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PUBLIC HEARING

BEFORE

N.J. Legislature

SENATE COMMITTEE ON STATE, COUNTY
AND MUNICIPAL GOVERNMENT

ON

SENATE BILLS NOS. 48 and 49 - (AMUSEMENT
GAMES LICENSING LAW - CREATING AN AMUSEMENT
GAMES CONTROL COMMISSION)

Held:
Assembly Chamber
State House
Trenton, New Jersey
March 14, 1958

Member of Committee present:

Senator Charles W. Sandman, Jr.
(Cape May County)

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SENATOR CHARLES W. SANDMAN: If everyone has registered, we will start the public hearing on Senate Bills Nos. 48 and 49.

This hearing is being held by the Senate Committee on State, County and Municipal Government. The members of that Committee, unfortunately, happen also to be on a Water Committee which is meeting at the same time. The other members are Senators McCay, Farley, Dumont, and Ridolfi. I am Senator Sandman, sponsor of both bills, and a member of this Committee.

These bills call for a referendum which would be placed on the November election and our purpose today is to hear the comments not only for and against the bills but also any suggested amendments which you might desire to have included in the bill.

With that, I believe our first speakers should be those who came here first, and I will call on Mr. Robert Carey of Jersey City.

REV. SAMUEL A. JEANES: Senator, are you going to hear the opposition first?

SENATOR SANDMAN: I thought we would give deference to the people who came here first.

MR. JEANES: I know that Judge Carey is opposed to the bill.

SENATOR SANDMAN: Is that your desire, Judge?

MR. CAREY: I don't care. It doesn't matter to me.

SENATOR SANDMAN: That being so, we will hear those who are speaking in favor of the bills first. The first one registered as speaking in favor is Thomas F. Rhodes of the American Legion.

THOMAS F. RHODES, JR.: Senator Sandman, my name is Thomas F. Rhodes, Jr., and I am the Judge Advocate for the American Legion, Department of New Jersey.

Senator Sandman, I am accompanied here today by Mr. Morris W. Kuzbyp, who is our Department Adjutant, and Mr. C. Harold Saidt, who is our Department Public Relations Officer.

Senator Sandman, I would like to direct your attention to Senate Bill No. 48, if I may. On line 7 of page 2, it says "a bazaar where funds are being raised for religious, charitable, fraternal or civic purposes..." The question has arisen on several occasions as to whether veterans' organizations fit into the category of a charitable organization or a fraternal organization. In order that this matter might be clarified, I would request that the word "veteran" be inserted in this bill after the word "fraternal," so that no question would then be raised as to our status under the bill.

Other than that, Senator, the American Legion has no other objections whatsoever to the bill as presented.

Thank you very much.

SENATOR SANDMAN: Thank you.

I will now call on Mr. Arnold Smith.

MR. SMITH: Before I start, I would like to ask this gentleman, since he speaks on behalf of the American Legion, and since they are eligible to conduct bingo and raffles games under licensure of the Bingo and Raffles Act of the State of New Jersey, if he feels any qualms that difficulties might be encountered or their status affected if these bills were enacted into law?

MR. RHODES: None whatsoever.

SENATOR SANDMAN: I take it, then, that the American Legion favors both bills.

MR. RHODES: That's right.

SENATOR SANDMAN: All right, Mr. Smith.

MR. ARNOLD SMITH: Senator Sandman, I appear here on behalf of the Palisades Amusement Park in Fort Lee, New Jersey.

I believe it would be needless to tell you, in regard to the consideration of these two measures by the Legislature of the State, that there are two aspects that are in need of solving.

The first is the very fundamental and primary situation of whether it is felt that the subject matter is of such a nature that it deserves legislative treatment, at least to the extent

of providing that the matter be placed on the ballot at a general election in referendum form so that the entire citizenry of the State of New Jersey will have the opportunity to voice themselves, pro or con, on the subject. Now, considering that fundamental, I certainly feel that it is a subject that should be submitted to the people to allow them to express themselves.

What we are talking about by virtue of these bills would be games of chance where the only prize that would be able to be awarded to the winner would consist solely of merchandise and, at that, the merchandise to be given in turn cannot exceed a retail value of more than \$15.00. In other words, by the very nature of the limitations, what we are endeavoring to accomplish would be to allow these games to be played such as they were in years past in various amusement parks, fairs, and bazaars throughout our State. I know that prior to the decision of our Supreme Court of the State of New Jersey, these types of games where you could step up and throw a dart, burst some balloons based on your ability to burst them, and receive some prize, or if you wanted to throw a baseball to knock down three milk bottles that were balanced on a pedestal and you were successful you would receive a prize, or if you wanted to walk up to one of the booths and play a certain number to win and if you were successful you would get a merchandise prize-- these are the type of things we are talking about - or if you wanted to play skeeball, for example, somewhat similar to bowling, you are going to see how many points you can score, and if you scored a certain number of points you would be eligible for certain types of prizes - another example of the type of game trying to be legalized.

Now, as I say, prior to the decision by our Supreme Court of the State of New Jersey, all those types of games were played and participated in by vast segments of the citizenry of the State of New Jersey. I don't believe that any arrests occurred during those times where it was claimed that any illegality had existed; I don't believe that there was any feeling throughout the State, publicized through our fine press in this State, to indicate that there had been any elements of racketeerism coming into these particular games or in the handling of them, and that if these were continued racketeers would take over and tremendous evil would befall our State. I would venture to say that these types of games were played and participated in for upwards of 60 years and, to the best of my recollection, for the number of young years that I have been here in this State and based on my reading of what took place prior, I don't believe there is any evidence of any infiltration of the rackets into this type of game. I say again with emphasis that the games we are talking about under these particular bills are not opening it up to all types of games and we are not opening it up to games to allow the awarding of money as a prize, but the particular language of these bills prescribes that the only type of games of this sort in turn that we are seeking to legalize, if the people would pass it at a referendum, would be the merchandise prize awarded and that prize cannot exceed the retail value of \$15.00.

There are other limitations that are set forth in this bill which I think are a further aid to keep these matters in line so that if a referendum were passed, it would not be unbounded. For example, these games cannot be played just

anywhere in the confines of a municipality, but the bill specifically prescribes that the games may only be played in certain places; for instance, only at a recognized amusement park, or at the seashore, or at another resort in that part customarily constituting an amusement or entertainment area.

There have been some objectors who say they feel that that language is too broad and from it they cannot derive the true intent of the Legislature. I do not believe that objection to be sound. It is my opinion that that language is adequate so that the ordinary person reading it could well understand the areas within which we want to restrict this type of game.

Once we come to the conclusion that it is a subject matter that can be treated, we need to move on to the second point. But in further regard to that first fundamental, let me say this, that I, and I am sure the Senator, and I am equally sure a vast number of the persons who are seated in this very chamber today-- when we were youngsters, our parents took us to these various fairs, amusement parks, bazaars, etc., and when we attended, both our parents and ourselves as youngsters, participated in these various games that we are talking about. We rode on the Whip, we rode on the little automobiles they have, we threw the baseballs to knock over the milk bottles, played skeeball, etc. I don't believe any tremendous evil fell upon us; I don't believe, because of our participation, we became improper citizens; I don't think it so tainted our background that from there on in we fell further into the pits of wrong. I don't think those things happened at all. I think the playing of this type of games and participation in them runs along the same line as the partaking of soda pop or the eating of a hot dog. It

is part of our American way of life and we all enjoyed it as youngsters and, as parents today, I don't think we would feel it amiss to have our youngsters continue to enjoy the very same things.

