any comment in your presentation here of the fact that the Control Commission itself would oversee this experiment. You know, the

AG, I realize you answer to the AG, and that, but by the same token it seems like they're lifting it out of your bailiwick. And that's one little area of this legislation that does concern me, even though I lean to 24-hours -- I'm not ashamed to admit that -- but I do respect the Commission and the outstanding job they've done over these eight years. That's why I wanted that particular part aired. I want to know where we're coming from and I wanted to know why. Senator Gormley gave the impression it would be an unbiased approach. I think basically the Commission has been unbiased for eight years. They didn't care who the hell they stepped on when the time came to, and I think that's most important because it maintains the integrity of the Commission. I more or less thought you would elaborate on it, but I guess sometimes the less said the better we are in some respect.

MR. READ: Well, I won't argue that we're biased and non-objective.

SENATOR CODEY: Senator McNamara, any questions?

SENATOR McNAMARA: If, in fact, this legislation were to pass in its present form, how do you feel about the Attorney General having the responsibility of the review rather than the Commission?

MR. READ: I think the importance is the completeness and the objectivity of the review that takes place. Senator McNamara, I think we are objective enough and aware of the problems and the whole picture to be able to do it.

SENATOR McNAMARA: So do I, but by the way, I happen to feel that it belongs underneath your purview if it were to pass rather than another arm of government, even though I do have the highest respect for the Attorney General. I think with your experience and expertise it really belongs -- it's your bailiwick and that's why I want to find out how the Commission itself feels about it being shunted off to somewhere else rather than your Commission.

MR. READ: I think that if we were to have it we would undoubtedly rely heavily on the investigative abilities of the

Division of Gaming Enforcement, which is under the Attorney General's control anyway. So I think as I would have foreseen it before the question came up and the bill was modified as it has been, I would have foreseen it as a joint effort. I don't quite understand the change, but that's something that will come out eventually as to why, and there should be good reason for it.

SENATOR McNAMARA: I guess I can't get you to come across any stronger than what I'm looking for.

MR. READ: Well, I'm obviously not about to condemn the Attorney General's ability to do it. I think he'd do a first-rate job.

SENATOR McNAMARA: Neither am I, and I'm not looking for that. But I would like to know some positive reasons why you would feel that the Commission, obviously, would be the better one than rather going-- The Attorney General has to, at this point in time, and as was referred to in the Legislation, go out and hire consultants, which, you know, when you've been working with something for a number of years you can focus in and be much more accurate because you eliminate all of discovery time. You know where to look and how and what's the quickest way to get there. So--

MR. READ: There's no question, in the casino we have our inspectors there, as you know, on a 24-hour basis. Although we will-- Undoubtedly one of the items of expense that the industry did not address is the fact that we will undoubtedly have to put on additional people for that extra hour shift because we have generally cut back and had fewer people on that particular shift. We're going to have to supplement that if it stays open. So that's additional expense for them. But because we've had those inspectors there at all times, I think we do have a certain expertise already built-in in assessing that sort of thing.

SENATOR McNAMARA: On what basis do you project the 8500 jobs? I just, you know-- That number, 3500 because of the expansion of two and 5000 for a new casino-- (hat, I mean, those

are rather large numbers and I just wondered if you had any criteria that you're basing it on?

MR. READ: Yes, the average casino starting up today would run somewhere between 3500 and 4000 employees. That's what the experience has been most recently. Now, that's a casino that has floor space 60,000 square feet and a little over 500 rooms. Showboat will be about that size. They have 516 rooms and 60,000 square feet. Mr. Davis' new hotel casino, which I applaud him for because I think that's really a great advance, will have 120,000 square feet of casino space and 1250, I thought, but he said this morning 1300 rooms. It's really two casino hotels compared to what we've known. So you have, in essence, three new casino hotels coming on that way. With the expansion of Tropicana and Claridge, you've got, as I indicated, at least another half a casino. So I don't think you can get those expansions and new development covered with less than 10,000 new employees. Now, if you add 1500 or 2000 more for the 24-hour situation and they've indicated it might be a substantial number more than that -- I think that's overly optimistic in the projection of employment -- but if you get that number, I frankly don't think they can find that many people immediately available over the next year and a half.

SENATOR CODEY: Okay. Thank you very much, Mr. Read, for your testimony. I appreciate it.

MR. READ: Thank you, Senator.

SENATOR CODEY: Our next witness will be Mr. John Floyd, Executive Director on the Council of Compulsive Gambling. Mr. Floyd?

J O H N F L O Y D: Thank you, Mr. Chairman, Senators. On behalf of Arnold Wexler, President of the Council on Compulsive Gambling and the Board of Directors I'd like to thank you for this opportunity. I'd like to thank members of the press who are here because we've had such a difficult time trying to get the message out of what's going on here in New Jersey as far as gambling -- compulsive gambling is concerned.

First let me state for the record that the Council on Compulsive Gambling, which is a nonprofit corporation, created by the State of New Jersey and the National Council on Compulsive Gambling in 1982, funded about 50% by the State of New Jersey takes no position on 24-hour gambling. We're neither for it nor against it. What we're concerned about is with the increase of gambling and incidence of gambling, certain things have happened in this State, that is an increase in compulsive gambling. What is going on right now in the State of New Jersey is that we are so under-prepared to deal with the problems of compulsive gambling that it really has become something that I think all people in New Jersey should be embarrassed about.

New Jersey, which is the gamblingest state in the Union spends less than other states, who at least have recognized the problem and try, or attempt to do something, for compulsive gamblers. Let me give you an example of what I'm talking about. New Jersey presently appropriates \$200,000 in the State of New Jersey. Two hundred thousand dollars to serve a population of approximately 7 and 1/2 million people. Along with Gamblers Anonymous, which is the only and the dominant volunteer organization trying to help people with compulsive gambling, are the only things available in this State. Of the 21 counties in the State of New Jersey only 10 of the counties have active Gamblers Anonymous chapters. The Division of Alcoholism, that funds the Council on Compulsive Gambling, also funds the JFK Treatment Center at Edison, New Jersey. It is the only outpatient service here in the State of New Jersey.

The Council on Compulsive Gambling which runs a 24-hour hotline is at wits end to deal with the problems that are created by compulsive gambling. Compulsive gambling, which is defined as a mental illness by the American Psychiatric Association, has certain peculiarities. It is a depressive illness. The average compulsive gambler is 200 times more likely than the average population to commit suicide. So what our hotline is really dealing with is suicide prevention. The spouse or mate of the

compulsive gambler is 150 times more likely to commit suicide than the average population. Every week we're involved in trying to save someone's life. There is no inpatient facility in the State of New Jersey to help people. We have tried to characterize problems when we've had to hospitalize people as maybe if they drink they have a drinking problem, or some other kind of problem. We are at wits end.

Now, our concern about the 24-hour gambling is that we are looking for help anyplace. We believe that there is a nexus with what happens with 24-hour gambling and compulsive gambling. Let me explain that -- and this really comes from Gamblers Anonymous. One of the things that they have noticed is that with the casino gambling for some reason that the three and a half year period that it used to take, they felt, for somebody to start gambling and really become a compulsive gambler and hit rock bottom, that with the casino gambling it's taking less time. No one knows what the 24-hour gambling is going to do except that we know that one of the characteristics of compulsive gambling is sleep deprivation. Obviously if someone is gambling 24 hours around-the-clock they're not getting any sleep. Compulsive gamblers are getting very little as it is now, but they will get none. We don't know what will happen. I'd like to say we know, but we don't know. We suspect, but we don't know.

But we do know that unless and until we can get some type of resources to try to help compulsive gamblers and the families of compulsive gamblers that it's almost a moot issue, because we're just losing people by the hundreds, by the thousands. We estimate that there are approximately 400,000 compulsive gamblers in the State of New Jersey. We've interviewed bankruptcy referees and judges. It's been estimated that in this State that approximately 25% of the non-business bankruptcies in the State are caused by gambling problems. We've interviewed family court judges and attorneys who work in family court. They indicate that one of the largest reasons for marital dysfunction and divorce in this State is, again, problems --

financial problems caused in great measure by compulsive gambling.

We sat with members of the insurance industry, who have some concerns about the claims that are being made for things like fire and theft in this State. They won't say that gambling or what has happened in this State since 1977, 1978 when we had both casino gambling and the State Lottery coming in, has caused an increase in claims, but they can, in fact, say that that is the case. That if they look at their books they will notice that the claims for theft and fire insurance claims have gone up in proportion to the increase in gambling in this State.

What I'm trying to describe to you is something that we believe is eating at the infrastructure of this State, almost like a beautiful woman. New Jersey has a thriving business in a thriving community and a part of that certainly can be associated with the increase in activity in Atlantic City. But we also know that we are paying a price in this State, and frankly, no one or very few people have recognized the problem and those that have recognized it have not had the ability to really help or to do something about the problem of compulsive gambling.

I could probably talk two or three hours, and I won't go into examples because I want to allow you time to ask questions, but there has been an issue that I really want to put to rest. That's the issue of whether 24-hour gambling will increase compulsive gambling or not. What happened in the Assembly Committee is Dr. Robert Custer, who is the leading expert on compulsive gambling -- we acknowledge that -- was asked a point blank question, and I guess me being a trial attorney and attorneys understand some questions just can't be answered yes or no. They asked him a yes or no question and the yes or no question was, "Will 24-hour gambling increase the incidence of compulsive gambling?" And he said, "No." And while there may be some psychiatrists and some psychologists who differ, that he may be, probably is, essentially correct because we know that compulsive gambling is caused by some type of personality flaw.

That's what is causing compulsive gambling. But we also know one other thing. That is that the more gambling that is available, we do know that compulsive gamblers tend to flock to that area.

The University of Michigan under the omnibus crime bill in 1974, '75 did a study. The study was of gambling in the United States. One of the things that happened or came out of that study was that looking at the places that had gambling, whether it was horse racing gambling or casino gambling, at that time the only place was in Nevada, that there was a higher incidence of compulsive gambling. In the general population they found that about 2.4% of the adult population were compulsive gamblers, but in a place like Nevada it was about 4.1%. So we have found, and it has been consistent, every time that a state enacts a state lottery, there does or there is an increase in compulsive gambling. In this case, where we have a combination of things, including the-- Mr. Trump was correct that one of the things we find out being here in New Jersey that we do see a great number of people who play the commodities market, who play the stock market, who are, indeed, compulsive gamblers. So that because we are centrally located where we have Atlantic City, we have a thriving racing industry, we have a State Lottery, we have the commodities and the Wall Street brokerage houses right across the river, that there is a high concentration of compulsive gambling in this area.

Our concern is that you, who are charged with the responsibility of protecting all the rights of the people of New Jersey, recognize this problem. And frankly, if you're going to approve 24-hour gambling, we'd like to see some type of entitlement for compulsive gambling tied to that 24-hour legislation, and indeed, all legislation having to do with gaming in this State. That will conclude my presentation.

SENATOR CODEY: Mr. Floyd, you said that the Council on Compulsive Gambling takes no position on 24 hours, correct?

MR. FLOYD: We are not a prohibitionist organization. We are not against gambling. I want to make that clear. We're

not. As a matter of fact, our board is made up of members of the racing industry and people who are involved in even professional gambling.

SENATOR CODEY: But if you have more hours, it's more gambling for those who are addicted.

MR. FLOYD: That's correct.

SENATOR CODEY: I mean, for you to say that is kind of like the American Cancer Society saying they take no position on smoking. Really, I think it is ludicrous. I don't understand how you could come before this Committee and say that and then you spoke for about eight minutes. All you did is give reasons why there shouldn't be 24 hours basically. You said that you found that in casino gambling that it takes a shorter time for some to become addictive, become compulsive as opposed to other forms of gambling. So your testimony was basically against, but as a organization you're neutral.

Has your organization had any talks with the casinos themselves or with the associations in regards to funding your organization?

MR. FLOYD: No. We have not. We have had conversations with everyone in the State who will listen to us about funding. We have not had a conversation, it had been a quid pro quo if we--

SENATOR CODEY: I didn't ask you if you had a quid pro quo. I asked you if you have had discussions with either the casinos or representatives of the casinos about funding?

MR. FLOYD: Yes, we have. I mean, but we've had conversations with State Legislature also. (The answer is yes, we have had conversations. No, we have not been funded by nor have any promises been made by either the casinos or the Casino Association.

Let me say, Senator, just for the record, that the position that the Council takes on gambling really grew out of the simulcast issue that was debated rather strongly as to what position we should take on simulcast. It was felt that, again,

there's a proverb that says that you deal with reality or reality will deal with you. And we felt that the reality, as far as we're concerned, saying that most of the people in the State or New Jersey were in favor of simulcast, that it would be better and in the best interests of trying to help the compulsive gambler if we took no open position on these matters like 24-hour gambling, like simulcast. That's how our position grows. That's how we come about our position.

I guess in some type of real world, I guess if we didn't have a State supported lottery, if we didn't have casino gambling, if we didn't have horse racing, if we didn't have, maybe, football games, because we know a lot of people bet on football and baseball, that we probably could decrease compulsive gambling. But the reality is that that's not going to happen and we know that 98% of the people do gamble and don't become compulsive gamblers. I, for one, am too cheap to ever become a compulsive gambler. I guess, but certain people do and certain people don't. We would like to have some opportunity to help that 2% that are compulsive gamblers.

SENATOR CODEY: Senator Hirkala?

SENATOR HIRKALA: I don't even have to ask you any questions, because you've already answered my questions. But I do want to say how funny it is when Senator Codey, our Chairman, took his position on your testimony and I take an entirely different position. I think your answers were very, very honest, absolutely honest. And I, myself, feel whether there's 18-hour gambling in the casinos or 24-hour gambling won't do any more harm than the compulsive gambler has already done to himself. That extra six hours isn't going to do any additional harm. He's done enough harm, and he'll always be harmed.

