

relaxed regulations that had made casinos politically palatable in the first place. In Davenport, Iowa, a riverboat casino netted \$14 million last year after legislators increased its operating hours and dropped a rule that had limited each gambler's loss to \$200 a visit.

Those changes lured thousands of gamblers from a nearby casino boat in Rock Island, Ill. As a result, more than 200 people lost jobs there, and Rock Island now receives only a fraction of the \$4 million in casino tax revenue that it got two years ago.

In Missouri, six riverboat casinos poured \$79 million into state and local tax coffers last year. Again, looser regulations helped. Slot machines—initially banned in Missouri—were added to the table games.

A political cloud is looming, however. Missouri's attorney general alleges that the state House speaker broke the law by accepting thousands of dollars from casino companies and trying to influence licensing decisions. A grand jury is investigating.

Against this national backdrop, Maryland is preparing for a legislative decision on casinos this winter, a D.C. group has asked the elections board to place a casino initiative on the District's 1996 ballot, and an industry-backed coalition is still pushing for riverboat casinos in Virginia after three consecutive legislative setbacks.

Industry analysis conclude that under the right circumstances, casinos can boost local economies and government coffers, sometimes dramatically. But they say casinos are not a panacea for politicians hoping to revitalize a failing city or finance a state government while cutting taxes.

"Although casinos are spreading to more states, they have limited potential as a source of tax revenue," said Steven D. Gold, director of the Center for the Study of the States, in Albany, N.Y. Casinos take some money that otherwise would be spent on state lotteries or taxable goods and services, he said. Moreover, the growing number of casinos nationwide will result in smaller potential for new ones.

"There will never be another Nevada," Gold wrote recently. Nor, experts say, will there be another Atlantic City, where a dozen large casinos attract bus loads of betters to an otherwise blighted town.

Since 1990, six midwestern and southern states have legalized commercial, non-Indian casinos. (Federally recognized Indian tribes can operate casinos without state approval or tax assessments, and the casinos are highly successful in Connecticut and elsewhere.)

The six states are the guinea pigs now being scrutinized by cities and states trying to decide whether casinos are a good public bet. Among the groups conducting inquiries are a government-appointed task force in Maryland and the Greater Washington Board of Trade. Casino companies are keen on the Washington area because it would help them crack the untapped mid-Atlantic region.

In Maryland, proposals range from a few small casinos, possibly at horse-racing tracks or in mountain counties, to large betting palaces in downtown Baltimore and the Port-America site in Prince George's County, near the Woodrow Wilson Bridge. If Baltimore and the D.C. suburbs are the ultimate targets, several analysis say, then New Orleans might be the most analogous site for scrutiny. Like Baltimore and the District, it is a city with a well established tourist trade but serious problems of crime and middle-class flight.

In 1991 and 1992, when Louisiana legislators approved 15 floating casinos throughout the state and one large land-based casino in New Orleans, boosters said gambling would be a sure-fire winner.

In the last four months, however, three of New Orleans's five floating casinos have

closed, eliminating the jobs of hundreds of people who thought the boats would bring them a better life. Meanwhile, Harrah's temporary land-based casino has earned about \$12 million a month, far short of the \$33 million that was projected. The company is building a mammoth, permanent casino that officials hope will draw more gamblers when it opens next summer in the heart of the touristy French Quarter.

Some critics say the setbacks are the inevitable result of Louisiana's greed and haste in approving casinos, a process that enriched several friends of the high-stakes gambling governor, Edwin Edwards.

"It's the same scam going on worldwide", said New Orleans lawyer C.B. Forgotson, Jr. Forgotson said casino companies promise the moon without conducting realistic studies of who will come to gamble. Eventually, he said, "they find out the only people coming to casinos are locals. So then you are cannibalizing your local businesses. . . . The same thing is going to happen in Detroit and Baltimore."

Other analysts, however, say New Orleans is temporarily suffering from foolish decisions that other states can avoid.

"The root of the problem is that the wrong people were licensed, and they were licensed for political reasons," said Larry Pearson, publisher of the New Orleans-based Riverboat Gaming Report. He noted that riverboat casinos in other parts of Louisiana are doing well.

Only a few states have been willing to try a non-Indian, land-based casino. In Mississippi and the four midwestern states with casinos, the facilities must be on boats, even though some never leave the dock.