Now for the second point: As I say, once we conclude that the subject matter itself is deserving of legislative treatment, at least to the extent of placement on the ballot in referendum form so that the people may have their say, the next question then is - just how do we go about accomplishing that particular result. Now, I believe that the bills as presently written and designed take a very good step in that particular direction. In the main, I see that they are paralleling the type of bill that related to the licensure for the playing of bingo and raffles in our State. We are endeavoring to establish a State Commission similar to the Commission overseeing bingo and raffles. The designing of that Commission, as I see it, is not for the purpose of wasting public funds, as some of the objectors have tried to indicate, but in order to further assure the fact that the racketeer element cannot infiltrate in this particular field, it was thought that some sort of a State Commission was desirable. I think that that purpose, in and of itself, is laudatory to authorize the expenditure of state funds. We certainly want to make absolutely certain that we do not have improper persons coming into this particular field and making a heyday out of it and embarrassing our citizens and causing disturbance in our State.

If I may, I would like to note that the Secretary of the Legalized Games of Chance Control Commission has addressed a communication to the Committee considering this bill, in

which he endeavors to enunciate for and on behalf of that Commission their objections to these measures and, because of the position of that Commission and the specific character of those objections, I think it would not be amiss if I repeat them one by one:

The first objection indicated is that if these bills were to pass, it would lead to unfair competition to the charitable, religious, educational, patriotic, etc. organizations now licensed to play bingo and raffles. In answer to that, I might say that was the very reason why I asked the gentleman from the American Legion, since they are licensed to play bingo and raffles, if he saw any difficulty in their status under the bingo and raffles licensing law, or disturbance, if in turn these bills were to become enacted. And I believe his answer was a very unqualifiedly "definitely no." I don't think it would set up unfair competition.

In this same Number 1 objection, they attempt to say that the net proceeds reported by the organizations conducting raffles under the raffles licensing law increased appreciably after the Supreme Court decision closed down a majority of these types of games in the various amusement parks of our State. We have got to remember again that what we are talking about by virtue of these bills is not to allow these games to be played on a broad basis for money prizes. The bills are very explicit in setting forth that the only legalization of these games attempted to be achieved is in connection with those games where the prize consists solely of merchandise, and again I repeat that the merchandise to be offered as a prize may not exceed \$15.00 in retail value.

Persons who are interested in gambling, as they normally use the term, in order to reap monetary gain are certainly not going to be interested in participating in some "pip-squeak" game where the only prize they can derive from it is merchandise and, at that, the merchandise cannot exceed a retail value of \$15.00. Those who want to participate in the type of games where money would be awarded would continue to do so and those games, in turn, as legalized in the State would be under the authorization of bingo or raffles licensees. I don't see where we are going to unfairly compete with them.

The second objection indicated is that these particular bills would authorize bingo to be played and, not only that, says the second objection, but in addition to authorizing bingo to be played, it would authorize bingo to be played without any limitation. Well, I take issue with both of those aspects. Senate Bill No. 48, by its express terms as set forth in Section 13, specifically recites, "Nothing contained in this act shall be deemed to modify, change or supersede the Bingo Licensing Law, or the Raffles Licensing Law, except in regard to such raffles where the prizes or awards to be given shall be of merchandise only of a retail value not in excess of \$15.00." That is a quotation of Section 13 of the proposed Senate Bill No. 48 in its entirety. By the very language of the introduction of that particular section, it is expressly provided that nothing in this bill shall be deemed to modify, change or supersede the Bingo Licensing Law. Now, as a legal proposition, with that express statement in this bill, I don't see how we are going

to legally conclude that this bill, in turn then, as the objectors would have you believe, authorizes bingo to be played. I think it is just the reverse. I think the bill by virtue of its express language imposes a prohibition against the playing of bingo under this particular bill.

Furthermore, when the objectors say it would authorize bingo to be played, they don't stop at that point. They go on to indicate it would authorize bingo to be played without any limitation. Now, I just said before and I don't want to be repetitious - there are others to be heard here - but I said previously all the various limitations which this very bill attempts to impose - the limitation that the prize to be offered may only consist of merchandise, with the limitation in turn that the merchandise to be given as a prize may not exceed \$15.00 in retail value; the limitation that the games may only be played in recognized amusement parks, seashore areas or other resorts customarily known for amusement and recreation purposes, etc. Those certainly are limitations. There can be no question about that.

These objections indicate that the proposed bills would allow commercial operators to take the bingo players' dollar, and so on. Well, as I say, we don't agree that this would permit the playing of bingo in the first instance. If, somehow, some way, these objectors are making this statement that the bills would authorize bingo on the basis of interpretation that bingo itself constitutes a form of raffle, then we have another answer to that proposition. If bingo itself is a form or type of a raffle, then why did our State of New Jersey enact a separate bill known

as the Bingo Licensing Law and a separate bill known as the Raffles Licensing Law. Why did we need two separate enactments and two separate methods of treatment? Why then wasn't Bingo just treated as another raffle under the Raffles Licensing Law? It would certainly appear to be very clear that the Legislature intended and thought of bingo as something distinct and separate from an ordinary raffle and, because of that refinement of distinction, they saw fit to treat it separately, which again, in my opinion, knocks down their argument that these bills are attempting to authorize bingo to be played thereunder.

The third objection indicates that if these bills were adopted, they would destroy the control of the Legalized Games of Chance Control Commission over organizations in connection with the enforcement of their laws. Again, I can only repeat that the bill by its terms indicates that it is not to supersede the Bingo Law, and we certainly are not going to disturb them in that realm of their jurisdiction, and the bill says that it shall not supersede the Raffles Licensing Law, with one exception - except if the raffle would be one where the prizes or awards to be given would be of merchandise only and then the merchandise shall not have a retail value in excess of \$15.00. You can readily understand that there are not going to be too many raffle licensees who would be desirous of conducting raffles under the proposed bill because of the very fact that the proposed bill limits the playing of raffles thereunder to a merchandise prize only, the value of which shall not exceed \$15.00 retail worth.

Those who are raffles licensees, if they want to conduct a raffle to reap the maximum net proceeds for themselves, would be anxious to offer a cash prize. Therefore, they couldn't play it under these proposed bills.

Objection Number 4 that is set forth makes reference to the fact that these bills purport to allow the playing of these games at a bazaar, where funds are being raised for religious, charitable, fraternal, and civic purposes. They indicate it is their opinion that the act is not clear on this particular point, and that the act in fact does not say what it purports to say, that there are no restrictions in regard to the funds derived in connection with a bazaar, etc. To that, I would like to refer the Senator to Section 4, line 16, of Senate Bill No. 48, in which it indicates among other things that in the instance of a bazaar the funds thereof are to be disposed of as provided by this act. Furthermore, under the very terms of this particular act, broad powers to promulgate such rules and regulations as may be deemed necessary or desirable to attend to the proper operation of these games are conferred upon the Commission, which Commission, in turn, is to be created by Senate Bill No. 49.