I do want to say this, Mr. Floyd, we ought to get you more funding. You ought to become more prepared. You ought to be funded so that you can do a little better in our work to help these lost souls. If you were to write to our Chairman, Chairman Codey, list what you need, he's a great Chairman, and you'll be

surprised. He's get some action for you. I promise you that, and the rest of the members of this Committee will. You're doing a fine job. Keep it up.

MR. FLOYD: Thank you, sir.

SENATOR CODEY: Senator McManimon, any questions?

SENATOR McMANIMON: Yes. When you mentioned the fact that New Jersey appropriates a mere \$200,000, and you're dealing with approximately 2 and 3% of the total population, it almost seems like another disgrace. It seems that we have a natural tendency in this State, because there's comparison, if you look at those who are mentally and physically handicapped, 11 1/2 to 12 1/2%, they don't keep their portion or ratios from the general coffers either. So it's high time that we started really zeroing in on these particular issues.

You made the statement that compulsive gambling is caused by a personality flaw. I can accept that. And yet when you realize the fact that a small percent of those who become compulsive gamblers, you still have to concern yourself with the whole. There are those who participate because they want to participate. They get enjoyment out of it, and they don't become compulsive gamblers. And if we're going to correct this particular situation I think Senator Hirkala made a very good recommendation to you. I would sit down with Senator Codey and ask him what help the Welfare Institutions Committee can come up with and maybe we can make some proper adjustments in the proper avenues to correct this particular problem.

And maybe we may have to go to the industry and say, "Hey, maybe we're going to have to tap you." You know, Mr. Read had some pretty good recommendations in his presentation. And if we're going to extend, if it is on an experimental basis, they can't just reap the profits. They have to also realize that there are some problems that are spin-off effects and that we are going to have to be responsible. They -- the industry -- are going to be partially responsible as well, and it has to be a joint effort for this responsibility. So I think you made a very

good point this morning.

MR. FLOYD: Thank you, Senator.

SENATOR CODEY: Senator McNamara?

SENATOR McNAMARA: I'd just like to say, I guess everybody hears what they want to hear. Had I not heard you make the statement that you're taking no position on 24-hour gambling, and then heard the remainder of your testimony I would have absolutely been convinced you were against it. So I guess it is how you interpret one's remarks. I think that Senator Codey's comments were quite on target. That's all.

MR. FLOYD: One of the problems, Senator, if I just might address that since it's been raised several times, that we have such a dearth of ability to help people. Everyday we're having husbands and wives and employers-- I get calls from little store owners who know that they have senior citizens who are betting up their money on lottery slips, and they want to know can we stop them from buying, going to the neighborhood store and buying lottery slips. We get-- You know, to talk to a wife who has lost her husband, or to talk to the children who have lost their father because of compulsive gambling, those are the problems that we have.

The problem is there are 21 counties in this State, and other than Gamblers Anonymous, which is highly concentrated up in northern New Jersey, there's really nothing in the State to help people. I mean, we're running a 24-- Sometimes I feel that maybe we're almost perpetuating a fraud on people to run a 24-hour hotline when, in fact, I know that we don't have the things that we need. We don't have the hospital beds. We don't have the trained professionals. Even though Sigmund Freud was one of the people who recognized and talked about compulsive gambling, it was not until 1980 that the American Psychiatric Association identified it as a medical illness. And most of the psychiatrist in the State and psychologists in the State don't know how to either recognize or treat compulsive gamblers. So even when we have people there's just so few who have that. The problem is so

immense and our resources are so meager that we are almost at the point of total collapse.

We try to take a realistic view, and that's what we've tried to do. We've tried to say that we won't take on the casino industry, we won't take on the racing industry. What we will try to do is we'll try to go out and get some help for those mothers and for those wives and for those children of the compulsive gamblers. And that's what we're here trying to do.

SENATOR CODEY: Thank you very much, Mr. Floyd.

MR. FLOYD: Thank you.

SENATOR CODEY: Our next witness will be Mr. Michael Gregovich of the Bay Village Senior Citizens. Go right ahead, sir.

M I C H A E L G R E G O V I C H: My name is Michael Gregovich. I'm also from -- excuse me for a minute. I represent the Bay Village Senior's Club of Ocean County. Our club members recently voted to endorse 24-hour gambling in Atlantic City. The vote was unanimous and discussed it at length and it was the opinion of our club members that the casino industry should be allowed to conduct this business as any other industry in New Jersey, with a minimum of outside interference. With one exception: integrity of the gambling industry must continue to be above reproach.

The voters of New Jersey voted for lottery gambling over a decade ago. We have had legalized horse track betting for a longer period of time. So we have had legalized gambling in New Jersey for a number of years. In New Jersey the casino industry, which is only seven years young, and is currently facing potential strong competition from other states is providing nearly \$200 million a year in casino revenue funds to senior citizens and disabled residents. No other industry in the State provides hundreds of millions of dollars annually for direct funding for social programs and services. The integrity of the gaming industry must remain the number one concern of our State representatives and agencies, but we urge them to provide

assistance to our new casino industry and help them become solidly established in our State.

We also urge you to support 24-hour gambling and any other proposals which threaten the New Jersey casino without compromising integrity. Respectfully submitted, Michael Gregovich.

SENATOR CODEY: Thank you very much, Mr. Gregovich.

MR. GREGOVICH: Thank you.

SENATOR CODEY: Next witness is Reverend Dudley Sarfaty of the New Jersey Council of Churches. Reverend?

REVEREND DUDLEY SARFATY: Mr. Chairman, I have a question. Will it be appropriate to let Wilber Edwards take my place because he has an appointment in North Jersey and I don't, and I could take his place, if that were agreeable with you.

SENATOR CODEY: That's fine with me, Reverend. Divine intervention.

WILBER EDWARDS: Thank you very much, Dudley. I appreciate it. Thank you, Mr. Codey and members of the Committee.

My name is Wilber Edwards from Ridgewood, New Jersey. I'm associated with the Casino Surveillance Coalition. Although we're few in number we are still strongly opposed to the way the casino gambling industry has been established in this State. We feel that it has not been the benefit to the State that many people think it to be.

I personally believe that if this Committee or the Legislature in any way, shape, or form approves of 24 hour a day gambling they will have completed the betrayal of the people of this State. I hope that not all of you, or any of you, share Mr. Gormley's belief that because the promises made to the people of the State of New Jersey were not engraved in stone, that therefore they may be dismissed at this late date.

We were told a number of things when casino gambling was proposed to be run by private industry. And that was, first

of all, and I may still have the ad. I've got a lot of memorabilia. I've appeared before your Committees before. Mr. Codey, as you remember. We know that what was done was not in the best interest of the State or the people of the State. And I, for one, believe that this is wrong.

One of the things I'm going to suggest to the members of the Committee is, - if you have not seen it already, or have read it already, I would like to recommend that you read an article that was in a national newspaper magazine, Parade, a week ago last Sunday. It's called "Why Casino Gambling is a Bad Bet." And it will tell you quite explicitly, particularly in reference to the State of New Jersey, what is wrong with casino gambling here. I want to, just for the sake of old time's sake, remind some of the members of the Committee who may not have been interested in gambling at an earlier date. "Surrender in Atlantic City," this is an article that was printed in New Jersey Magazine, and it states, "If Resorts can get a permanent license anybody can." Resorts, my particular opponent at the time, to this day I still believe there's one of the most unreliable business organizations in these United States, and I certainly believe that granting them a license was a step in the wrong direction because I have other memorabilia where Attorney General Degnan was stating Resorts will not get a license. All of this when on, but when the time came and Mickey Brown and Ray Brown confronted one another, it was a no-contest thing. Ray Brown is brilliant attorney and he dealt with everything but the issues and Resorts was granted a license. And when Mr. Davis comes here and says, "Well, we should really have 24 hour a day gambling, this is something of an experiment that should be examined" it's a little bit ludicrous to me. When I hear some of these gentlemen who are rolling in money more or less crying the blues, we have to be concerned about the future and how the costs here, and all like that. This, to me, is absurd. They don't need 24-hour a day gambling. The gamblers certainly don't need it.

I just want to let you know what was said about this

issue when it was proposed some time ago. This dates back to October 17, 1978 (referring to newspaper clippings) and this, again, dealt with "Assemblyman Seeks 24-Hour Casinos in Atlantic City." At that time Mr. Codey declined to say whether he favors the legislation or predicts its chances of clearing the Committee.

SENATOR McMANIMON: Who is the article by, sir?

MR. EDWARDS: What's that?

SENATOR McMANIMON: Who is the article by?

MR. EDWARDS: I don't know. It was in the Bergen Record. There's no--

SENATOR McMANIMON: That's not any criteria of truth, but go ahead.

MR. EDWARDS: No, I don't say that it's any criteria but I think the statement I just made concerning Mr. Codey's comments-- Is that a misstatement of fact, or did you believe at that time that you would--

SENATOR CODEY: How did they quote me, sir?

MR. EDWARDS: "Codey declined to say whether he favors the legislation or predict its chances of clearing the Committee."

SENATOR CODEY: That's true.

MR. EDWARD: Okay. So that's certainly not a--

SENATOR CODEY: Sometimes you're quoted correctly.

MR. EDWARD: --a misstatement of fact. Now maybe this is something. "In 1977 Governor Byrne's Task Force on Casino Gambling warned that round-the-clock casino gambling would produce a honky-tonk wide-open atmosphere with an increase in law enforcement problems, especially predatory crime. The Task Force recommended that casinos be limited to 16-hours a day." Now I think whether or not that statement is accurate can be very readily checked out.

"Assemblyman Matthews"-- I don't know whether he's still in the Assembly or not--

SENATOR CODEY: He's not in the State.

SENATOR McMANIMON: He's not in the State. He's in incarceration, but we'll go on.

MR. EDWARDS: An-so. Well, anyway, "Assemblyman Matthews said that Atlantic City traffic jams could be alleviated if the casinos are allowed to operate 24-hours a day." I don't know that that's a socio-economic thing that merits any serious consideration. However, we'll go to a more reliable newspaper, if you will. This is The New York Times of September 6, 1981 and it says, "Workers Pushing 24-Hour Casino Plan."

SENATOR McMANIMON: Who wrote it?

MR. EDWARDS: I don't have that. I suppose I could have dug it up, but they don't have it-- Again, without an author. I'm just presenting it to you folks so you may get a little flavor of what has happened in the past, what the thinking in the past generally was. And, as I say, I believe The New York Times to be a reputable newspaper that will print the facts accurately as they know them to be. Whoever will be-- I assume it was whoever was the stringer wrote the story. Here it is: "Senator Matthew said he would require," at that time he said, "it would require -- the extended hours could be handled." This is 1981. His attitude has changed somewhat since 1978. "One need but look at people waiting in long lines for the casinos to open, others sleeping in hotel lobbies and people roaming the streets with nothing else to do to be convinced of the need for longer hours." Now apparently at that time Mr. Matthews sort of begrudged the gamblers a few hours respite from gambling because he thought that was terrible.

Then Mr. Gormley recall a commitment had been made by the Committee to Rehabilitate Atlantic City, the organization that promoted casino gambling and conducted the successful 1976 campaign, that there would be no full-time gambling because of its possible honky-tonk effect on the City. That must be addressed-- "First of all," Mr. Gormley said, "we must develop a strong set of social arguments as to why a change now would work, whether it would benefit people that work in the casinos, and

promote traffic safety and the well-being of the region."

These are things that I think are most important for us to consider. Now, I just have this here. This was Assembly Bill Number 1046, introduced by Mr. Codey, Mr. Matthews, Mr. Gormley and Mr. Jackman. And this bill in section 12 it states, "Since the economic stability of casino operations is in the public interest and competition in the casino operations in Atlantic City is desirable and necessary to assure the residents of Atlantic City and of this State and other visitors to Atlantic City varied attractions and exceptional facilities, the regulatory and investigatory powers and duties conferred by this Act shall include the power and duty to regulate, control, and prevent economic concentration in the casino operations and the ancillary industries regulated by this Act, and to encourage and preserve competition." I don't believe, members of the Committee, that is happening, has ever happened. The casinos are the end-all and the be-all in Atlantic City and there's no doubt about it. The competition doesn't exist.

I think by increasing their power in Atlantic City for as much as six hours a day you will further destroy further competition. Because I can understand why other people will not invest huge sums of money in Atlantic City without a casino to provide revenue. Because they're being in competition with the casinos. If they can't pay their hotel bills or they lose their money in the casino, that's their main interest in going to Atlantic City. And it's about time we recognized this and recognized that whatever form of control that we have over those casinos is needed. It's essential and it cannot be ignored merely to accommodate them for another six hours a day.

We say what is the harm if we increase it for another six hours a day? It's very difficult to determine in any way what the harm will be. It could be very substantial to a lot of people, but let's see what the benefits are. And the benefits are -- as far as I can see -- exclusively benefits for the casinos. And I assure you, I don't believe any of these

casinos need benefits of any kind and I certainly choose this.

I recommend that this article be read by anyone who has a sincere interest in what is going on. They show a picture here--

SENATOR CODEY: We all saw it.

MR. EDWARDS: Oh, you did all see it.

SENATOR CODEY: Oh yes.

MR. EDWARDS: Then that's fine. Then I think that, hopefully, will be given your most careful consideration when you're making decisions.

SENATOR CODEY: Just one last--

MR. EDWARDS: One other thing that I'd like to bring to your attention. This goes back Tuesday, 1980, September 23rd. As you will see, it isn't the hotels that are being featured on this little throw-away. It's gambling and casinos. But one of the statements they made, and here I found to be most interesting, and I wonder what would have happened if this prediction had ever come true. Says here, "By 1985," and, Senator, I don't know who wrote this. I tell you that right now. "By 1985 Atlantic City is expected to have 17 operating casinos employing 122,400 people. The housing capacity will satisfy only 56% of the need." And there, again, I think we get to what may be the crux of the situation.