Many analysis say "riverboat gambling" is a political ploy to ease the worries of some voters who associate land-based casinos with Las Vega's tackiness and Atlantic City's grit. "State legislators think that a little cruise with a paddle wheel somehow makes it not gambling," said Brian Ford, a Philadelphia-based casino adviser for the accounting firm Ernst & Young.

Some analysts argue that if Washington and Baltimore want casinos, they should build big Vegas-like facilities that could lure tourists and large conventions.

"Scattering some riverboats around the Washington-Baltimore area would be a disaster," said Hunter Barrier, director of the Alexandria-based Gaming and Economic Development Institute. Most tourists would ignore such facilities, he said, "so revenues will come from local residents. And that money would come from restaurants, theaters and other local businesses."

It is just that scenario that has prompted Maryland's restaurant and thoroughbred racing industries to unite against casinos. They say casinos typically support bettors with cheap food and a fast-paced array of slot machines and card game that make horse races seem poky.

"Casinos would have a devastating impact on our industry," said Marcia Harris, of the Restaurant Association of Maryland.

Despite opposition to casinos from racing and restaurant interests, politicians in Maryland and elsewhere are tempted for a simple reason. Tax rates on casino earnings are typically about 20 percent, four times the level of Maryland's 5 percent sales tax. If a resident spends \$100 in a casino rather than in a clothing store, the store suffers, but the state receives \$20 rather than \$5.

Barrier said most governments that are contemplating casinos focus on three concerns: crime, compulsive gambling and "product substitution," or the losses to non-casino businesses when their customers gamble.

"I've come to the conclusion that crime is not a problem," Barrier said, an opinion sup-

ported by several studies and interviews with police officials in towns with riverboat casinos. But problem gambling, he said, is "something that has to be looked at real carefully."

Problem gambling is hard to measure, authorities say, and casino supporters note that most Americans already have ample opportunities to bet on lotteries and other ventures. However, a 1994 study of legalized gambling, funded by the Aspen Institute, a D.C. think tank, and the Ford Foundation, concluded: "There is a direct increase in the numbers of people with pathological gambling problems as a result of increases in legalization."

As for product substitution, a debate rages. Casino supporters say everyone in a community benefits if casinos hire new workers, attract tourist dollars and contribute to higher tax revenue.

There's not much hard data on the subject. In South Dakota, where Indian casinos operate, a 1991 state study found no appreciable drop in overall taxable retail sales. However, there were "significant declines for selected activities such as clothing stores, recreation services, business services, auto dealers and service stations."

When casinos open, "existing vendors lose," said Jeff Finkle, executive director of the Washington-based National Council of Urban Economic Development. Nonetheless, he predicts that Maryland and Virginia officials will find it hard to withstand the lure of casino revenue, especially if Pennsylvania, West Virginia or Delaware threaten to strike first.

"Somebody in this area is going to do it," Finkle told a Greater Washington Board of Trade task force last week. "It is inevitable, and when it happens it will hurt D.C." unless a revenue-sharing agreement is reached. ●

#### THE PROFESSIONAL BOXING SAFETY ACT

● Mr. ROTH. Mr. President, the Senate's passage of the Professional Boxing Safety Act represents the culmination of nearly 4 years of working to make professional boxing a safer sport for the young men who choose to enter the ring. In large part, these efforts owe a great deal to a boxer from my home State of Delaware, whose misfortune and subsequent hard work made a lot of this possible. That boxer is Dave Tiberi and I believe that both the Senate and the American public owe a debt of gratitude to Dave for the legislation we have adopted.

On February 8, 1992, in a world title fight, Dave Tiberi lost a controversial split decision in Atlantic City to the International Boxing Federation's middleweight champion, James Toney. The ABC announcer described it as "the most disgusting decision I have ever seen." As a result of that fight, I directed that the Permanent Subcommittee on Investigations undertake a comprehensive investigation of professional boxing, the first in the Senate in more than 30 years. Unfortunately, that investigation found that the sport's problems remained much as Senator Kefauver found them to be three decades earlier.

First and foremost among all the problems facing the sport today, none is more important than protecting the

health and safety of professional boxers. We work hard to protect our amateur boxers and take great pride in their accomplishments in the Olympics. Yet, when these and other young men step into the professional ranks, we deny them even the most basic health and safety protections such as minimum uniform national standards. Professional boxers are faced with a patchwork system of health and safety regulations that vary State by State, both by rule and enforcement.