Much the same as the Legalized Games of Chance Control Commission today has seen fit to interpret various matters and, because thereof, promulgate rules and regulations which a lot of the licensees feel the Commission has done in excess of their authority - the same opportunity of promulgation of rules and regulations to make certain the administration of the Amusement Games Control Law would be

proper is vested in the Amusement Games Control Commission.

When we look at objection number 5, it indicates that to allow these types of organizations to conduct a bazaar, provided that the proceeds are devoted to the specific purposes set forth in the bill, is in direct conflict with the Raffles Licensing Law and the constitutional amendment authorizing raffles, etc. Well, if there is an overlap to this extent, the Constitution allows for it; the Constitution is quite clear that the Legislature of the State has the right to legalize various forms of games of chance, with the proviso that it may only do so provided they submit the proposition by referendum at a general election for the entire electorate to vote upon. Now, if the Legislature sees fit to allow an overlap to this wide extent and submit it in referendum form to the people, and they in turn are considering the matter at the time of the general election and want to vote for it, that is their prerogative. If in turn they feel that, because of this feature or any other feature, there is something bad there and they are not desirous of effectuating it, they will so voice themselves likewise.

Objection number 6 indicates that these bills would quite obviously draw commercial operators into the fields of raffles and bingo. Well, again, I say that in my opinion we can delete the reference to bingo, because this bill clearly says that we do not supersede the Bingo Licensing Law. In regard to raffles, as I said before, this type of raffle we are talking about under these bills is the type of raffle we had in our amusement parks, fairs, and bazaars in the State of New Jersey for, I would say, at least 60 years prior to the

Supreme Court decision, and to the best of my knowledge and understanding, the racketeers or commercial operators did not infiltrate into this particular field to create any chaos for us, or any undue concern, where we had to wage war against it. I never heard of any such thing and I don't know of anyone else in this room having heard of it.

He indicates that if the commercial operators were to come in - I will quote his language - "the commercial operator may be able to make the pay-off when and where it wants it." In other words, I assume from that language he means that they would be cheating, that they would control the devices in order to control the "wins," etc. Well, it comes back to the same point: The commercial operators or racketeers are the very things that we want to keep out under these bills and are the very reason for the designing of the setup for the State Commission similar to the Legalized Games of Chance Control Commission, so that it will have proper supervision on the state level - a Commission composed of five members who have the power to promulgate rules and regulations in order to safeguard against this very thing. Furthermore, because the games would only allow for a merchandise prize, etc., the commercial operators, so-called, wouldn't be interested in penny ante games involving only a merchandize prize.

In regard to objection number 7, he is objecting to the spending of money by the State of New Jersey for the establishment of a Commission to supervise these games. Well, if in the one breath he says that if these bills are passed it would allow the commercial operators to come in and they in turn would be very busy cheating, then I think objection

number 7 falls by the wayside because the very reason for the Commission is to prevent the thing that he is talking about under his objection number 6.

In objection number 8, he indicates that the proposed bills would not be in the public interest. I attempted to answer that at the very outset of my discussion here when I said I think it has become a part of the American way of life, the same way that soda pop and a hot dog has, that all of us as youngsters participated in these very games we are talking about, and that I didn't think any terrible thing had befallen us, and I don't think any terrible thing will befall the State if we were to put this thing back into legal existence. And why should the citizenry not be allowed to participate in these games of amusement if they so desire? I don't think we can say, as they are attempting to say in their subsequent objections, that they can find more justification for the legalization of other forms of gambling than they can for this particular type. They say they can find more justification for the legalization of gambling at the race track because the State derives revenue when we get a cut out of the gate at the race track. They say they can find more justification for the legalization of bingo and raffles because only certain organizations can participate and in turn the proceeds which they derive may only be used for certain worth while purposes, and if they didn't have these funds to allocate for these worth while purposes, perhaps the State would have to step in and use the taxpayers' money for that purpose anyhow. Well, those may be worth while purposes in their particular opinion,

but I think it's a worth while purpose if the citizenry of our State plainly and simply want to participate in these games as a form of amusement as long as no harm or injury is going to ensue to them because thereof.

You may say it's a question of where you are going to draw the line. Some people would argue with you that if we legalize betting at the race track, what logical sense does it make that we drew the line, in turn, and we don't have legalized betting off the track? I am not here to argue for or against that particular proposition, but I am merely using it as an example to illustrate that it's all a question of where you draw the line. And if we draw the line to legalize these particular games, I don't say that that's a foot in the door; I don't agree with that argument. The rest of it is not automatically going to unfurl and we are going to have tremendous headaches throughout our State, any more than because we legalized betting at the race track we ran into the pitfall that we were pushed into the situation where we had to legalize betting off the race track. It hasn't happened, and I am sure that out of the competency of our Legislature and the officials of our State, that is not going to happen, either in the field of off track betting or to extend these games of chance beyond what we are attempting to do in these bills.

Objection number 10 is that under the Raffles and Bingo Licensing Laws, those measures contain a restriction that persons under the age of 18 cannot participate in raffles or bingo, and he feels that that is a worth while restriction. Well, obviously, these games we are talking about here, as I said before, are just the type of games that you and I and loads of other youngsters participated in when we went to the

amusement parks. If your parents wanted to buy you a chance to throw the darts and try to break a balloon, I can't see that the fact that the participant was under the age 18 is going to bring about any terrible results to that youngster or demoralize his moral fibre to such an extent that in the future he is going to turn out to be a poor citizen. I think that's a strained interpretation of what we are talking about if that is the view that is being adopted.

He indicates in Ojection Number 11 that the Raffles Licensing Law restricts the number of days that raffles can be conducted by an organization and says there is no such restriction in the Amusement Games Licensing Law. Well, if the Legislature feels that such a restriction is desirable, in their good discretion they will impose it. It is up to the Legislature.

In Objection 12, they criticize the language of the bill which says that games may only be played at recognized amusement parks, seashore or other resorts, etc., by saying that they believe that that language is too broad. I disagree with that. That is a matter of legal opinion. Again, if the members of the Legislature feel that the language isn't adequate or it is too broad, in their sound discretion I am sure they can amend it with proper wording and assure its clear understanding. I believe a lay person, however, would readily understand exactly what we are talking about.

In Objection Number 13, I think comes the kernal of all the reasons for all the objections that are being voiced in this particular letter, and that is that they feel it would destroy the Raffles Licensing Law and the Bingo Licensing Law; in other words, would disrupt their particular Commission

and perhaps put them out of business. I don't agree with that contention, and I don't want to be repetitious, but it's such a startling reason and to them such an important one that I think it certainly deserves an adequate answer: Number 1, again, these proposed bills expressly provide that nothing contained therein shall supersede the Bingo Licensing Law. If that is so, we are not disturbing their jurisdiction over the subject matter of Bingo. In regard to raffles, the proposed bills also indicate that nothing therein contained shall supersede the Raffles Licensing Law, with one exception - that if the raffle we are talking about is one where the prize shall be merchandise only, the value of which shall not exceed \$15.00 in retail value, then it would be permitted under the proposed bill. Now, to that extent and to that extent only are we disturbing the present jurisdiction of the Legalized Games of Chance Control Commission. Again I can say that if the Legislature feels that that is something that should not be done, it is their prerogative to alter the bill accordingly. In turn, if they feel that that is something which also should be considered by the people at a referendum, then they can leave it at its present posture and let the electorate decide at the referendum whether they want raffles to be playable, to that extent only, under the Amusement Games Law. And again I say to you that even if that is enacted into law in that fashion, no horrible thing is going to happen, because of the fact that the persons who are going to participate or operate these games for merchandise only are not going to bring shame upon the State of New Jersey, and the players are not thereby going to steep themselves in such evil that they will be tinged with it forever in the future.