Anything further that is done in Atlantic City in relationship to the casinos should be done to benefit Atlantic City. It surely needs it. It may be just wonderful on the Boardwalk and in the casinos, but we all know that when you go to the casinos you are advised to stay close to home. Don't go wandering around Atlantic City. Atlantic City, despite all the benefits that have been conferred upon it, if you listen to the casino operators, still has the highest crime rate per capita of any city in the country. Is this what we envision when we said let's have casino gambling in Atlantic City? What caused this crime rate to develop? Certainly it couldn't be the population who lives there because most of the people who lived there at

that time had gone. They had disappeared, where I have no idea. All of the old folks who lived in the hotels there, they've gone elsewhere. I don't know that they could have contributed to it. But something is causing this to happen.

How about going to the casinos and saying, "Fellows, what can we do to stop this?" I'm going to tell you one thing, members of the Committee. I certainly endorse everything that Commissioner Read said. I think that he recognizes the need to maintain controls, similar to controls that exist in other parts of the world where casinos are in operation. I don't consider the Bahamas any other part of the world, but if you go to Europe or any of those places, the hours are controlled. There are many, many controls. Local people are not allowed to go to the casinos. The number of controls that they have found over many years of experience, far more than we've had, to be important and necessary. They never change them, and there is no reason in the world to make any changes in this time regulation. There is no socio-economic benefit for anybody.

I, again, want to compliment you, Senator Codey, because I think you raise some very, very critical questions and I hope that they will be given the appropriate consideration as you go into your deliberations.

SENATOR CODEY: Mr. Edwards?

MR. EDWARDS: Yes.

SENATOR CODEY: One last thing. Could you just give me the citation on The New York Times article, the date?

MR. EDWARDS: Surely.

SENATOR CODEY: I like what Senator Gormley had to say.

MR. EDWARDS: New York Times Sunday, September 6, 1981.

SENATOR CODEY: Okay. Thank you very much.

SENATOR McMANIMON: Just a minute, Mr. Chairman. Before Mr. Edwards leaves. We served on that Committee back in '76, '77. You know, Mr. Davis said it earlier, we went from eight hours and all of sudden we wound up to 16 hours and 18 hours.

part of discussion. Several commitments were by certain people from Atlantic City, does not hold necessarily true with all of us. And one way you criticize the one casino getting the approval and yet, on the other hand, you compliment the fact that we've had a Casino Control Commission, who I think has done an outstanding job since its inception. They've done an outstanding job.

MR. EDWARDS: Well, I wouldn't agree with you completely on that.

SENATOR McMANIMON: This is my personal conviction. But I'd like to read another article. I have quite a few articles here, myself, from papers. I think one would prove to be a little interesting, and I'd like to read it to you, Mr. Edwards, and that is this.

MR. EDWARDS: Fine.

SENATOR McMANIMON: The plan to consider 24-hour gambling. "Its foes contend the step is unneeded, that gambling is immoral. That more gambling will eventually lead to more crime and more risk to habitual gamblers. The difficulty with such arguments is that they are essentially arguments against casino gambling, not against 24-hour casino gambling. And whether there ought to be casino gambling in Atlantic City was long decided by the people of New Jersey. Legislation has been introduced to give 24-hour gambling a six month trial. This seems an experiment worth trying. If the experiment doesn't produce most of the benefits the backers claim it can be quickly dropped. But if does prove successful, then something positive will have been achieved." And this is out of The Newark Star Ledger, who I happen think is a pretty good paper in the State of New Jersey.

MR. EDWARDS: Yes, I think it's a good paper. However, I think their point of view is a little warped because I don't see anything there that in any way indicates--

SENATOR CODEY: Mr. Edwards, he didn't ask you a question.

MR. EDWARDS: All right. I don't see--

SENATOR McMANIMON: All I wanted to do was bring to your attention that there are other newspaper articles in the positive as well.

MR. EDWARDS: Senator, I don't see anything there that in any way indicates anything beneficial. It's just-- what I hear being said is that--

SENATOR CODEY: We're going to attack every newspaper in the State before we're through.

MR. EDWARDS: Listen, 24 hours, 18 hours a day so but 24-- I don't believe that. I think there are many, many aspects of the 24-hour a day operation that should be very carefully considered. I really think that any gambler needs a chance to take a deep breath. And as someone else pointed out, have a cup of coffee, do something like that.

SENATOR CODEY: Thank you, Mr. Edwards.

MR. EDWARDS: I want to thank all of you for your patience and consideration, and hope that you will vote negatively on this proposal. Thank you.

SENATOR CODEY: Thank you, sir. Our next witness is Mr. Michael Carrig of the Ocean County Senior Citizens Organization. Mr. Carrig?

M I C H A E L C A R R I G: Thank you, Mr. Chairman, members of the Committee. I feel it is a privilege to be allowed to speak before you this morning in reference to some our senior citizens and the 24-hour gambling.

My name is Michael G. Carrig. I'm the President of the Ocean County Senior Coordinating Council, and a delegate of the New Jersey Coordinating Council Organizing Older Citizens, Inc.

On May 6th the Ocean County Coordinating Council delegates, who represent the majority, over 100,000 senior residents in 120 clubs, organizations, and senior developments in Ocean County voted unanimously to support the 24-hour gambling in Atlantic City. The same motion was also passed at the annual meeting of the New Jersey Coordinating Council held at Resorts

International in Atlantic City on May 7, 1986. Our New Jersey Coordinating Council annual meeting was by over 500 seniors from all 21 counties representing over 500,000 of their senior peers. Senator John Russo, President of the New Jersey Senate, and Assemblyman Chuck Hardwick, Speaker of the New Jersey Assembly, were our keynote speakers and were in attendance to attest that the overwhelming support the 24-hour gambling received from our senior citizens.

The strongest arguments for the passage of 24-hour gambling recommended that the casino industry be allowed to conduct their business to the best of their ability with assistance and cooperation from the State agencies and their representatives. The casino industry pays a staggering amount of tax revenue to the State of New Jersey, the Federal government, the local governments in the form of 8% gross taxes. Casino Revenue Fund, corporation and property taxes, millions of dollars for the restoration of Atlantic City, funding for the State's Casino Commission, which oversees the casino industry, and millions more in donations and contributions. Also thousands of jobs and additional benefits.

Any industry which produces those types of revenues should receive maximum cooperation from our legislators, representatives, and State agencies to allow them to reach their full potential. We senior citizens feel very strongly that a State/casino partnership attitude will be far more conducive toward the attainment of the State/casino senior and disabled goals and their expectations. We request our legislators to provide the assistance and cooperation first by passing the 24-hour gambling which will help all casinos, including those with financial problems. And secondly, to formulate a partnership attitude which will bring Atlantic City back to its original status as the Queen City of the U.S.A. Thank you very much.

SENATOR McMANIMON: Thank you, Mr. Carrig. Any questions, Senator Hirkala?

SENATOR HIRKALA: No.

SENATOR McMANIMON: Thank you very much, Mr. Carrig.

MR. CARRIG: Thank you.

SENATOR McMANIMON: Reverend Samuel Jeanes please.

REVEREND SAMUEL JEANES: Mr. Chairman, who is not here at the moment, the rest of the Committee, Mr. Vice Chairman, and friends, I'm Reverend Samuel A. Jeanes from Pennsauken, New Jersey. I live in Pennsauken. I work in Merchantville, just across the line, where I'm pastor of First Baptist Church since 1942. I always like to add that they're the people that pay my salary.

Looking at this legislation, gentlemen, ladies, it seems to me that there is a strong emphasis on trying to test the social and economical effects of 24-hour casino gambling. I'm wondering if the motivation in back of this could be the prediction of casino analyst Marvin Rothman (phonetic) of Janney Montgomery Scott Company that the future holds, and I quote him, "Some very unpleasant surprises" for some casinos. The casinos never seem to be satisfied with their profits and reports in the press indicate that they have not been coming up to their expectations. Mr. Rothman, who is a specialist in his field, adds that while some casinos are admitting financial problems, and I quote him again, he says, "This is just the first."

Of course, for the casinos to increase their profits more people must lose money. And if not enough people lose enough money during the current legal hours of operation it follows that the friends of the casino gambling business would want to increase the numbers of hours of operations so that more people will have more time to lose.

All Americans, and especially our elected officials, believe in the Constitution of the United States, and they're under oath to support and obey it. There is one phrase of the Preamble that says "We are to provide for the common defense and promote the general welfare." Seriously, are we promoting the general welfare of the people by increasing opportunities for the people who have been attracted to the gambling operations to lose

their hard-earned money to increase the profits of the gambling industry?

The Casino Control Act approved on March 17, 1978 provided for 130 hours of casino gambling operation per week. Does the Legislature really require 168 hours of casino a week to monitor the social and economic effects of casino gambling? Could we not profit by what others have learned by observing simply the casino operations on the basis of the current hours?

Let me quote from the New Hampshire's Governor's Commission on Gambling, their report, and I quote: "It is common knowledge that casino gambling has a seductive attraction for crime, running the gamete from petty theft to major organized crime." A key question in the report is, and I quote again: "Do the benefits claimed to be derived from legalized gambling outweigh the known social costs?" The answer is quick and direct. This Commission believes the answer is clearly a resounding, "No." The report continues. "The evidence is overwhelming that casino operations impose social costs which overwhelm any social benefit. Casino operations are an irresistable attraction for organized crime, loan sharking, illegal skimming of casino revenues, tax evasion, labor racketeering, and have become a way of life. Street crime thrives around casinos." The report further adds, "Casino gambling is not an economically sound source of public revenue." The report continues on page 15 and states, "Atlantic City's image and quality of life have declined, not improved. The poor and elderly have been dislocated. Housing remains deplorable and street crime has increased as a direct result of the introduction of casino gambling. More and more of the citizens who remain, become public assistance clients." The report continues, this is New Hampshire Governor's report, "The property tax situation in Atlantic City has been a real problem because the assessments have gone up so dramatically people who live in the vicinity of casino hotels have seen their property taxes just skyrocket."

we call your attention to the fact that Atlantic City

according to the FBI Uniform Crime report, by 1984 had made the top of the highest crime rate per 100,000 in the area. The crimes range from murder to car thefts. Nine thousand nine hundred ninety-eight violent and property crimes ranging from murder to car theft committed by every 100,000 Atlantic City area residents is the nation's highest. Captain Carando (phonetic) the head of the crime analysis unit says that there were 4,836 larcenies in the first six months of 1985, with 73% of them coming from the gambling halls and casino hotels. It is interesting to note that some of the casino operators say that the statistics give their resort a bad name, and we might say that they, indeed, have earned it.

Another area that has been eyeing casino gambling is Louisiana. Now let me quote from their report. The Metropolitan Crime Commission of New Orleans, after seven years of research of casino gambling operation says Atlantic City's Boardwalk is a blight, transportation chaotic, housing remains deplorable. The poor and the elderly have been dislocated. Black unemployment status has not improved. Most casino employees are from out-of-state and referred to as carpetbaggers. Some 700 businesses have either folded or have left. The airport is so inefficient and outdated two airlines ceased operation. Businesses in the vicinity of casinos get no play from casino customers who spend their entire time in the casinos. The Metropolitan Crime Commission adds in this report, as it refers to the chilling effect a high crime rate would have on new business and industry investment plus the high cost of caring for the expendable growth of compulsive gamblers. The report calls attention to the unfathomable damage that could be done to juveniles who get the message that gambling rather than hard work and study is the way to go. The Commission says from following the casino way would relegate the state -- this is Louisiana, the state's largest city -- to a crime capital status with blight comparable to Atlantic City from which it would take decades to extricate itself. The Commission continues saying, and I quote, "The evidence is

overwhelming that casino operations impose social and fiscal costs that overwhelm any social or fiscal benefit. This may well suggest why no state wants to be the third state to authorize casino gambling."

As you drive into the Garden State your eyes are dazzled not with signs about our industries, our schools, our universities, nor our medical centers, our agriculture, our research centers, nor certainly our religious institutions. No, you are greeted with flashing signs about winners, never losers. Our gambling operation is becoming New Jersey's biggest business. Don't you have enough evidence as lawmakers to see what are the social and economic effects of casinos now without requiring around-the-clock gambling? Are we losing the image of New Jersey as the Garden State to become the Gambling State? Don't we believe in truth in advertising laws any more?

Could a New York Times story, and again, I don't know who wrote it, but I'll tell you how I got it. It came to me just about two days ago from the "Concern for Christian Citizens" published by the New Jersey Baptist Convention. And the report is this: It's a story about 270 plant closings in New Jersey over the last 18 months, and I asked does that have any connection with our new image? The Times story is based, according to this writer, on a Congressional study that says that between 1979 and 1984 11.5 workers -- now that would be people getting a job and losing a job, and getting another job, etc. -- have lost their jobs because of plant shutdowns or relocations. The Job Training Partnership Act only helps about 5% while those who have found new jobs, 45%, had to take pay cuts and 2/3 were earning less than 80% of their previous income.

Members of the Committee, we would urge you to defeat this new gaming proposal. If you really want to know the social and economic effects of casino gambling, look at what it has been doing that is detrimental in 130 hours a week. Don't increase the dosage. It might kill the patient, and perhaps might eliminate the cause of the sickness. Thank you very much.

SENATOR McMANIMON: Thank you, Reverend. Are there any questions?

SENATOR McNAMARA: I think he was very clear.

SENATOR McMANIMON: You know, Reverend, there are a couple of issue that you touched on that concern me very much.

REVEREND JEANES: Yes.

SENATOR McMANIMON: You seem to quote The New York Times quite a bit and yet--

REVEREND JEANES: That's a good paper.