I hope I have made my position clear on these matters. I very much appreciate the length of time given, but I do feel that because of the paragraph by paragraph objections submitted by the Legal Games of Chance Control Commission they are in need of specific answer.

Thank you.

SENATOR SANDMAN: Mr. Robert Carey. Mr. Carey, do you care to speak?

JUDGE ROBERT CAREY: Gentlemen, especially you members of the Senate, I am going to try to be as brief as I possibly can on the subject matter that has brought us all here together today.

My views are very clear on everything I state. I want you to understand that I have very carefully examined both of the bills, submitted most carefully with one express object in view. I am satisfied that with the bills as written and embraced in law there will be found nothing in the law prohibiting Sunday gambling in this State, particularly if recommended by the new Commission provided for in these bills. And they will undoubtedly make the recommendation, if it is requested, upon them.

You may say that any commission appointed under the provisions of the two bills would not grant any such license or permission but my own opinion is, in the matter, that it will be for the benefit of the State and the people to have amendments made in both bills providing that in no instance shall any right or grant be made for the utilization of Sunday for any of the gambling purposes referred to in these two bills.

Let me suggest one or two thoughts. If Sunday gambling should be established under these acts, we will be the only State in the Union - keep that in mind - in the whole United States, other than possibly Nevada which has a slight movement, approving or permitting wholesale gambling on Sunday.

I have heard it suggested that if gambling is to be permitted on Sunday the result would be an absolute modification of Sunday life in our State, and it would. Hundreds of thousands would be found in attendance at Sunday games, and practically 999/1000 of those who go would be the only ones to make any possible profit for themselves.

In other words, we have information that was secured up in Hudson County some time ago, where I happen to live, where it was attempted to establish an open Sunday game. They gave out tickets to indicate that they would be able to get an attendance of a hundred thousand at any large meeting held at a proper place in Hudson County on a Sunday provided they would award three prizes of \$10,000 apiece, to be awarded to winners at this gathering. Well now, we just figured that all up and we ended that temporarily up there and I think forever. One hundred thousand people attending a gathering like that would spend anywhere from \$2.00 to \$4.00 apiece before they left this place of opportunity for making money. They'd have a chance at three prizes - \$10,000. Three men or women picked out, I don't know how, might win the \$10,000 prizes, but there would be over a hundred thousand dollars left that would not go to anyone outside of the operators of the game. Now just think that over in your mind. In other words, if there were 100,000 people in attendance at one of those big Sunday rallies, and they can get that number - they have it in other cities of the world -- if they do that and suppose that five men each got a prize of eight

or ten thousand dollars to bring the crowd there - out of the 200,000 how many would get nothing? Two hundred thousand putting up the money, three men getting a small portion of it, and the rest of it going God only knows where and how. But that is a matter that we don't have to concern ourselves with just now.

We have the games operating in New Jersey on week-days, under very carefully limited programs. Despite that fact - I have just been looking up the records here this morning - we have taken in over twenty million dollars of profit for those who are getting the benefit of the operation of their game each year, right now. In other words, under the control of the Commission about two hundred million dollars has already been distributed throughout the State. Who gets that? None of us know but that's none of our business just now. We hope it is all usefully used. It is done under the law as it exists now. But they see that ripe big plum, Sunday, that's the day. One Sunday is worth the whole seven days of the week in a program of that kind of activity.

I remember it was only a little while ago that the race tracks wanted Sunday operation in this State, our new race tracks. But in the laws formulating those race tracks we had prohibited that there be any Sunday operations on the courses, and the owners of the tracks finally became satisfied. They couldn't accomplish that through any vote of the people and at least they wouldn't get the support

of the legislature at any time to help them get it. They have abandoned that, absolutely. There are no race tracks in New Jersey running on Sunday. There are no gambling games running on Sunday in New Jersey today that are authorized by any of the laws that we've already passed. Adopt these two laws and you change that whole picture.

Let me tell you something, I've examined an awful lot of legislative matters in the last 60 or 70 years. I have been practicing law here for pretty near 70 years - sixty-three or four, anyhow. I used to be down here at the legislative sessions regularly. I come now, occasionally, because I like the crowd down here. They're a pretty good crowd. They are trying to do what's right, all of them. I'm satisfied. I haven't seen any mistakes that they've made of any account, lately, until I read these two bills. Now what do I read in these two bills? These two bills are so drawn that if they are adopted a new commission will be established by appointment by the Governor, composed of five men, three of whom might be Democrats and the other two Republicans, or vice versa. That's a matter that the Governor would have to determine. And these five men would have all the power that the Racing Commission had and all the new power that it would want to have by simply making its order under the act - which bills have been brought here to the attention of your Senate. I don't know who drew the bills. I haven't asked anybody who drew the bills. I don't know what their motive was. I think that the motive was to fix it so that they could get Sun-

day gambling established in this State without a vote on it, even of the people.

Now, I say that's all wrong. I say, how can we cure that? What ought we to do? Is there any reason why we should do anything? I would like to look at history just a little bit. When God made this earth thousands of years ago, He called all the leaders of early religious history, Moses and the rest of them, Daniel, all the great Jewish leaders of those ages, and he presented them with a code that we call The Ten Commandments. That was a gift of God directly to his representatives of the early ages. And He laid down in that program a wonderful picture. It provided, among other things, that the weeks of the year should be divided into 7 days, and that those gathering should operate along a certain code for the usefulness of the people that were in the world at that time and were to come thereafter. He made the seventh day a holy day. He rested. He had completed his work, God had, in six days. He had given the Ten Commandments to Moses. Now, what happened? The world started to live that way and it lived that way pretty carefully for hundreds and hundreds of years. And times changed and countries of new kinds came into being. Our land came into being. One of the last great countries to come into being. People came here and settled, people from Europe and other places and gave us the wonderful nation that we have.

Now, before that time, God's son, Christ, came into the world, as told in our bible today. Today we have one great bible written by all the early Jewish leaders and

by the Christian leaders of the after years, and it is combined and is used as the great bible in all our courtrooms in our land today.

Now, we have found as a result of a study of that experience that this seventh day program has been the finest thing the world has ever had. It is the one thing that keeps men moving straight. They couldn't live without some time of inactive relationship all the years that they all lived. I have lived here now 85 years. I don't know how many more I've got. I am looking for about 20 more but I may be mistaken about them. But I feel this way, if I didn't have the relaxation of things like Sunday, I wouldn't last any time at all. God laid the rule down. He knew what human life was and how it was affected. Now, what are we going to do, try to change it all? It has been kept fairly well. We are a religious country. We are a religious state and our people are religious people, mostly. They are glad to have the Sabbath Day, God's holy day, respected and honored. It helps them bring up their families in beautiful shape. It makes special church events for each week which are very desirable and very helpful to everybody in our community life.

Now, what are we going to do? We're going to change all that if these two bills are passed just as they are. What were the bills introduced for? Only one purpose in the world, for some purpose. They want to use Sunday as the big gambling day of the week because they know they would get those big crowds that I referred to a few moments

ago to take part in their games of chance. Now, I say this and I say it very frankly: I think it is the duty of this Senate to see to it that a provision is put in each of these bills in plain English, and every Senator will approve it if you talk to them about it, because I talked to nearly all of them and they all feel the same way about it. Now, the amendments can be very simple. All they've got to say is, "Nothing set forth or stated or provided for in this act shall permit Sunday gambling in this State of New Jersey." Now, that is very simple. That can be put in each bill.

SENATOR SANDMAN: Mr. Carey, would you approve of the bill if it had that amendment?

JUDGE CAREY: I think your whole fight, when this comes up, will be over that very problem. Sunday has never been mentioned in either of the bills that have been drawn, never mentioned, just as if there was no such day.

SENATOR SANDMAN: Yes, but if the bills were amended to prohibit these operations on Sunday, would you approve of those bills?

JUDGE CAREY: No. I think if these bills are adopted as they are - I think they were very cleverly drawn by someone and I would like to know who it was that did it. I would like to find out where he got his views from. I don't believe he got his views from any Senator.

SENATOR SANDMAN: Your main objection - can you hear me, Mr. Carey? Your main objection is to operating these games on Sunday. Now, if these games could not be

operated on Sunday, would you approve of both bills?

JUDGE CAREY: Would I approve of those bills?

SENATOR SANDMAN: If they were amended so that you couldn't operate on Sunday.

JUDGE CAREY: The way I can best answer that - I have not been contacted by any elements that are interested in any of the features of the bills. I am practicing law and minding my business. I am a member of a number of organizations of our community and the Chamber of Commerce and all the others and I know what their views are on this subject. I have talked to them about this and they have their views, they are very positive. So also the business men of our community. I have talked to the officers of the Bar Association in our county. They are all of the same view that I am on this program, those that I talked to, that this is simply a scheme to make it possible to have Sunday gambling in this State. Now, are we going to permit it? If we do, we have got to answer to somebody for it and we have got to answer to God for it, because I believe that the passage of these bills will be just slapping God in the face. And I don't want to see anything like that happen.

Now, I am not what you call an active religious man. I am a member of churches and things of that sort.

MR. HARKINS: The Senator asked you if they put an amendment in these bills to do away with this gambling on Sunday, would you be in favor of the bills?

JUDGE CAREY: Listen, I wouldn't be opposed to it because if we did that it would be just as it is now. There would be no Sunday gambling. But I think you have got to cut out that Sunday gambling or you are going to put New Jersey in a rotten light of being the only State in the United States that allows it. New York State won't allow it. I just came from a session of the New York State Legislature where they voted yes to the contrary. They would not allow Sunday gambling of any sort, kind or character. Their race tracks are all closed over there on Sunday, just as ours are here in New Jersey, and we must never let them open on Sunday, not to please Asbury Park or anybody else. Do you get my idea on that? That's plain English.

I'm only going to say one more word and then I'll quit. I haven't followed my notes at all, I've just talked to you. But what I want to see is this: I know that the people of New Jersey respect Almighty God. I know that they want to try to keep the institutions which He has given to us to the best of their ability. I see a lot of people who are very decent living people in our State. I know what will happen, the tragedy of it all. I went to one distinguished man in one of the churches, and I said: "Listen, are you going to allow children to come to these games if you have them on Sunday?" The man to whom I spoke said, "We'll allow everybody to come." And that is the picture. And everyone of them will be getting robbed at everyone of those

games that they attend. They can't make money for all the charities in the State without taking it away from whom? You and me, our children, our grandchildren, and all those who haven't brains enough to keep away from the project itself. You see what I mean.

Now, we have to watch that. The only way we can stop it is to say just as I said, - None of this shall be done in New Jersey on Sunday.

Now, I think I have gone as far as I ought to. I could say a lot more things here but I don't know. I think we are getting to be a better land every day. I think we have higher finer education in our community life today, Sunday religious occupation in our life, more charitable work being done in the world today than ever in our whole history. We are the greatest nation on God's earth right here now, no matter what anybody may say to the contrary, and we are going to continue to be God's leadership in the civilization of the world. And having that faith, I have faith enough in this Senate, I know most of you, - I have faith enough in this Senate to know that it won't allow itself to be used as a wet rag or a sponge or anything of that sort by anybody, and that it will put out of business any attempted legislation which has a purpose contrary to what I think is God's purpose for all of us. Let's not slap God in the face. There He is, looking down at you and me right now. He knows what our powers are. You have power. I have practically none at the moment. I might have later if you

attempt to put these bills through, but you can't tell about that.

I know one thing- I will never, as long as I live, vote for or support any man or woman who tries to destroy the great value that Sunday has meant to all mortals. I will leave it there in your laps. It's up to you now, not me. All you have to say is that Sunday should be sacred, and the men who wrote these two bills don't want that at all.

SENATOR SANDMAN: All right. Now we will hear from Rev. Samuel A. Jeanes.

REV. SAMUEL A. JEANES: Mr. Chairman, I am Rev. Samuel A. Jeanes of Merchantville, representing the New Jersey Council of Churches and the Lord's Day Alliance of this State. I am very happy to follow this good man, Judge Carey, one of our distinguished Judges who has rendered great service to Hudson County and to the State of New Jersey. I am glad he has mentioned this Sunday issue. I have nothing in this statement about it but I would like to say a word concerning it.

The laws of our State say, regarding pari-mutuel betting at the race tracks, that there will be no Sunday gambling. To go back a little in our history here, when bingo and raffles were adopted by the vote of the people, the present Governor of this State appointed a group of lawyers headed by Judge Bigelow of Newark. That committee made a thorough study and they came up with what was known as an administration bill regarding the conduct of bingo and raffles in this State and that committee specifically said that there shall be no Sunday gambling. However, we do notice, and we have called this to the attention of the Legislature on a good many occasions, that that bill was amended so that a local community by the votes of its governing body could determine whether or not there would be gambling on Sunday. And actually when 5 men, 3 of whom can vote for a thing and 2 may be opposed to it, - actually you have destroyed the principle of home rule on that particular point because

Sunday gambling is not determined by the vote of the whole community but simply by a majority of the group. And we certainly are definitely opposed to any Sunday gambling of any type.

These two organizations that I represent today are unalterably opposed to any further extension of gambling in any form in the State of New Jersey. The Legislative Principles for 1958 of the New Jersey Council of Churches state regarding gambling -- and may I pause here to say that the New Jersey Council of Churches includes 15 state and regional bodies representing twelve different denominations and covering the vast majority of Protestant people in the State. And the quotation from these Principles is as follows:

"We believe that gambling is a moral and social evil that undermines our economic order, defeats true benevolence, favors the philosophy of 'getting something for nothing', and leads to individual and social demoralization. Petty gambling, under whatever name, offers the greatest and most widespread appeal to those who are least able to afford it. We, therefore, favor legislation that would eliminate legalized public gambling in New Jersey and that would rigidly control the same now in existence."

The New Jersey Supreme Court in *Martell v. Lane* rules that regardless of whether skill or chance predominated in the operation of the particular instrument or device

involved, the playing for money or other valuable thing with "any instrument, engine, apparatus or device having one or more figures or numbers thereon" constituted wagering in violation of N.J.S. 2A:112-1. Thus the type of gambling described in S-48 as "amusement games, whether of chance or skill, or both" is another type of gambling. Thus this bill would add to the total amount of gambling in this State by adding another form which it would have the voters legalize.