SENATOR McMANIMON: It's not a good paper. It's got its offbeat issues at times.

REVEREND JEANES: That's right. Of course we do have The Camden Courier in South Jersey. I have to root for them.

SENATOR McMANIMON: New York went to offtrack betting long before we ever thought about it.

REVEREND JEANES: I know.

SENATOR McMANIMON: But that was all right. That was New York.

REVEREND JEANES: And I've seen the lines over there.

SENATOR McMANIMON: And New York was in a state of bankruptcy and the Federal government had to step in and help them. If you look at Atlantic City, and we hear about all the problems Atlantic City is supposed to have had today, let's go back nine years ago and ask the problems we had prior to casinos coming in. There wasn't a person on the Boardwalk; wasn't a person on the Boardwalk. You go there now and those Boardwalks are loaded. People are going back. They do feel a certain amount of security.

REVEREND JEANES: Of course, with all the advertising they get, no wonder they do.

SENATOR McMANIMON: I stated earlier the issue of casino gambling was resolved by the people of this State over eight years ago, and I think basically that's still the issue here in the eyes of a lot of people. I deal with the same problem with my brother. He's on me all the time. I sincerely

feel that--

SENATOR HIRKALA: Who's your brother?

SENATOR McMANIMON: Monsignor McManimon.

REVEREND JEANES: Oh yes. Of course.

SENATOR McMANIMON: We go at it head to head, but I happen to disagree because the people of this State approved it. I don't think 24 hours is really the problem.

REVEREND JEANES: Let me make a further comment.

SENATOR McMANIMON: I'm only stating my own personal convictions.

REVEREND JEANES: Senator, let me make a further comment. In 1974 the people of the State of New Jersey voted on whether or not we wanted jai alai gambling.

SENATOR McMANIMON: That's right.

REVEREND JEANES: Senator Musto, Senator Urechio, Senator Friedland--

SENATOR McMANIMON: It was poorly handled.

REVEREND JEANES: Well, that's another way to put it. However, the amazing thing is that only one county in the State of New Jersey voted for it, and I think they were saying we have enough gambling. The next year the question of opening the race tracks on Sunday, and I think everybody was amazed, everybody was amazed when that was defeated by the voters of New Jersey. So I think that people are saying, "Hey, look, don't we have enough of this without more?" I think those two referendums would indicate that. And there wasn't-- And I'll give you another observation on it. I represent the New Jersey Christian Conference on Legislation, and I think that was the only group that endeavored to campaign on it. And we spent less than \$2000 and they -- jai alai people that wanted to get into this State -- spent at least 3/4 of a million on publicity. Now, I know that our \$2000 didn't change the people. I think that they had thought in their minds, "Enough. Let's stoo where we are."

SENATOR McMANIMON: Thank you very much, Reverend.

REVEREND JEANES: Okay. Thank you very much.

SENATOR McMANIMON: You and my brother ought to get together.

REVEREND JEANES: I've got to meet him. I've got to talk to him. Newark Diocese or Trenton?

SENATOR McMANIMON: Trenton Diocese.

REVEREND JEANES: Trenton.

SENATOR McMANIMON: I can't hide from him.

SENATOR CODEY: You may get him excommunicated.

Reverend Dudley Sarfary of the New Jersey Council of Churches. Good afternoon, Reverend.

REVEREND SARFARY: Good afternoon. Mr. Chairman. I admire your patience and fortitude as Mayor LaGuardia used to say. I will try not to say what's already been said, just to indicate agreement where we have it. And at the end I would like to know whether, since I'm on the Board of New Jersey Impact, the interfaith group and Mrs. Diefenbach had to leave, whether you would like to get rid of me altogether and have me present her brief paper.

SENATOR CODEY: Just give it to Eleanor so I can have it read into the transcript.

REVEREND SARFARY: Thank you, sir. The New Jersey Council of Churches realizes that the voters of New Jersey voted to have casino gambling, and I did spend a lot of time before the predecessors of this Committee, although it was in a different house, working on our concerns that we have strong, the strongest possible control of the industry that the administration then said was a special industry. It's not just like meat stores that need a certain kind of regulation, or cigar stores that need a certain kind of regulation, but a special industry. And I guess that that's where our concern lies. Like Governor Cuomo, I have no immediate plans to start an initiate referendum to get rid of casinos. We accept it.

However, we also accept the promise, and I much appreciate what the Chairman said, because it doesn't seem to me that every promise made to the citizens of New Jersey has to be

made in a Constitutional amendment. I wondered if I should even testify after I heard the Chairman remind the witnesses of that promise. The reason I'm concerned about the promise is not just a pious old-fashioned concern for promises that are broken, but by following the industry, by following the press, I get the impression -- and not it has been fortified -- that this is the toe in the door inch by inch to use the CEU's from Resorts phrase, this is the beginning of weakening the control process. And that's really serious.

It seems to me the Casino Control Commission or with the Division of Gaming Enforcement are the appropriate agencies to do any study if there were going to be such a study. But the industry has never liked those two groups, and even though we may have been critical of them on the one hand, the industry has been critical on the other. And has recently indicated in a series that ran in The Atlantic City Press, they thought, like everybody else in our country today they ought to be the recipients of decontrol. The last thing you will ever hear the New Jersey Council of Churches say is that casinos need to be decontrolled. And I'm afraid that there's a threat to the DGE and the CCC implicit in this legislation that comes from the Assembly, and I hope you'll take that into serious account. I'm sure that you will.

I don't have to be as tactful as the employee of Gamblers Anonymous, or even as the Chairman of the Casino Control Commission. It seems to me to strike a very discordant note that a new agency is to be created to do this study. Actually, you and I and other citizens worked for a long period of time on trying to develop the law that now controls New Jersey's casinos. And I spent some time outside of your meeting room with the staff of the Attorney General's office who took better than a year to get acquainted with what they were talking about before they came back to you and began to make proposals. I do not see how in 15 months -- although that's a long time -- I do not see how in 15 months a group of new people is going to come in and starting

from scratch, understand the industry and evaluate it.

I shot my mouth off in the Assembly on the issue of compulsive gambling because I was inspired by the six compulsive gamblers who were there and said more hours at the casino will mean more compulsive gamblers. They all closed their speeches by saying we're not against 24-hour casinos. Well, if I can understand what they're saying I'll give you the Christian and the unchristian interpretation. They have legal limitations on taking positions on public issues. They are like Alcoholic Anonymous. They are not prohibitionists. They are trying to help people who are caught up with a problem, and they are also supposed to be helping people who are caught up in compulsive gambling. The unchristian interpretation is that there was an offer on the part of that Committee to take under themselves a study of how better to finance the State's ministry to compulsive gamblers later on, after this legislation got out of the way. That might be mean, but you'll have to judge that for yourself, and judge me if need be.

The Commission that the Governor is going to name three people to, the Chairman (sic) of the Senate, and the Speaker of the Assembly to study the long-range implications and policies of New Jersey gambling seems to me to be the prior consideration before the passage of this bill even as I might write it ought to be considered. And I realize that will cause you a lot of grief if you don't poke this out of committee in a hurry. But it seems to me we need a long-range study policy, on which The Council of Churches will not throw a lot of weight around, of course, but that all of the reasonable people in the State, including the people who make money at it, who are included in the legislation at this stage, sit down and decide what shall we really do.

Now, I would just like to suggest that I come with a bit of frustration. I have been asking the casino industry at every opportunity since they began to deal with the issue of providing funds for casino -- for compulsive gamblers. Only Mrs. Gluck was willing of her own free will and human concern to see

so it that initially money was set aside to help compulsive gamblers in New Jersey. The industry has not cared. I think that if the industry had shown a care about a lot of things, about some of the development in Atlantic City, about equal opportunity. If they came and said, we'll stop serving liquor at 2 a.m. so the people who are turned out on the streets aren't drunken drivers. If they had done more about the City that they say they care so much about, I'd be more inclined to believe their stories.

Finally, they want you to appoint a commission or a special research group to study the effects of compulsive gambling-- Excuse me. To study the effects of 24-hour operation. They don't seem to have a study themselves. Do they want a criteria to be set up that will have 7 or 8000 jobs or so and so many new employees? What criteria? How much money? I just don't think there are any criteria. My mistake in the Assembly which a professor from Rutgers in economics called me on was to criticize the criteria of the study. That professor said to me, "Look, Dudley, you know there will be fewer drunken people on the road if they stay in the casinos, so what are the criteria really worth arguing about?" And it's so technical and complex that I don't think it can be done in a meaningful way. So I will just say that for future consideration.

The position of the ecumenical group, New Jersey Impact, composed of Protestant, Catholic, and Jewish citizens who are interested in legislation, speak pretty much about the same things. And I will turn a copy of that over to the Chair as he asked. But I would be happy to entertain any questions, if you have some, Mr. Chairman.

SENATOR CODEY: Senators? No? I can say one thing about I'm a little disappointed that we're on opposite sides. I mean we're together instead of the opposite sides. That means that we won't be doing any Channel Two TV shows, which we've been doing now for about ten years.

REVEREND SARFATY: Well, maybe we can find someone who

will go and oppose us. It's fun to be on the same side for once.
Mr. Chairman.

SENATOR HIRKALA: Get Donald Trump. You'll get a lot
of coverage.

REVEREND SARFATY: We ought to have a program with
Monsignor McManimon and several folks. We ought to get a
compulsive gambler away from his official business so he can say
what he really thinks.

SENATOR HIRKALA: Who is that?

REVEREND SARFATY: Well, I know one pastor in New
Jersey who you probably met before who would give powerful
testimony. You know, if the casino folks today say only 25% of
the compulsive gamblers are generated by casinos. So
proportionately if you increase the hours by the percentage
that's projected, you're going to create a given number of
compulsive gamblers in the State and the State has no real plans.
A promise from an Assembly Committee could mean anything or
nothing. So the State, I think, is not being responsible to
press this legislation through this fast.

SENATOR CODEY: Okay.

REVEREND SARFATY: Thank you, sir.

SENATOR CODEY: Thank you, Reverend. Our next witness
will be Reverend Robert Bavender. Is he here? No? Our next
witness then will be Carol Kasabach. Did I pronounce that right?

C A R O L K A S A B A C H: Thank you for this opportunity. I
am Carol Kasabach, the Director of the New Jersey Office of
Governmental Ministry, which is a ministry of advocacy through a
partnership of the New Jersey components of the Lutheran Church
in America, the American Lutheran Church, the Association of
Evangelical Lutheran Churches together with the New Jersey
Council of Churches and Lutheran Social Services of New Jersey.

Today I come before you to speak in opposition to the
proposed extension of casino gambling. I especially would like
to bring forward the positions of the New Jersey Synod of the
Lutheran Church in America and the American Lutheran Church.

The New Jersey Synod of the Lutheran Church in America has voiced its opposition to casino gambling in 1974, again in 1976, and again when it was -- when gambling was extended again in 1980. Our churches continue to show concern with respect to legalized gambling, also, as a revenue source. I'd like to highlight that because we do have a lot of pressures in this State as to where do we get our revenues -- where do the taxes come from? And we are all well aware that we do receive a great deal from the casino industry.

The American Lutheran Church at its convention in 1984 raised its voice in this aspect. Legalized gambling tends to extract revenues from them who may be least able to resist the temptation to gamble rather than those who ought to be paying to support State programs. Studies have indicated the disposition of low-income families to spend a greater fraction of income on gambling as on other items such as food than the higher-income families. This means that receipts from gambling become another regressive tax when used as a source of revenue. The wisdom of such regressive taxation as sound public policy deserves further public discussion.

All of the factors pertaining to the well-being of the individuals and community should be carefully weighed in making responsible decisions, including all citizens should be willing to pay taxes in the amount necessary for the State responsibility to fund the needed functions of government. Only in this way will the temptation of our states to look to gambling for necessary revenues be lessened. And I believe in this State we tend to look at our gambling as more and more of a source of revenue for us.

I ask you to allow two other entities developed by the New Jersey Legislature to complete their tasks before considering the extension of casino gambling. As you know, the State and Local Expenditure Revenue Policy Commission is now at work and will present its recommendations by January of 1988. They're looking at all sources of revenue and expenditure and the impact

on this State.

Also, as has been mentioned earlier, bills have been introduced by both Assemblyman Hardwick and Senator Feldman to establish a Governor's Advisory Commission to study the social impact of gambling upon the lives of residents in this State, the role of legalized gaming as a revenue raising operation, and the best way to conduct legalized gaming in this State.

The 24-hour gambling bill is just one more supposedly painless step to increase revenues in this State. Is the pain caused by gambling worth it? Let's try to find out before extending casino gambling.

SENATOR CODEY: Any questions? Thank you very much.

MS. KASABACH: I do have copies of my testimony.

SENATOR CODEY: Our last witness will be Mr. John Scarselletti.

J O H N S C A R S E L L E T T I: Scarselletti.

SENATOR CODEY: Scarselletti, close. Mr. Scarselletti, instead of reading your testimony, why don't you just highlight it, if you don't mind. You're the hawk, right?

MR. SCARSELLETTI: Have we met before or haven't we?

SENATOR CODEY: No, just reputation.

MR. SCARSELLETTI: You want me to just highlight what we have here?

SENATOR CODEY: If you could.

MR. SCARSELLETTI: You don't want me to read it. Gentlemen, actually if you want me to highlight it, what we're basically saying is we resent the fact that there's no hearing in Atlantic City. You're considering a problem that's going to -- whether it's going to cause the people in Atlantic City-- Very frankly, the people in Atlantic City are the last to know what's going to on, and this directly involves these people. And I think, and I agree with you, this is not a decision whether you're going to try it. You pass it; that's it. And I'm here more or less to testify to the fact we should nip it in the bud because this is not going to do--

SENATOR CODEY: Well, let me ask you something, sir.