We oppose this bill because we believe that any more gambling will further jeopardize our economy. We submit to you that the amount of money that has been wagered in New Jersey since pari-mutuel betting was legalized has increased from \$25,498,221 to an all-time high for 1957 of \$281,149,218 or a per capita of \$56.25 for every person in the State. Since the legalization of Bingo and Raffles on April 21, 1954 to the end of 1957, the amount of money wagered in these two forms of gambling for that period totaled \$74,140,918.38. Our gambling in the State has increased a thousand per cent while, according to the Department of Commerce in Washington, our income payment per capita has increased only about 65%. Legalized gambling has grown to the point where it is outstripping the growth of our income. We believe that unless it is checked, it may some day reach epidemic proportions bringing disaster on the body politic.

We oppose this bill because there is absolutely no protection given to our youth from these forms of gambling. Someone has well called these so-called amusement games of

chance and skill "traps for the children". I am sure that every member of our Legislature would be consciously concerned and disturbed if our boys and girls lined up at the pari-mutuel windows at the race tracks to gamble. The same principle is involved when they are invited to bet their small amounts at the so-called amusement games of chance or skill or both. The legalization of this form of gambling would provide a school to teach our boys and girls how to lose their money in the senseless philosophy of something for nothing. Let's not talk piously about solutions to the problems of juvenile delinquency and at the same time condone this kind of legislation.

We note also in this bill the tremendous responsibility which it places upon the local authorities to enforce the law, to keep out undesirables, to see that the games are fairly held, operated and conducted. Most of our police departments have enough responsibility now to enforce the laws that we have without adding any more. Will this mean an increase in police costs in every community for the taxpayers to bear? We note also that there are no penalties for violations except the suspension of licenses. And again this brings additional expenses to the taxpayers.

The Games of Chance Commission of the State has done good work in endeavoring to enforce the laws governing bingo and raffles. Their thorough work is to be commended, yet last year it cost the taxpayers \$132,000 to maintain this agency. This present year the budget item for that

agency calls for \$146,493 while the proposed budget for the new fiscal year has increased the cost to \$147,729. This cost is borne by all of the taxpayers of the State, many of whom were opposed to these forms of gambling.

Bingo and Raffles, however, have been termed "charity gambling". S-48, however, would legalize a new kind of gambling that private operators could profit by. This is a wide-open door for the professional gambler to move right into New Jersey. And S-48 further grants immunity to the keeper of a place or establishment allowing gambling in any form. N.J.S.2A:112-3 makes criminal the "keeping of a place to which resort may be had 'for gambling in any form'". It does not take too much imagination to visualize what could happen in community after community should this bill become law. To enact this bill would give us the dubious honor in New Jersey of becoming an Eastern Las Vegas.

Perhaps this bill is being urged upon the Legislature to aid the plight of some of the resorts where people may have suffered some economic hardship due to the outlawing of these gambling games. However, it should be noted that there were many indications from the courts which placed these activities in a doubtful status to be chosen as a means of livelihood. A quotation from the Asbury Park Press is worthy of note as it says:

"Sensible people will not agree with the dire warnings of shore officials who predict that the outlawing of gambling on the beachfront will bring

'economic ruin' and 'be a terrible blow to the resort business.' If any community builds its entire economy around the gambling industry, it is deserving of the hardship that results when gambling falls into disfavor. To say that most Jersey shore resorts are so dependent upon gambling that its abolition will result in their economic destruction is just so much hogwash Asbury Park is a case in point. It is a successful, thriving community. It is the commercial center for the county To say that this community is dependent for its success upon catchpenny gambling games is simply ridiculous, and the average citizen, who is a lot brighter than his political leaders think, will agree."

We respectfully request you today to oppose this bill. We do hope that you will not say that this is just another issue that must be settled by a referendum. There are issues where you, the elected representatives of the people, are to determine what is for the best interests of the total population of this State. This is one of those issues. Moral questions cannot adequately be settled by a popular vote. Pilate tried to do that with Jesus Christ and he was crucified by majority vote Unless we take steps to check the spread of gambling, we may awaken to find a mortgage on the moral and economic heritage of our people that is past redemption.

Thank you.

SENATOR SANDMAN: Thank you, Rev. Jeanes.

The last speaker we have is Miss Margaret M. Brophy, Commissioner, Legalized Games of Chance Commission.

MISS MARGARET M. BROPHY: Senator Sandman, I asked permission to speak as a representative of our Commission so that the Commission would be heard. It was with extreme reluctance that I asked this privilege to speak against my former Assemblyman, Arnold Smith, but Mr. McGough has now arrived and as he is our designated spokesman I ask that he be given that opportunity.

SENATOR SANDMAN: Very well. Mr. McGough. Will you please give your full name for the purpose of the record.

MR. LEO I. MCGOUGH: Yes, sir. I am Leo I. McGough, Commissioner, Legalized Games of Chance Control Commission.

Mr. Chairman, I speak in opposition to Senate Bills 48 and 49. I believe that the remarks that I make here this morning shall be my own but I think I can represent to you that the feelings that I express are the feelings of the Commission on which I serve.

The only justification for the present Bingo-Raffles Licensing Law, it seems to me, is the fact that the funds which are raised from the conduct of games of chance are devoted to charitable, religious, educational, patriotic and public-spirited uses and thereby, in many respects, lighten the burden of government.

A reading of Senate Bill 48, in particular, would lead one to believe that there is a similar restriction on

the use of the proceeds from games of chance. But I feel that on a very careful reading of the bill you will find absolutely no restrictions on the use of funds from games conducted, for example, at a bazaar or, as the bill provides, "a recognized amusement park or at a seashore or other resort in that part customarily constituting an amusement or entertainment area". Therefore, what we have in effect is a parallel commission, the purpose of which will be to administer Senate Bills 48 and 49 for the benefit of a group which can be comprehensively termed "commercial operators".

I fail to see why we should be concerned about a small group, which these people constitute, although a very vigorous and vocal group, and to saddle the taxpayers of the State of New Jersey with the expense of a commission and employees to administer this law for the benefit of a few, where none of the proceeds are devoted to the purposes which are required under the present law.

As we say in the criticism of the bill, which I believe was circulated prior to this hearing: "This act is obviously drawn to allow commercial operators into the field of raffles and bingo." What we have is a proposition that the State should spend money for a commission and the supervision of these games for the protection of commercial operators. None of the monies derived from these games shall be devoted to charitable, religious, educational, patriotic or public-spirited purposes. This State is obliged to expend considerable sums of money to enable commercial operators

to gain profit for their own use.

Now, there are certain criticisms of the bill which I would like to make briefly. One of our principal concerns throughout the administration of the present Bingo and Raffles Law has been to insure that all worthwhile organizations are able to compete for charitable funds on an equal basis. Therefore, there are restrictions. And I think I can say without fear of contradiction that there has been strict enforcement.

Under the proposed bill there would be a draining off of funds for commercial purposes or profit with no devotion of those funds to charitable, religious, educational and authorized purposes, as under the present law.

We have found from our experience that after the Supreme Court decision, when the wheels of chance were closed down on the boardwalks, those worthwhile organizations were conducting bingo and raffles under the present law and showed an appreciable increase in their net returns from the operation and conduct of games of chance.