MR. SCARSELLETTI: Yeah.

SENATOR CODEY: If there is a referendum in Atlantic City, would they vote in favor of 24 hours or against?

MR. SCARSELLETTI: No. People in Atlantic City, no.

SENATOR CODEY: They'd be against it?

MR. SCARSELLETTI: No, and as a matter of fact, I stated here-- We just had a mayoral election. Out of four candidates only one, Assemblywoman Dolores Cooper unqualified supported 24-hour gambling because they all knew if they did they would lose votes because the people feel very strongly on this. And as you're going to read what I have here, rather than to reiterate it, this is not going to do us any good. In fact, I even attached, to verify our statements, the article which the previous gentleman made reference to, "Why Casino Gambling is a Bad Bet." You know you realize people in Atlantic City or should I say the town itself, you know, we don't get a dime of revenue. All the cost is borne by the residents of Atlantic City. I mean as surprising as it seems, there's money galore, but we don't get a dime.

Give you basically-- Our budget went from 24 million, right now over 100 million and we have less population. We had over 40,000. Now we're under 40,000 and the people are getting nailed for it. Our assessments have gone up, and it's based on casino valuation. Yet the casinos, they'll go to court at the drop of a hat and get their's reduced. They're not getting true valuation. The people of Atlantic City have been paying to support the casinos. I mean everybody thinks Atlantic City is being destroyed.

You talk about churches. Churches have left Atlantic City. Not only the churches, the schools have been closed. The population-- The people are leaving. I mean it's really drastic what's going on. You've got to hear both sides of the story.

Now I've run into the group that was here first, Senator Gormley and the boys. They give you one side. They're

talking about employment. Unemployment in Atlantic City has not decreased since casinos came to town. We still have the same unemployment. They're talking about it's going to increase employment. All they're going to do is expand the three shifts into four, into a balanced shifting. They're not going to do anything more. It's still a seasonal industry there. It's not like Las Vegas. In Atlantic City you're still going from 4th of July to Labor Day, that's it. That's why they're concerned about doing it now. This is where they're going to make the money. But they're still, when the season is over, they still lay them off.

In other words, there's a big snow job here because just like the Reverend just said about deregulation, they're pushing hard. And if you let them get their niche, this is it. This is the straw that broke the camel's back. You give them this; they're going to kill it because the family oriented town is being destroyed. You do this and it's going to happen. Because when they talk about crime, crime is going to increase something fierce because of the proximity of the casinos in the neighborhood. Don't forget, you walk out your door you're in a casino. They already vanished some of that neighborhood. They're already gone, but there are still some there, remember. Don't forget, a couple of casinos built right around the people who refused to move. You have a lot of elderly population there.

I mean there has got to be consideration. You say, all right, you've won 24 hours. There may be a time that you can do it, but right now if you do it you're just stabbing for the kill. And that's why I feel you've got to stop it now because it's not a trial. You're talking about you're going to do it. Because I don't think you can recall anything on a trial basis that didn't go through. And when you talk about agencies, you have more agencies established in Atlantic City that have taken over everything. There's only thing left, the airport, and they're trying to get that. You've got the Atlantic County Transportation Authority, which you're familiar with.

There is so much that has to be considered. Consider the people. You know, you're going to have busses through the night. They can't sleep now. If you can't sleep, what are you going to do? So, gentlemen, it's in this presentation. You'll read it, you'll understand. But I strongly urge, as I say in my conclusion, have a negative recommendation to the Senate in order to preserve what is left of a family oriented town and help its rebirth back to its former status by the denial of 24-hour gambling.

SENATOR CODEY: Okay. Thank you very much, sir.

MR. SCARSELETTI: Thank you.

SENATOR CODEY: I appreciate it. We stand adjourned.

(HEARING CONCLUDED)

APPENDIX



NEW JERSEY OFFICE OF GOVERNMENTAL MINISTRY

Testimony
before the
New Jersey Senate Institutions, Health and Welfare Committee
Tuesday May 20, 1986

Good Morning. Thank you for the opportunity to testify before you. I am Carol Kasabach, Director of the New Jersey Office of Governmental Ministry which is a ministry of advocacy through a partnership of the New Jersey components of the Lutheran Church in America, the American Lutheran Church, the Association of Evangelical Lutheran Churches together with the New Jersey Council of Churches and Lutheran Social Services of New Jersey.

Today I come before you to speak in opposition to the proposed extension of casino gambling.

The New Jersey Synod of the Lutheran Church in America has voiced its opposition to casino gambling:

The Synod in Convention stated:

- 1974 - that legalized gambling runs counter to the Christian perspective of vocation, responsibility, love, simple justice, and doing battle with greed, boredom, escapism and frustration
- 1976 - that the synod's opposition to casino gambling be communicated to the Governor and the legislature and
- 1980 - considering further expansion of legalized gambling through the establishment of sports betting that the synod again express to the Governor and the legislature its concern about the societal effects of legalized gambling, its opposition to legalized sports betting and its belief that the State has responsibility to address gambling issues; and urged the Governor to appoint a Study Commission which would focus on the adverse social impact of legalized gambling and make recommendations for appropriate State action.

And our churches continue to show concern with respect to legalized gambling as a revenue source. The American Lutheran Church at its convention in 1984 raised its voice:

- Legalized gambling tends to extract revenues from those who may be least able to resist the temptation to gamble rather than from those who ought to be paying to support state programs. Studies have indicated the disposition of low-income families to spend a greater fraction of income on gambling as on other items such as food or alcohol, than higher-income families. This means that receipts from gambling become another regressive tax when used as a source of revenue. The wisdom of such regressive taxation as sound public policy deserves further public discussion.
- All of the factors pertaining to the well-being of individuals and the

Carol Kasabach, Director

176 W. State St. Trenton, NJ 08608 609/396/4071 or 609/396/9546

*A ministry of advocacy through a partnership of the
New Jersey components of the Lutheran Church in America
American Lutheran Church
Association of Evangelical Lutheran Churches
together with the
New Jersey Council of Churches
Lutheran Social Services of New Jersey*

New Jersey Office of Governmental Ministry
testimony 5/20/86
page 2

community should be carefully weighed in making responsible decisions including:

- All citizens should be willing to pay taxes in the amount necessary for the state responsibility to fund the needed functions of government. Only in this way will the temptation of the states to look to gambling for necessary revenues be lessened.

I ask you to allow two other entities developed by the New Jersey Legislature to complete their tasks before considering the extension of casino gambling:

- 1) As you know the State and Local Expenditure and Revenue Policy Commission is now at work and will present its recommendations by January 1988.
- 2) And right now two bills Hardwick A-1453 and Feldman S-949 to establish the Governor's Advisory Commission to study:
 - the social impact of gambling upon the lives of the residents of this state
 - the role of legalized gaming as a revenue-raising operation
 - the best way to conduct legalized gaming in this Stateare working their way through the legislative process.

The 24-hour gambling bill is just one more supposedly painless step to increase revenues in this State. Is the pain caused by gambling worth it? Let's try to find out BEFORE extending casino gambling.

Thank you.



Testimony

Before the

Senate Institutions, Health and Welfare Committee

Tuesday, May 20, 1986

**MEMBER
ORGANIZATIONS**

American Baptist Churches
of N.J.

Church Women United of N.J.

Church World Service/
CROP of N.J.

Episcopal Church
Diocese of N.J.

Lutheran Church of America
N.J. Synod

N.J. Council of Churches
Government Commission

N.J. Friends Council

Reformed Church in America
Synod of the Mid-Atlantics

United Church of Christ
N.J. Association

United Methodist Church
Northern N.J. Conference
Southern N.J. Conference

United Presbyterian Church
Presbytery of Elizabeth
Presbytery of Monmouth
Presbytery of Newark
Presbytery of West Jersey

Good Morning - thank you for giving me the opportunity to appear before you today.

My name is Joan Diefenbach. I am Executive Director of New Jersey IMPACT, a state-wide interreligious network sponsored by twelve major religious denominations.

I am here today to express our opposition to 24 hour gambling in Atlantic City.

We believe that the institution of 24 hour gambling violates the integrity of the promise made to the voters of New Jersey in the initial casino referendum and that the human toll of allowing 24 hour gaming far outweigh any potential benefits.

A quote from a recent article entitled "Why Casino Gambling is a Bad Bet" says it well. "Gambling is a game of fantasy vs. the harsh reality of the houses favorable odds."

Twenty four hour gambling takes away the forced return to reality that currently exists. There is no time at which the gambler must step away from the insular fantasy world of the casino and back into the real world.

Particularly indigenous to gambling in Atlantic City is the fact that the majority of gamblers are not high rollers but rather are middle and lower income persons a high proportion of which are seniors who can ill afford to lose any money at all. The institution of 24 hour gambling puts more opportunity for loss before them.

Testimony

5/20/86

page 2

Another segment of our population who stands to lose a great deal are the compulsive gamblers. Current estimates are that in New Jersey alone there are 375,000 compulsive gamblers. The effect on these people will be devastating.

We would also question the so called experimental nature of this initiative. Earlier proposed legislation had called for opening casinos for 24 hours on weekends and holidays only. Thereafter it was broadened to a 6 month trial period 7 days a week. Now recent committee amendments have already extended the period to 15 months.

Proponents assert that having around the clock gambling will create new jobs. But the creation of new jobs in this arena is a double edged sword since it creates added pressure against ending the experiment if it means laying off workers.

Finally, we would suggest that the implementation of this legislation at this point is untimely. Both Senator Feldman and Speaker Hardwick have legislation currently pending which will establish the Governor's Advisory Committee on Gambling which would be directed to study the social impact of gambling upon the lives of state residents, the role of legalized gambling as a revenue raising device and the best way to conduct legalized gambling. New Jersey IMPACT and its member organizations feel that it is premature for New Jersey to consider 24 hour gambling before the committee has had an opportunity to adequately study the issue.

Thank you.

Tallahassee Neighborhood Trust
of Lower Chelsea
44 South Tallahassee Ave.
Atlantic City, N.J. 08401
Area Code 609-347-1014

Lower Chelsea Area

Albany Ave. to Jackson Ave.
The Ocean to Inside Thoroughfare

"T.N.T." Purpose

For the Preservation and Protection of Our Neighborhood and that of the Community of Atlantic City, New Jersey.

New Jersey State Legislature
Senate Institutions, Health and Welfare Committee
State House Annex, C.N. - 068
Trenton, New Jersey 08625

RE: Oppose to 24 Hour Gambling in Atlantic City, N.J.

Dear Honorable Sirs:

My name is John Scarselletti and in Atlantic City, I am known as "the Hawker". I got that nick name because I have attended all Atlantic City's governmental meetings and hearings that are open to the public for the past 10 years and voiced my opinion on the subject matter of those hearings and meetings in the best interest of the People of Atlantic City. This 10 year period covered three Mayors and two different forms of Governments. If you want to hear the truth about any subject pertaining to Atlantic City, just ask the Hawker. I have attended enough meetings and hearings to know they are usually stacked with people who are either called or sent to these hearings and meetings to give a favorable opinion of the subject matter; therefore, you heard a one sided view or opinion; which is why I am here today to give the other side of the story and play devil's advocate and go where angels fear to tread as I have done for the past 10 years.

When I read in the newspaper about the results of the second Legislative hearing on 24 hour gambling, I immediately became concerned and aggravated, because the Casino Control Commission had hearings on this question some years ago, and the people of Atlantic City were vehemently opposed to it. Things in Atlantic City have not changed, nor has the people's opinion on 24 hour gambling; therefore, I resent the fact that the Legislature, in order to by pass the people of Atlantic City, chose to introduce legislation on 24 hour gambling and have the hearings held in Trenton rather than Atlantic City where the people are directly involved by the legislation. I have contacted the Chairman, William Schuber of the Independent and Regional Authorities Committee and expressed my concern that they are considering a question without the public input from the people directly involved. A third hearing was contemplated, and I was scheduled to testify at same. But no third hearings was held and a favorable recommendation was made and the Assembly passed the Legislation. When I read in the newspaper that the Senate Committee was holding hearings on 24 hour gambling, I immediately contacted the Chairman and requested permission to testify before same in hope to

present some truths about casino gambling in Atlantic City and the results of same and my opinion as to the consequences of extending casinos opening for 24 hour gambling.

In one of the many articles on 24 hour gambling, it mentioned 10 specific areas to be considered to determine the impact on Atlantic City by 24 hour gambling, and the are, State Revenue, Casino Revenue, Local Employment, Regulatory Cost, Crime, Traffic, Compulsive Gambling, Religious Organizations and Schools, and other Business.

(1) Let us consider both state and Casino Revenues. Obviously any increase in casinos time will generate increase State and Casinos Revenue, but do you realize that Atlantic City does not receive a dime of casino Revenue. The people of Atlantic City have been and are still paying to support casino gambling in Atlantic City by paying their Real Estate taxes, which have been going up steadily since casino gambling. What was once our yearly tax is now our quarterly tax and this year, it is going up again due to the new 100% reassessment of Real Estate based on casino evaluation, but yet the casinos themselves are assessed at figures far less then their true evaluation; due to their many tax appeals and influence on the tax structure of Atlantic City.

(2) Let us consider the Local Employment and unemployment. We have over 40,000 casino employees and less than $\frac{1}{2}$ are Atlantic City residents. We still have the same unemployment that we had before casino gambling and the increase of casino time to 24 hour gambling will not increase employment or decrease unemployment, but only stretch out the long three shift casino operation into four casino balance shift operation. Also 24 hour gambling will not alleviate the seasonal unemployment in the Atlantic City casino industry.

(3) Let us consider 24 hour gambling and Regulatory Cost. Of course an increase of casino time will mean increases regulatory cost, but there also will be an increase in State Revenue, therefore, the increase regulatory cost will be balanced out by the increased state revenues.