The bill, in particular Senate 48, refers to Raffles. However, I see no restriction which would prevent what is commonly called the grind type of bingo. Bingo, in our opinion, is in itself a variation of a raffle. And under the terms of the present law, although it would appear to refer only to raffles, I feel that the so-called boardwalk type of grind bingo would be possible within the framework of the bill.

In essence, therefore, it is felt that the proposed amusement games licensing law is not in the public interest. It is, in effect, the State of New Jersey condoning commercial gambling. As I said at the outset, the present raffles and bingo licensing law makes sense only by reason of the fact that the games are rigidly controlled and that the net proceeds are devoted to purposes that in many respects the State itself might otherwise have to bear the burden of. This is certainly not the case under Senate Bill 48.

I would like to address myself briefly to some of the remarks made by Mr. Smith, in his earlier talk. I didn't hear all of it but I did hear a comment with respect to cash prizes being awarded as a result of wheels of chance. Just to correct the record, in fact it needs a correction, under the present raffles licensing law cash prizes are not permitted on the non-draw or wheel type of raffle but can be awarded in a very limited area which is termed a fifty-fifty on-premise draw raffle. Incidentally, we have recommended to the Legislature that the raffles licensing law be amended to delete that portion.

As to the destruction of the Commission, I don't think that's a concern of ours, as individuals, but we are concerned about the destruction of a framework and an organization that may control the operation of games of chance, subjected to rigid supervision, with particular attention to the devotion of the net proceeds of games of chance to the purposes called for under the Statute, none

of which is present under Senate Bill 48 or 49.

Finally, I agree with the speaker who immediately preceded me on the issue of 18 year old youngsters participating in games of chance. I think that the present restriction in the bingo-raffles licensing law is a good one.

I speak personally now because I feel, without being puritanical in my approach to it, that games of chance are tolerable only in moderation. I feel that gambling is a demoralizing influence on the youth and I think that children or young people of 18 years learn soon enough these demoralizing influences without subjecting them to the boardwalk or amusement area gambling without any restriction on age. It seems to me that they can enjoy themselves and have a good time on the boardwalk or in the amusement park without playing games of chance. It is not just a matter of breaking a toy balloon, it's a matter of wagering money over the counter on wheels of chance and I am opposed to that.

There are several other criticisms of the bill which are contained in the release that I mentioned but I won't take the time now to review them but I would like to conclude by saying that it is our earnest belief that this legislation is for the benefit of a very few and that the interest of the State of New Jersey and its citizens will not be served in any respect by the passing of this legislation.

SENATOR SANDMAN: Mr. McGough, would you submit

to a few questions?

MR. McGOUGH: Certainly.

SENATOR SANDMAN: If I understood you correctly, you said that this bill would not provide any funds for charitable institutions.

MR. McGOUGH: My reading has not disclosed that the funds are earmarked for any particular purpose.

SENATOR SANDMAN: But under the Act, you are aware of the fact that charitable, non-profitable religious, fraternal and civic organizations can partake in this kind of activity at a bazaar or fair or carnival.

MR. McGOUGH: That's correct.

SENATOR SANDMAN: So that charitable institutions are not prohibited by this act.

MR. McGOUGH: No, they're not, but what of the use of the proceeds derived from the conduct of games of chance? They could be spent for any purpose that the organization may have in mind and certainly other than religious, charitable, fraternal, civic, educational and public-spirited purposes.

SENATOR SANDMAN: In other words, you feel they should be limited to those things and not for any other cause.

MR. McGOUGH: I think that the funds raised on games of chance are trust funds and must be devoted to the authorized purposes presently called for under the raffles

licensing law and bingo licensing law. There is an implication in the bill that the funds will be devoted to those purposes, but I think you will agree with me, Senator, that a fair construction of it would not sustain that position.

SENATOR SANDMAN: I understood you to say that the controls were designed to mislead, to the extent that this was meant to go to charitable institutions when, in fact, it can go to almost any other operator. Are you of that opinion?

MR. MCGOUGH: I am of the opinion that the present language of the bill would cause one to believe that that is a fact but that upon careful reading of the bill we must conclude that that is not so, that these funds may be used for any purpose. Certainly the operator of a wheel on the boardwalk isn't going to be too concerned about the devotion of the funds to anything other than his own special interest, it would seem to me.

SENATOR SANDMAN: Are you aware of the fact that under the present law it is a crime in this State for a child on a merry-go-round to attempt to get the brass ring when the greatest prize that child can win is only a lollipop? Do you think that is good law enforcement?

MR. MCGOUGH: Well, apparently, our public policy is established by the Lucky Calendar Company - Cohen Case, with which I am reasonably familiar, to prevent all types of gambling except the two forms which we presently enjoy under the present law. I think that the ingenuity of man at the present time could not devise a scheme that would

not be prohibited under the decision in the Lucky Calendar-Cohen Case. That appears to be the law in the State of New Jersey and I can't say that I am not in sympathy with it.

SENATOR SANDMAN: But you had in the case strict enforcement. Strict enforcement, under the present law, makes almost anything gambling, if something is paid and a prize is given. Now, if we take that to the extreme you then prohibit all kinds of activity where a prize can be won.

MR. MCGOUGH: That's correct.

SENATOR SANDMAN: Are you aware of that fact?

MR. MCGOUGH: Except two areas. We have pari-mutuel gambling, in other words.

SENATOR SANDMAN: Then you must conclude that there has to be some liberality in the construction of what we are beginning to call gambling.

MR. MCGOUGH: Well, I don't follow the conclusion. Why must there be some liberality?

SENATOR SANDMAN: Are you in favor of the strict enforcement of the technical definition of the word "gambling"?

MR. MCGOUGH: I am.

SENATOR SANDMAN: Then you are in favor of prohibiting anything where a prize can be won in almost any kind of an endeavor. Is that not true?

MR. MCGOUGH: I'm not opposed to that.

SENATOR SANDMAN: You are opposed to that?

MR. MCGOUGH: I am not, but I certainly am in favor of it where the proceeds are devoted to the purposes called

for under the present law.

SENATOR SANDMAN: One last question. Do you believe that a child on a merry-go-round, if he does get that brass ring, should have the right to win a lollipop or are you in favor of prohibiting that too?

MR. McGOUGH: I think we are being awfully concerned about a very minor thing. Do you feel, Senator, that --

SENATOR SANDMAN: He paid ten cents for that ride and he can win a prize. Under the Attorney General's opinion and also the Martell case, that is gambling under the present laws of this State.

MR. McGOUGH: I would be inclined to agree. I haven't had the benefit of the Attorney General's opinion but I know the Martell Case and I think you are correct that the Martell Case would prohibit it.

SENATOR SANDMAN: And you are in favor of that kind of strict enforcement. That's my question.

MR. McGOUGH: Let's be practical, Senator.

SENATOR SANDMAN: That's what I want.

MR. McGOUGH: Will that child's welfare be destroyed or his character in any way injured by his failure to win a brass ring or a prize on a merry-go-round?

SENATOR SANDMAN: I don't think that it has any effect upon his character. I think it's a way of life that has existed since we've been a country. I think there should be a liberal interpretation of what this word "gambling" means. A strict interpretation, in a legal sense, prohibits all

activity where a prize can be won.