(4) Crime increase due to 24 hour gambling. Crime will increase because the gamblers and the undesirable element will not have to leave town or Atlantic City; therefore, the people of Atlantic City will need added police protection both on the streets and in their homes. This added police protection is paid for by the residents of Atlantic City because we do not get any compensation from the casinos or the state for the ever increasing police cost since casino gambling came to town. Also, the so called "mob" activities has been so intensified in Atlantic City since casino gambling that we had over two dozen mob related killings, and if 24 hour gambling is instituted, you will have an increase in drug dealings, robberies, muggings and prostitution, etc.

The casinos have their problems with^{the} fore mentioned crimes inside the casino hotels, but when it pours into the streets of Atlantic City due to the immediate proximity of the casinos and the neighborhood. This is a real problem. Our legislators in the newspapers denied the allegations of prostitution in the casino, but their is

no denial of the street walkers who operate in the open both on the Boardwalk and in the streets, right up to the front porches and alley ways of the Atlantic City residents. In regard to crime increases, I believe there is no argument that 24 hour gambling will produce substantial increase in all areas of crime and the people of Atlantic City pay for that from both ends.

(5) Traffic and 24 hour gambling. The bus problem is well-known in Atlantic City but can you imagine, buses through the night! The people of Atlantic City will never sleep, and the quality of life has been so disrupted since the start of casino gambling that the residents have been and still are leaving town. Our population before casino gambling was over 50,000 people. Today, we are under 40,000 people. 24 hour gambling will only increase the incentive to leave town and not stay in Atlantic City. Casinos were supposed to help recreate Atlantic City as a family resort, but in fact; casino gambling has destroyed it and 24 hour gambling is the straw that broke the camel's back and it will be the final thrust of the dagger to kill Atlantic City as a family resort town. Again, the people of Atlantic City pay for the repairs to streets and infrastructure due to the large traffic volume especially bus traffic besides the truck damage to the homes of residents in the immediate area of the casino. Remember, Atlantic City is not like Las Vegas where casinos and homes are in separate areas. Atlantic City casinos are in the neighborhoods, some of which have already been destroyed and vanished. The quality of life in Atlantic City already suffers from noise, pollution and congestion from casinos generated by traffic, but 24 hour gambling will further the deteriorations of the ~~structures~~ ^{situation} and only ensure the continued decline of our population because if people can not sleep in peace, they won't live here.

(6) Compulsive gambling - I am no authority on this subject and enough has already been said about it. Logically, 24 hour gambling can only increase compulsive gambling due to the fact they do not have to leave town or have a cut off time which is a deterrent to compulsive gambling.

(7) Religious Organizations and School - Churches in Atlantic City have either been closed or moved out of town for several reasons. One of which is their location; those in the path of the casino growth and another is the loss of population, but for whatever reason, churches and schools both have been closed with more scheduled to be closed. In my opinion, churches and schools are the foundation of a family oriented community; which is being destroyed by casino gambling. And 24 hour gambling will only ensure its demized as a family resort.

(8) Other Local Businesses - the prospect of an over flow of casino patrons to support local businesses has not materialized. In fact, the contrary has happended. Like churches and schools, local businesses have left town, and as a result, we have a shell of a town left with no supermarket, movies, bowling alleys or facilities that support a family oriented town. 24 hour gambling will do nothing for local businesses or Atlantic City as a family resort town.

"T.N.T."

(4)

24 Hour Gambling

In conclusion; to substantiate what I have said, here, in the Mayoral Election last week in Atlantic City, of the four candidates, only one, the Assemblywoman, Dolores Cooper, gave her unqualified backing to 24 hour gambling because all candidates knew that the people of Atlantic City are against 24 hour gambling, and to further substantiate our opposition to 24 hour gambling, we are submitting a copy of an article that appeared in Sunday's May 11, 1986 magazine section of the Philadelphia Inquiry called "Why Casin Gambling is a Bad Bet by Ovid Demaris, and I hope this committee recommendation is a negative one to the senate in order to preserve what is left of a family oriented town and will help its rebirth back to its former status by the denial of 24 hour gambling.

Sincerely,



John J. Scarselletti
(The Hawker)

Enclosure

THE SCRANTONIAN

PARADISE



Six-year-old Weldon Jackson (below) in the arms of his new dad, Jerry Tucker

'Faith, Hope
And Room For
One More'

Weldon Jackson

Finds A Home

By Dianne Hayes

INSIDE: Why Casino Gambling Is A Bad Bet... By Ovid Demaris

What has it done for Atlantic City?

WHY CASINO GAMBLING IS A BAD BET

Head and good. Below: A beggar on the Boardwalk soliciting with casino slot-machine cap. Inset: Slot machines, the all casino games, highly favor the house.

The apparent acceptance of state-sponsored lotteries has led to campaigns in several states—including New York, Florida, Louisiana, West Virginia and Pennsylvania—to legalize casino gambling. To learn what these states might expect, we turned to an expert, Ovid Demaris, author of "The Green Felt-Jungle," which described the effect of casino gambling on Las Vegas, and whose latest book, "The Boardwalk Jungle," published this month by Bantam, examines Atlantic City, the nation's newest gambling mecca. We asked Mr. Demaris to explore what has occurred in the community of Atlantic City since New Jersey legalized gambling nine years ago. This is his report.

IT WAS BROAD daylight when I stepped into his cab. I had just arrived in Atlantic City to begin research on my book *The Boardwalk Jungle*. We were in the heart of the business district, but he gave me that wary appraisal taxi-drivers usually reserve for the most dangerous areas of our cities. Seemingly satisfied that I wasn't going to mug him, he shifted gears, and I said, trying to be friendly, "Well, what has casino gambling done for you?"

He swung around and glared at me. "I'll tell you what it's done for me," he snapped angrily. "It turned my daughter into a hooker and my son into a hustler."

After New Jersey passed the Casino Control Act in June 1977, there was much publicity about the state passing tough regulations designed to protect the gambling industry from the crime-ridden image associated with the Nevada experience. In fact, on the day Gov. Brendan Byrne signed the gambling law, he felt compelled to issue a warning: "I've said it before and I will

repeat it again to organized crime: Keep your filthy hands off Atlantic City! Keep the hell out of our state!" The warning, it would soon prove, was in vain.

There was also much publicity about casino revenues reviving Atlantic City, which was in a state of economic collapse. The promises—part of the campaign to sell the idea of casino gambling to the public—were not kept. The collapse continues at an accelerated rate, and the city's image is hardly an improvement on Las Vegas'.

My first visit to Atlantic City was in the early fall of 1983. By then it was already the country's most frequently visited resort. Nine hotel-casinos were doing land-office business, reporting gross annual revenues of \$1.8 billion. Two years later, with 11 hotel-casinos and only 6000 rooms but with 30 million visitors, total annual earnings were \$2.2 billion—a half-billion greater than the total earnings of Las Vegas' 60-odd licensed establishments with more than 50,000 rooms.

Whereas it took Las Vegas a few decades to become garish and gaudy, in Atlantic City the transformation was instantaneous. A stroll on the Boardwalk is a surrealistic experience. With glitzy casinos squeezed in between sleazy fast-food stalls and carnival-type clip

The revenues, New Jersey citizens were told, would help revive this collapsing community



Shoppers' Paradise Camp

joints, the city looks more like a South-Bronx-by-the-Sea than a seaside resort.

Off the Boardwalk, it's a wasteland. Carl Zeitz, a member of New Jersey's Casino Control Commission, calls it "a place where once stable, fine neighborhoods have become collections of scattered, barren, littered lots... a sorry testament to the supposed advantages of public and private partnership." Former Jaycoes president Nicholas Russo spoke even more harshly: "This city is a toilet. We've got vintage trash in the streets."

The poor people who had danced in the streets the night gambling was legal-

ized were soon bemoaning their fate, as property taxes and water, sewer and utility bills soared along with street crimes, prostitution and drug abuse. Thousands have been forced not only out of their homes but also out of town. Thousands more are living like gypsies, two steps ahead of land speculators, as they shuttle from one festering slum to another until, finally, there is no place left but the street. The army of street people is growing at an alarming rate.

A suit filed by the state's public advocate in 1984 charged, "Throughout Atlantic City, homeless men and women

BY OVID DEMARIS

10x

wander about the casinos and under the Boardwalk, search for food in trash containers, huddle in doorways to keep warm in the winter, or sleep in public places and abandoned buildings.

And nowhere is the contrast between rich and poor more dramatically juxtaposed. While the homeless huddle under the Boardwalk, 20 stories above them other men and women, high rollers, drink champagne and feast on gourmet delights served by waiters in sparkling white uniforms and are entertained by celebrities who were paid a king's ransom just so guests could rub elbows with them for a few precious moments.

Pacific Avenue, only a block from the Boardwalk, offers tired motels, abandoned buildings with boarded-up windows, sleazy coffee shops, an adult bookstore, a fortune-teller and a slew of pawnshops with proprietors waiting behind walls of bulletproof glass.

A recent study by the Twentieth Century Fund concluded that nothing had been done to improve housing conditions for the elderly and the needy. "You don't see any spillover," it said. "The casinos are walled-off universes... In terms of revitalizing the city, it is a disaster... The visitor to the city who passes beyond the thin layer of tinsel trappings along the Boardwalk enters a wasteland."

FBI figures show that crime has doubled, tripled and quadrupled since 1977. Pacific Avenue is crawling with bookers, pimps, pickpockets, drug pushers, car strippers, thieves, toughs and a growing number of former patients from nearby Ancora State Psychiatric Hospital. Loan sharks are having a field day, and muggers attack people in broad daylight. Everybody is chasing fast bucks, which eventually wend their way into the casinos' coffers.

Real-estate values and property-tax assessments have skyrocketed, driving out most of the small businessmen who had dreamed of sharing in the gambling bonanza. By 1985, nearly 90 percent of the city's businesses had vanished, and its population had shrunk from 45,000 to 37,000. There is only one supermarket and no department stores. Until it burned down in 1983, the town's only movie theater showed X-rated films.

Slum landlords, unable to evict tenants, are burning down their buildings to collect the insurance and with the hope of selling the land to developers. Already the casinos own more than 25 percent of the city's developable land, much of which was acquired from the city through convoluted transactions that investigators will never untangle.

Most visitors never leave the Boardwalk. Junkie bus conductors instruct their passengers not to leave the casinos. "It's dangerous," they say. "It's ripoff city. It's a jungle out there." They are right, but it is also dangerous in the hotels. Rooms are broken into, guests assaulted in elevators and hallways, purses snatched, cars rifled in the subterranean garages.

Ron Lane is an undercover cop who has been beaten, robbed and stabbed in the line of duty. "All you have to do is walk one block in either direction from a casino, and you're in a high-crime area," he says. "That's a bad thing for out-of-towners who don't know it. A lot of people are getting mugged, and no one is doing anything about it."

And the city government, which you'd expect to be doing something about it, is a mess. "The first place you look is in the mirror," Councilman James Whelan admits. "We're not doing what we're supposed to be doing down here. I wish I knew the answers to getting us to do what we're supposed to do."

James Usry, the city's first black mayor, agrees: "I don't know what makes people think Atlantic City is in this position because it wants to be. We have problems with the city."

Georgia Paxson Steinfelds, former president of the Women's Chamber of Commerce, knows where to



Off the Boardwalk, children play in a gutted building in South Inlet, one of Atlantic City's numerous slum areas.

point the finger. The people, she said recently, "have received nothing but bad politics from a self-serving crowd of selfish power-seekers." Of the city council, she said, "It is difficult to soar with eagles when you have to work with turkeys."

Casino operators also have complaints. Casino As-

sociation President Thomas Carver is fed up with what he calls the state's "overregulation" and its cost to the gambling industry. "We may have a failure if government continues to insist on the theory that casinos are cash cows, that all they have to do is come to Atlantic City and get more money," he warns. The industry will play a role as the economic "foundation for the future," he says, but "it will no longer accept indiscriminate kicks in the groin."

Casino commissioner Valerie Armstrong is unsympathetic. Her response to Carver is that casinos want to reduce regulation so they can "gouge out bigger and bigger profits without addressing the societal needs of Atlantic City." She adds, "Instead of plans for the rebuilding of Atlantic City, we hear complaints about overregulation and excessive costs."

There is nothing new about the business of separating a sucker from his money—that is what gambling is about. What is particularly unfortunate about it in Atlantic City is that the deluge of greenbacks is not coming from high rollers, or even from middle-class families willing to lose a set amount at the

continued

Get out of the fast lane and onto our back roads.



Go fishing in picturesque mill ponds and mountain streams.

Discover old barns, covered bridges and out-of-the-way inns.

Take a ferry to an island where the people speak a foreign language: Olde English. Or join the loafers in *Loafer's Glory*. Our colorful new travel package will tell you more.

Name _____

Address _____

City _____

State _____

Zip _____

Free North Carolina Travel Package

Call toll-free: 1-800-VISIT NC, Operator 465
North Carolina Travel Department 465, Raleigh, North Carolina 27699

11x

GAMBLING /continued

tables for a few days of holiday fun, as is pretty much the case in Nevada. In Atlantic City, it is coming from the poor and from lower-middle-class senior citizens who can ill afford to lose any money. Some are so old they need walkers and wheelchairs to get around. The difference is that most visitors to gambling centers in Nevada have to travel long distances to get there. Atlantic City is much more accessible. Would-be instant millionaires can come for a few hours, traveling on junket buses that pick them up on street corners in Philadelphia, 60 miles away, or in New York and Newark, 100 miles.

About 60 million people live within 300 miles of Atlantic City. Last year, some 12 million day-trippers were bustled into town on junket buses, and the number keeps growing. They are the easiest for the casinos to pluck. They don't require rooms or any form of entertainment. Herded on buses, all they care about are the slot machines, gambling tables and the bargain lunch. They

can gamble, lose what little they have and go home, financially and mentally depressed but usually with the thought of getting more money and returning to beat the house. In the meantime, they will eat less, or somehow make do with less, to make up for what they've lost and to save enough for the next trip.

Gambling is a game of fantasy vs. the harsh reality of the house's favorable odds, but there is another side to this story, hidden from view, that involves greed and political corruption and organized crime and murder. In fact, there have been nearly 40 mob murders in the last six years, as various crime families in New York and Philadelphia fight over the spoils generated by this gambling bonanza. In 1984, former Atlantic City Mayor Michael J. Matthews was sentenced to 15 years in federal prison for selling out to a Mafia boss who had backed his election campaign.

A hard look at the economics: New Jersey's budget for the fiscal year beginning July 1, 1984, was \$7.67 billion. The state-sponsored lottery brought in \$340 million, paid out 50 percent in

prizes, retained 40 percent for public purposes and spent 10 percent on administration. By comparison, the casinos brought in \$204 million, paid 8 percent in taxes, less up to 4 percent allowed for bad credit, and kept 92 percent. The total in taxes paid to the state by the casinos in the preceding six years was \$436.4 million—not exactly a bonanza for the price they have exacted. New Jersey's cost for human services in 1984-85 was set at nearly \$.5 billion.

Atlantic City itself receives no benefits from the 8 percent casino tax, which, the Casino Control Act stipulates, is to be appropriated exclusively for reductions in property taxes, rentals, and telephone, gas, electric and municipal utilities charges of eligible senior citizens and disabled residents of the state.

The casino operators' biggest victory came in 1977, when they defeated a proposed excess-profits tax intended to be used to revitalize Atlantic City. The proposed tax was to provide low-cost housing for the poor who were being uprooted by the gambling referendum's land rush. This was what the pro-casino

forces had promised during their campaign. In the end, the gambling act included a vague clause describing a "reinvestment tax" of 2 percent on gross wins after a casino's revenues had exceeded its overall investment—which meant that it would be years before the city saw a penny of that money.

In December 1984, nearly eight years later, the state finally adopted a casino reinvestment bill. The 2 percent tax was trimmed to 1.25 percent, to be invested in renewal projects or deposited into a fund overseen by a governor-appointed reinvestment authority. To add insult to injury, over 25 years, Atlantic City would receive less than half of this fund, the rest going to other areas of the state! To date, not a single low-income unit has been built by this fund—anywhere.

Gambling is a parasitic enterprise that thrives on the weaknesses of people. It leaves in its wake corruption, debasement, despair and the subversion of moral authority. That is the real bottom line that states should assess before plunging into the maelstrom created by the gambling craze.

SURGEON GENERAL'S WARNING: Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.

NEW 100s

50 FREE PER CARTON

5 FREE PER PACK

RICHLAND 25's

Also available in Regular Menthol & Lights

20 great tasting cigarettes for the price of 20

12x

GOOD MORNING. . .

CHAIRMAN SCHUBER, MEMBERS OF THE COMMITTEE, MY NAME IS ANTHONY PARRILLO AND I AM THE DIRECTOR DESIGNATE OF THE DIVISION OF GAMING ENFORCEMENT, THE ARM OF THE ATTORNEY GENERAL'S OFFICE RESPONSIBLE, TOGETHER WITH THE CASINO CONTROL COMMISSION, FOR REGULATING ATLANTIC CITY'S CASINO INDUSTRY.

THE DIVISION WELCOMES THE OPPORTUNITY TO ADDRESS THIS COMMITTEE ON THE PROPOSED LEGISLATION ESTABLISHING AN EXPERIMENTAL PERIOD FOR 24-HOUR GAMING. LET ME SAY AT THE OUTSET HOWEVER THAT IT IS NOT OUR PURPOSE TODAY TO GIVE A BOTTOM-LINE RECOMMENDATION, EITHER THUMBS UP OR THUMBS DOWN, ON 24-HOUR CASINO GAMING. THIS IS BECAUSE THE PRESENT PROPOSAL IMPLICATES ISSUES BEYOND THE EXPERTISE AND SPECIFIC STATUTORY MISSION OF THE DIVISION, OR THE CASINO CONTROL COMMISSION FOR THAT MATTER. THE QUESTION TO EXTEND CASINO HOURS IS MORE THAN A REGULATORY ISSUE. IT IS A POLICY DECISION - A STATE, NOT LOCAL CONCERN - AND REALLY A CALL FOR THE LEGISLATURE AND THE GOVERNOR. NEVERTHELESS, WHAT WE HOPE TO DO TODAY IS HIGHLIGHT SOME OF THE ISSUES WHICH WE BELIEVE YOU SHOULD CONSIDER IN EVALUATING THE 24-HOUR GAMING PROPOSAL AND EXPLAIN, FROM OUR PARTICULAR PERSPECTIVE, WHETHER THE STATE WOULD BE ABLE TO REGULATE AROUND-THE-CLOCK CASINO OPERATIONS.

PRESENTLY, SECTION 97 OF THE CASINO CONTROL ACT LIMITS THE HOURS OF GAMING OPERATION TO 18 HOURS A DAY DURING THE WEEK AND 20 HOURS ON WEEKENDS AND HOLIDAYS. THIS LIMITATION OF THE GAMING DAY HAS BEEN HISTORICALLY ASSOCIATED WITH THE NEED FOR A BREAK TO

AFFORD TIRED AND COMPULSIVE GAMBLEPS AN OPPORTUNITY TO ASSESS THEIR SITUATION IN A NEUTRAL SETTING AND A CHANCE FOR BUSY CASINO PERSONNEL TO CATCH-UP ON THE DAY'S ACTIVITIES AND PROCEEDS - TO COLLECT, COUNT AND RECONCILE CASINO FUNDS. WHILE THE PASSAGE OF EIGHT YEARS DOES NOT IN ITSELF JUSTIFY AN ABANDONMENT OF THESE NEEDS, IT HAS PROVIDED US THE EXPERIENCE BY WHICH TO BETTER JUDGE THE CONITNUING VALIDITY OF THE REASONS AGAINST 24-HOUP GAMING AS WELL AS THE ABILITY TO ASSESS THE IMPACT AND CONSEQUENCES OF A SHIFT IN COURSE AND TO IMPLEMENT THE NECESSARY CONTROLS IN THE EVENT OF LEGISLATIVE APPROVAL.

OUR EXPERIENCE AND INSIGHT NOTWITHSTANDING, WE ARE NOT PROPHETS. BEFORE AROUND-THE-CLOCK GAMING BECOMES A PERMANENT PART OF THE ATLANTIC CITY SCENE, THE LEGISLATURE SHOULD BE FIRMLY CONVINCED THAT THE BENEFITS OF THIS PROPOSAL CLEARLY OUTWEIGH THE RISKS AND THAT THOSE RISKS CAN BE SUFFICIENTLY MINIMIZED. IT IS NOT ENOUGH, WE WOULD SUBMIT, THAT ONE CASINO IS EXPERIENCING FINANCIAL TROUBLE OR OTHER STATES ARE ACTIVELY CONSIDERING GAMING PROPOSALS. THE STATE NEED NOT ADJUST ITS REGULATION OF THE CASINO INDUSTRY WITH EVERY SHIFT IN THE ECONOMIC TIDE OR WITH EACH THREAT OF COMPETITION. RATHER, IF THERE IS TO BE LEGISLATIVE CHANGE, IT SHOULD BE FOR THE RIGHT REASONS. IF THERE IS TO BE 24-HOUR GAMING, THERE SHOULD BE OVERRIDING SOCIAL AND ECONOMIC JUSTIFICATION.

ON THIS SCORE, GAMING INDUSTRY OFFICIALS ESTIMATE THAT 24-HOUP GAMING WOULD CREATE 1,500 TO 2,000 NEW JOBS, ATTRACT \$103 MILLION IN NEW REVENUES AND INCREASE OPERATING PROFITS BY \$51.2

MILLION. THEY ALSO SAY THAT AROUND-THE-CLOCK GAMING WILL REDUCE CRIME, ALLEVIATE TRAFFIC JAMS, ATTRACT MORE CONVENTIONS AND INCREASE THE NUMBER OF HOTEL ROOMS. PERHAPS, BUT WE THINK SUCH PROJECTIONS AND ESTIMATES SHOULD BE CAUTIOUSLY VIEWED, AND MUCH MORE IN THE WAY OF CONCRETE PROOFS MUST BE EVIDENT BEFORE THERE IS WHOLESAL AND PERMANENT ADOPTION OF 24-HOUR GAMING. CONSEQUENTLY, IT HAS BEEN THE DIVISION'S CONSISTENT POSITION THAT IF AROUND-THE-CLOCK GAMBLING IS TO BE CONSIDERED AT ALL, IT ONLY BE CONSIDERED ON A LIMITED, EXPERIMENTAL BASIS TO ALLOW FOR DATA GATHERING, ASSESSMENT, REFLECTION AND PUBLIC INPUT DURING THE TRIAL PERIOD.

SO VIEWED, THE PROPOSED LEGISLATION APPEARS TO BE A STEP IN THE RIGHT DIRECTION. IT PROPERLY RECOGNIZES THE NEED FOR A TEST PERIOD AND PLACES IN THE ATTORNEY GENERAL'S OFFICE THE RESPONSIBILITY FOR MONITORING THE "SOCIO-ECONOMIC" EFFECTS OF THE EXPERIMENT AND REPORTING ITS FINDINGS TO THE GOVERNOR AND THE LEGISLATURE. BUT WHILE THE BILL PROVIDES THE RIGHT MECHANISM, IT STOPS SHORT OF IDENTIFYING THE SPECIFICS OF WHAT WILL BE TESTED, HOW THE TEST WILL BE CONDUCTED AND AGAINST WHAT STANDARDS THE RESULTS WILL BE MEASURED. MOREOVER, THE PROPOSAL GIVES NO HINT OF WHAT FINDINGS WOULD BE NECESSARY TO EITHER SUSTAIN OR DEFEAT 24-HOUR GAMING ON A PERMANENT BASIS. WHILE THE ATTORNEY GENERAL STANDS MORE THAN READY, WILLING AND ABLE TO IMPLEMENT THE LEGISLATIVE WILL, THE EXECUTION OF HIS RESPONSIBILITY WOULD BE GREATLY ASSISTED BY THE ESTABLISHMENT OF STATED STANDARDS AND DEFINED PARAMETERS.

IN THIS RESPECT, THE DIVISION WOULD RECOMMEND THAT THE TEST PERIOD BE OF SUFFICIENT DURATION SO AS TO DETERMINE ITS IMPACT ON THE BROADEST POSSIBLE MIX OF FACTORS TO BE IDENTIFIED. WE NOTE THAT THE PROPOSAL'S SIX MONTH PERIOD COINCIDES WITH THE INDUSTRY'S BUSIEST SEASONS AND WE MUST BE CAREFUL NOT TO CONFUSE IT WITH THE NORMAL INCREASE IN REVENUE AND EMPLOYMENT WHICH TAKES PLACE EVERY SUMMER. THEREFORE, THE DIVISION SUGGESTS A LONGER, AND MORE REPRESENTATIVE TRIAL TIME PERIOD. SO TOO, WHILE THE ECONOMIC BOTTOM LINE WOULD BE A RELEVANT CONSIDERATION, IT IS NOT THE ONLY YARDSTICK. EMPLOYMENT AND REVENUES MUST BE MEASURED ALONG WITH THE EFFECT ON TRAFFIC CONDITIONS, ACCIDENTS, DRUNK DRIVING AND CRIME BOTH WITHIN AND OUTSIDE THE CASINO. EQUALLY IMPORTANT IS THE IMPACT OF 24-HOUR GAMING ON THE INITIAL BUT STILL VIABLE GOALS OF THE CASINO CONTROL ACT. WILL AROUND-THE-CLOCK GAMBLING SPUR NON-CASINO DEVELOPMENT AND SERVE AS THE CATALYST FOR THE RESORT, TOURIST AND CONVENTION INDUSTRIES AS ORIGINALLY CONCEIVED AND AS ITS PROPONENTS CLAIM, OR WILL IT ESTABLISH WHAT ITS CRITICS ALREADY SUSPECT- THAT ATLANTIC CITY IS EXCLUSIVELY A GAMBLING TOWN? STATISTICS SHOULD BE COMPILED ON THE COMPARATIVE NUMBER OF OVERNIGHT STAYS, CONVENTION BOOKINGS AND NEW HOTEL ROOMS UNDER CONSTRUCTION SPAWNED BY CONTINUOUS CASINO OPERATIONS.

MUCH LESS QUANTIFIABLE IS ITS IMPACT ON COMPULSIVE GAMBLING. DO MORE GAMING HOURS MEAN MORE POTENTIAL COMPULSIVE GAMBLERS OR IS THE CONCEPT OF A "BREAK" SIMPLY ILLUSORY? IF THE FORMER, CAN THIS HARSH PROSPECT SOMEHOW BE SOFTENED BY A LIMITATION ON THE CASINO'S ABILITY TO OFFER COMPLIMENTARY DRINKS ON THE CASINO FLOOR (WHICH ONLY SERVE TO FURTHER CLOUD THE PLAYER'S JUDGMENT) OR BY THE

OBLIGATION TO PROVIDE REMEDIAL RELIEF WHERE THE NEED HAS BEEN IDENTIFIED?