MR. McGOUGH: That's right. But I fail to see the relation to the public interest of the creation of a commission and a control network or framework, necessary under Senate Bills 48 & 49 - where the existence of such would be for the public good.

SENATOR SANDMAN: Don't you think that that could better be determined by the people? This is only a referendum. We are not trying to pass mandatory legislation. Even if voted in under this referendum it is still under local option, whether or not the municipality wants it. And don't you feel further that this Commission could adequately handle this, the same as your Commission is handling bingo and raffles?

MR. McGOUGH: I see no need -- they undoubtedly could handle it but I see no need for the duplication of a parallel commission in this case. The worthwhile organizations that are provided for under Senate 48 can operate within the framework of the present law. In fact, I think our classification is broader than yours. I see no reference to, for example, veteran organizations.

SENATOR SANDMAN: Well that could be covered by an amendment.

MR. McGOUGH: But they could certainly operate within the framework of the present law and, if you are interested in statistics, I will give you just one. There is no point in giving a number of them. As of March 11, 1958, some \$78,491,277.28 has been raised as a result of

bingo and raffles in the State of New Jersey since April 21, 1954. Now, these funds have been devoted to educational, charitable, public-spirited and patriotic purposes and in some areas have lightened and lessened the burden of government, and it seems to me that a good portion of that would have had to be taken care of from funds raised as the result of taxation..

SENATOR SANDMAN: Thank you. Mr. Smith, did you have something to add?

MR. SMITH: I only want to say, in the light of the interesting discussion that you were just having, that I think the possible parallelisms in some of the thoughts raised would be our treatment of the sale of alcoholic beverages in the State of New Jersey. We have an alcoholic beverage industry, which is the prime beneficiary of the law in regard to these particular sales. We have a State Alcoholic Beverage Control setup which in turn is paid for with taxpayers' money in order to police the alcoholic beverage industry to make certain that it is rigidly administered and doesn't get out of hand. The public, so to speak, becomes the secondary beneficiary under this setup by reason of being able to partake and buy legally alcoholic beverages within our State, and so on. I think we have a similar situation. The public possibly wants to buy an alcoholic beverage. We know what we went through in this Country at one time - prohibition under amendment to the Federal Constitution - and the people in turn, because of public

sentiment saw fit to overthrow that. They wanted to be able to partake of alcoholic beverages. In turn, the State felt that if they were going to open the door in that regard they weren't going to do so on a completely wide-open basis; that, in turn, if we were going to treat that particular subject there had to be some sort of State control and administration to make certain for this State and its citizenry that the thing was in hand. Of course, the principal beneficiary in connection with the sale of alcoholic beverages was the private operator through the profit made in the alcoholic beverage field. It goes into their pockets. Our State setup on alcoholic beverages doesn't say they can only sell it if in turn the money derived from the sale of alcoholic beverages is to be devoted exclusively to charitable, veteran and public-spirited purposes. We certainly allow the sale of alcoholic beverages for private gain and, in turn, notwithstanding that that is the basis for the allowance of it, we still set up a State control in order to make sure that it doesn't go astray. We have had no heap of criticism on that particular proposition, policy and philosophy, and in turn it has given us a very good setup in connection with the sale of alcoholic beverages in this State.

And another parallelism that can be drawn in this instance to the alcoholic beverage control situation is this: Under our State Alcoholic Beverage Control Law, it is discretionary with each municipality whether it wants to see

fit to license to allow for the sale of alcoholic beverages within its confines or not. The power, by statute, is conferred on the municipality to issue a license if it sees fit. If that municipality does not want to see fit to exercise its authority and issue any type of a license to provide for any type of sale of alcoholic beverages within its confines, it is legally free to do so. And we have municipalities in our State that to this very day do not issue any type of alcoholic beverage license whatsoever. It is completely discretionary with the municipality.

In these bills you have exactly the same setup. In these particular bills it is not mandatory that if these bills pass, even at the referendum, that the municipalities in turn must issue a license to allow for the playing of these games. It's the same as the alcoholic beverage case. It merely empowers them to issue these licenses if, in turn, they see fit and desire in their discretion to exercise that power. If they do not want to exercise the power, then you could not play these games in these municipalities and the municipalities would not be obligated to issue the licenses.

I thought that parallelism might be of some interest.

SENATOR SANDMAN: Thank you.

Rev. Jeanes, did you want to add something?

REV. JEANES: My question is this: Is this bill, S-48, drawn to benefit a number of private operators that do want to engage in this form of gambling in this State?

SENATOR SANDMAN: This bill was drawn by me, if there is any question about who drew the bill. The intent behind this bill is to restore in the law that which has always happened in the State of New Jersey from the time my grandfather was born, which allows the operation of harmless games on boardwalks at carnivals and things of that nature. Now, certainly those games were operated at a profit, but in checking with the office of the Attorney General I know of no case nor any request for investigation on any kind of gambling or any kind of thing which would affect the morals.

REV. JEANES: Do you know whether perhaps over the years some things might have developed in the operation of those games that finally forced the issue whereby we got this Supreme Court decision? whether injustice is involved - not only that but the thing goes along for a number of years and finally you get a court ruling then there must have been something to precipitate that decision.

SENATOR SANDMAN: Rev. Jeanes, the Martell Case came about not as a result of any kind of organized gambling in these games. It came about because an operator by the name of Martell violated a local ordinance of the town where he was operating. Now, Martell was convicted. In an effort to keep open during the summer he did get a restraining order from the Superior Court, Chancery Division. Now, before that was tested in the Superior Court the Attorney General then intervened because the State Gambling Law was also affected. Now, the unusual thing about that case was

that although Martell was convicted in the Superior Court decision, the Attorney General was not satisfied that he was convicted under the State Law and it was because of the then Attorney General that this case found its way into the Supreme Court. So that actually it did not get to the Supreme Court because there was any element of a syndicated gambling operation; it got there as a test of the State Law on what it really meant. Now, as a result of the Martell decision, we have now become involved in probably the most absurd law enforcement system that any State in the Union has. If we take it in the strict sense, a child on a merry-go-round, - he's a criminal, he pays 10¢ for that ride and he can win a prize. It makes no difference what the value is. So many other things can happen like that, such as a person who is going to have his weight guessed. That's something that has been done, I think, for a hundred years. And if he pays 10¢ to have a man guess his weight and the only thing he can win is possibly a lollipop or some kind of a kewpie doll, that person is gambling.

That to me is not the real interpretation of what the word "gambling" is supposed to mean. And that is all we are trying to do with this thing. This has a good control system behind it. It is strictly a home rule situation. Even if the referendum is permitted, no town can have this unless they pass an ordinance saying that they do want to have it. So, I can't see any real objection to it. The first speaker, the Judge, raised some questions about

operating on Sunday. There you may have some genuine objection. I am not saying that these should operate on Sunday. Please don't interpret my stand in that light.

REV. JEANES: The children, of course, are involved in this too, which is bad. The other question that comes to my mind is: This then would be special class type legislation, wouldn't it? where we are endeavoring to take care of a small group of people?

SENATOR SANDMAN: No, it would be general legislation. It would affect 21 counties in the State and I think if we say that it affects all of the State then it is general legislation.

REV. JEANES: Thank you very much.

SENATOR SANDMAN: Thank all of you for coming here and all of the remarks made will be considered by the Committee and some amendments will be made to the bill.

(H E A R I N G C O N C L U D E D)