THIS REPRESENTS ONLY A PARTIAL LIST OF THE AREAS TO BE STUDIED. IN ADDITION, THE 24-HOUR EXPERIMENT SHOULD CAREFULLY EVALUATE ITS EFFECT ON CASINO OPERATIONS AND REGULATORY PROCEDURES. WHILE MANY ASPECTS OF THE CASINO'S OPERATIONS, SUCH AS THE SECURITY AND SURVEILLANCE DEPARTMENTS AND THE CASINO CAGE, CURRENTLY FUNCTION ON A 24-HOUR BASIS, AROUND-THE-CLOCK GAMING WILL GENERATE A VARIETY OF NEW OPERATIONAL ISSUES THAT NEED TO BE ADDRESSED. THESE INCLUDE, BUT ARE NOT LIMITED TO, THE LENGTH OF THE GAMING SHIFTS; PROCEDURES RELATING TO COLLECTING DROP BOXES AND COUNTING CASINO ASSETS; AND THE COLLECTION OF GAMING EQUIPMENT SUCH AS CARDS AND DICE. ADDITIONALLY, EDP SYSTEMS PRESENTLY UTILIZED BY THE CASINOS WOULD HAVE TO BE MODIFIED TO REFLECT THE LONGER GAMING DAY. SO TOO, PROCEDURES RELATING TO SLOT MACHINE DROP BOX COLLECTION AND SLOT BOOTH IMPRESSMENT MAY NEED REVISION.

FINALLY, THERE ARE CERTAIN CASINO TASKS WHICH ARE CURRENTLY ACCOMPLISHED DURING DOWN TIME AND WHILE SECURE FROM PUBLIC ACCESS WHICH, UNDER THE 24-HOUR PROPOSAL, WOULD HAVE TO BE CONDUCTED DURING ONGOING CASINO OPERATION. I REFER SPECIFICALLY TO THE MAINTENANCE OF GAMING EQUIPMENT AND THE RECONFIGURATION OF THE CASINO FLOOR - THE MOVEMENT OF TABLE GAMES, SLOT MACHINES AND MAINTENANCE EQUIPMENT FROM ONE AREA TO ANOTHER. WHETHER CONTINUOUS PLAY WOULD INHIBIT THIS MOVEMENT OR DISRUPT CASINO OPERATIONS IF IT OCCURRED IS YET ANOTHER MATTER FOR CONSIDERATION. IN ANY EVENT, IT WOULD APPEAR THAT METHODS FOR ENSURING THE

SECURITY OF GAMING EQUIPMENT AS WELL AS ACCOMMODATING PATRON EGRESS WOULD HAVE TO BE ESTABLISHED BY EACH CASINO.

THE DIVISION HAS DONE A PRELIMINARY EVALUATION OF THE IMPACT OF 24-HOUR GAMING ON EACH OF THE AFOREMENTIONED OPERATIONAL ISSUES. BASED ON OUR EVALUATION, THE DIVISION IS PREPARED TO OFFER SEVERAL RECOMMENDATIONS WHICH, IF IMPLEMENTED AT THE VERY OUTSET OF THIS EXPERIMENT, WILL HELP TO FACILITATE THE TRANSITION TO 24-HOUR GAMING AT LEAST ON THE CASINO OPERATIONS LEVEL. I HAVE TAKEN THE LIBERTY OF LISTING THESE RECOMMENDATIONS ON A SEPARATE ATTACHMENT AND WOULD BE MORE THAN HAPPY TO SHARE THESE WITH THE COMMITTEE AND THE INDUSTRY. IF THESE RECOMMENDATIONS ARE ADOPTED, THE DIVISION BELIEVES THAT THE STATE WOULD BE ABLE TO REGULATE AROUND-THE-CLOCK CASINO OPERATIONS. OF COURSE THIS ASSUMES THAT IN AUTHORIZING THE EXPERIMENT, THE LEGISLATURE AND COMMISSION WILL NOT RELAX OR WAIVE ANY CONTROLS ASSOCIATED WITH GAMING ACTIVITY. ALL THE RULES AND REGULATIONS WHICH PRESENTLY APPLY TO CASINO OPERATIONS SHOULD APPLY WITH EQUAL EFFECT TO ANY 24-HOUR GAMING PLAN.

OUR POSITION ALSO RECOGNIZES THAT THE 24-HOUR PROPOSAL WOULD IMPACT THE AGENCIES THAT REGULATE CASINO GAMING AND IS CONDITIONED ON THE PREMISE THAT THE REGULATORY AUTHORITIES WILL BE GIVEN THE MEANS TO EFFECTIVELY DEAL WITH THE EXPANSION OF GAMING OPERATIONS. FOR EXAMPLE, ADDITIONAL STAFF WOULD BE NEEDED TO MONITOR CASINO OPERATIONS, RESPOND TO ALARMS, AND CONDUCT IN-DEPTH INVESTIGATIONS RELATING TO CHEATING AND SWINDLING. THE CONTINUOUS PRESENCE OF THE DIVISION AT THE CASINOS IS CRITICAL IN ASSURING

REGULATORY COMPLIANCE AND MAINTAINING PUBLIC CONFIDENCE IN THE INDUSTRY. IT IS NOT UNLIKELY THAT 24-HOUR GAMING WOULD INCREASE THE OCCASIONS FOR REGULATORY INTERVENTION, INVESTIGATION AND PROSECUTION. OBVIOUSLY, EACH OF THESE ACTIVITIES WOULD REQUIRE THE EXPENDITURE OF ADDITIONAL TIME AND RESOURCES ON THE PART OF THE DIVISION.

WHILE THE DIVISION IS CONFIDENT THAT THE INTEGRITY AND OPERATIONAL ASPECTS OF 24-HOUR GAMING CAN BE ADEQUATELY CONTROLLED AND REGULATED, THE REAL QUESTION HERE IS ONE OF SOCIAL POLICY AND SHOULD BE PRIMARILY EVALUATED ON THAT BASIS.

THE PROPOSAL BEFORE YOU TODAY SETS UP THE CORRECT MECHANISM FOR SUCH A REVIEW. TO ITS CREDIT, IT PROPERLY RECOGNIZES THAT BEFORE A NO-STRINGS LEGALIZATION OF 24-HOUR GAMING TAKES PLACE, THERE SHOULD BE AN EXPERIMENT TO DETERMINE WHETHER ITS WORTH THE EFFORT. THE PROBLEM IS THAT THE BILL NOWHERE DEFINES THE SPECIFICS THAT MUST BE REVIEWED AND THE STANDARDS AGAINST WHICH THEY WILL BE MEASURED. BEFORE OPENING THE DOOR TO 24-HOUR GAMING, WE WOULD URGE THAT THE DETAILS BE FILLED IN SO THAT THE TERMS AND CONDITIONS OF ITS REMAINING OPEN OR BEING SHUT WILL COME AS NO SURPRISE WHEN THAT DECISION IS ULTIMATELY MADE. SHOULD THE LEGISLATURE SO DETERMINE, THE DIVISION OF GAMING ENFORCEMENT AND THE ATTORNEY GENERAL WILL DEDICATE THE NECESSARY RESOURCES AND ENERGIES IN ORDER THAT THIS BODY CAN MAKE THE MOST INFORMED, INTELLIGENT AND FAIREST DECISION ON THE ULTIMATE ISSUE.

THAT CONCLUDES MY FORMAL REMAPKS. I THANK THE COMMITTEE
AGAIN FOR EXTENDING THE INVITATION AND I AM AVAILABLE TO ANSWER
ANY QUESTIONS YOU MAY HAVE.

C.A.G.E.

(Casino and Gaming Employees of New Jersey)

"DEDICATED TO BRING HUMAN DIGNITY TO OUR PROFESSION"

P.O. Box 2415

Ventnor, N.J. 08406

Jack Williams
President
767-9438

Robert Branda
Vice President
201-295-0145

Midge Gruhler
Secretary/Treasurer
609-823-8116

William Quinn
Membership Development
609-652-6830

Robert Martinez, Esq.
Legal Representative
609-883-8000

Glenn Fine
Marketing & Public
Relations Director
609-345-3239

March 17, 1986

MR. CHAIRMAN and MEMBERS OF THE INDEPENDENT
and REGIONAL AUTHORITIES COMMITTEE:

As president of the CAGE association (Casino and Gaming Employees of N.J.), I wish to make a statement as a proponent of the twenty four hour gaming bill A-1946 and try to give you the casino employees interest on this issue.

It is a fact that 80% of all casino employees live outside Atlantic City. They have an average driving time of 30 to 60 minutes one way to their place of employment. There has been many accidents involving the casino employees in the early morning hours. Galloway Township on the White Horse Pike is a prime example. An employee has tremendous tension and stress when working a casino floor. It is tiring. You can see then, an employee working a nine or ten hour shift could be drained, and then, in addition, face a 30 to 60 minute drive home.

Since CAGE was initiated, twenty four hour gaming has been one of our prime objectives. Last year, CAGE supported Assembly bill A-3136 and Senate bill S-2660. We supported these bills providing an amendment would be made to make the "trial period" on a day to day basis, rather than just on week ends and holidays. With this "trial period" on a day to day basis, bill A-1946 would create an ideal situation for casino employees.

Here are some of the main reasons CAGE supports this bill:

HIGHWAY SAFETY: With twenty four hour gaming, traffic would be reduced substantially in the early morning rush leaving Atlantic City on the White and Black Horse Pikes and the Atlantic City Expressway. This surge occurs especially between the hours of three and five AM when both customers and employees exit the city at casino closing time. Less traffic during these hours will create safer road conditions.

EIGHT HOUR SHIFTS: Twenty four hour gaming will benefit the employee's health in regard to combating stress and fatigue. It will eliminate the long and erratic hours the present schedule offers.

MORE EMPLOYMENT: Twenty four hour gaming will increase jobs. You have heard the figure, but let me repeat, with the passage of this bill, 1,000 to 3,000 new jobs will be created in the casino industry. Keep in mind that all casino industry estimations have surpassed their predictions. An important fact concerning these jobs is that a large percentage will be in middle management.

(2)

SENIOR CITIZENS: Additional revenues will benefit our senior citizens.

We firmly believe that twenty four hour gaming will benefit all concerned; the employees, casino industry, city, county and the state. I have attended both previous sessions of these hearings and have heard the pros and cons testimonies for twenty four hour gaming. I am confused after listening through hours of repetitious statements against this bill. We all have heard Mr. Steve Wynn, Mr. Donald Trump and Mr. Richard Gillman give an excellent picture of what the casino industry and the state need. We heard Washington psychiatrist Robert Custer declare that twenty four hour gaming will not increase compulsive gambling. We heard Mr. Arnold Wexler and members of the Council On Compulsive Gambling declare that they were not opposed to twenty four hour gaming, but, said much concerning their under funded situation. CAGE is in complete agreement with the Council and agree they deserve increased funding. I will further state that CAGE will assist and support the Council on Compulsive Gambling, now, and in the future. But the issue is twenty four hour gaming. We have heard statements that the surrounding areas of Atlantic City would suffer loss of tourist trade. We cannot agree. I have lived in South Jersey most of my life, and the only problems I have seen with Atlantic City and the surrounding areas is the lack of planning and good management. With good management there would be less problems. We have examined these statements concerning Bill A-1946 and can only conclude : the good of this bill far outweighs any negatives.

We the casino employees look at twenty four hour gaming as a key. Yes, a key, perhaps to open the many locked doors of the Casino Control Act. This is a major issue, and, perhaps, if you our legislators can see a need for reform on this segment of the Casino Control Act, you will see the need for reform on many more issues of importance to the casino employees.

The individuals who operate the casino industry have shown their expertise in all areas of operation. The success of the industry shows what good management can accomplish. It is a shame that some of this expertise cannot be used in local city governments; however, it would violate the Casino Control Act. It is unlawful for a casino employee to run for public office or seek state employment until he or she has left the casino industry for two to four years.

Twenty four hour gaming is the second concern of major importance to the casino industry and the casino employees that CAGE has lobbied for. We are encouraged by the success of our first lobbyist attempt. It showed CAGE members that our legislators do have an interest in the fair regulation of the casino industry, such as bill A-344, which passed both houses unanimously, would begin to lift the veil of secrecy from these regulatory agencies; The Casino Control Commission and the Division of Gaming Enforcement.

Unfortunately, perhaps in our inexperience in the field as a legislative agent, CAGE did not lobby the governor's office, only the Assembly and the Senate. The governor vetoed the bill. We hope he was misinformed of it's importance to the casino industry and the employees, rather than to protect the attorney general's office. CAGE will work hard to help the legislature to override the governor's veto.

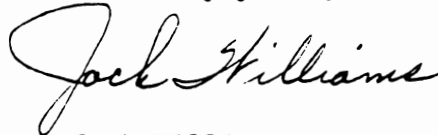
We urge the Independant & Regional Authorities Committee to take serious consideration as to who or what agency will evaluate social and economic effects of twenty four hour gaming if it is passed and we get the necessary trial period. We do not believe a regulatory agency of the casino industry, such as the Casino Control Commission, who has already stated on numerous occasions that they are in fact oppossed to twenty four hour gaming, should make such an evaluation. We emphatically implore you not to consider the Division of Gaming Enforcement. The division has a history of suppressing evidence and distorting any type of report. The Division of Gaming Enforcement with it's excessive investigation fees to the casino employees with no explanation, and to it's "above the law" attitude and "gestapo type tactics" are the chief adversaries of our association. So much that we believe it is time to investigate these investigators.

I hope we have made it clear Mr. Chairman and members of the committee; why twenty four hour gaming is of such great importance to the casino employees. Again, we hope this to be the key to open many doors in future casino legislation.

We urge the Independant & Regional Authorities Committee to approve twenty four hour gaming and pass it on to the assembly for a vote. The longer these hearings go on, the more the news media will give the public a distorted view of twenty four hour gaming benefits and the casino industry in general.

Mr. Chairman and members of the committee, I would like to thank you for giving us this opportunity and time to express ~~the~~ views of the casino employees on this most important legislation.

Sincerely yours,



Jack Williams
President
CAGE

JW/cd