Along with my colleague, Senator DORGAN, I have worked to ensure that the legislation we have adopted does include minimum uniform national health and safety standards. This will ensure that every professional boxing match in the United States is conducted under these standards. Every professional boxer will know that a physician must be at ringside; that an ambulance must be available; and that promoters must provide medical insurance. I commend Senator MCCAIN and Senator BRYAN, the sponsors of S. 187, for including these health and safety protections in this legislation.

Despite numerous lucrative offers, Dave Tiberi has never fought again. Instead, he has dedicated his efforts to reforming boxing and working with young people in Delaware. I believe that, in large part, without Dave Tiberi's work, we would not have passed this boxing reform legislation.

Professional boxing is important not only to its millions of fans, but also because the sport creates opportunities for many young men who have few opportunities. We owe these young men a system outside the ring that works as hard to protect them as they do inside the ring. That is why I have worked to reform professional boxing and I commend my colleagues for adopting this important legislation.●

#### THE PROFESSIONAL BOXING SAFETY ACT

● Mr. MCCAIN. Mr. President, I am very pleased the Senate passed S. 187, the Professional Boxing Safety Act, last night. This bill will make professional boxing a safer and better sport, and serve to protect the athletes who sustain this industry with their skill, dedication, and courage.

This legislation is the product of over 2 years of consultation with dozens of State boxing officials, professional boxers, and concerned industry members. S. 187 is an effective and practical measure that will strengthen and expand the health and safety precautions to protect the welfare of professional boxers. It will also go a long way toward enhancing the integrity of the sport.

I am deeply grateful for the strong support that Senator RICHARD BRYAN of Nevada has lent to this effort. As prime cosponsor of S. 187 and as a Senator representing America's premier boxing State, Senator BRYAN's assistance on this issue has been vital to its progress.

I would also like to thank Senators PRESSLER and Senator ROTH for co-sponsoring this bill. Chairman PRESSLER helped move S. 187 through the Commerce Committee, and Senator ROTH has been a leader in bringing the issue of boxing reform before the Senate. Senator ROTH and Senator DORGAN helped strengthen the bill with additional health and safety provisions, as well.

I would like to speak for a moment on why the passage of boxing legislation is an important and necessary step for the Senate to take. Aptly described as "the Red Light District of Sports" some 70 years ago, professional boxing has continued to be an industry rife with controversy and scandal.

I have been an avid fan of boxing since I was a teenager, and I look back fondly on my days of painful mediocrity as a boxer at the U.S. Naval Academy. I idolized Sugar Ray Robinson, and have closely followed the many great champions and challengers who have followed in his wake. At its best, professional boxing can be a riveting and honorable contest between athletes.

Unfortunately, this standard of honorable competition is often ignored with respect to boxing in America today. Boxing continues to be corrupted by woefully inadequate safety precautions, fraudulent mismatches, and unethical business practices. The boxing industry has been justifiably tarnished in the public's eye due to individuals whose profit motives consistently outweigh their conscience.

Instead of the health and welfare of each boxer being paramount, many professional boxers are treated as sacrificial workhorses whose long-term interests do not count. This is especially true for the unknown club fighters who are the backbone of the sport. They live far out of the glare of the media spotlight, and box because it is the only way they know to make a living. A majority of professional boxers never make more than a few hundred dollars per bout during their entire careers.

Many boxers are routinely subjected to excessive punishment and injury in poorly supervised events. These bootleg shows feature dangerous mismatches and few if any health or safety precautions. Instead of being allowed to heal during a mandatory recuperation period, injured boxers are often lured to another State to avoid the suspension. Finally, when they are too old or debilitated to even attempt to compete, journeymen boxers are quickly dismissed from the sport.

There is no pension or medical assistance awaiting most boxers once they hang up their gloves. Indeed, their retirement often consists of nothing more than a steady and irreversible decline of their body and mind. This sad fate has faced literally thousands of boxers in America, and my overriding objective in introducing S. 187 is to prevent it from happening to future generations of boxers.

There are two major reasons these abuses have not been curbed. The first is the absence of a private governing body in the industry to mandate proper safety regulations and ethical guidelines. Second, the State-by-State nature of boxing regulation in America allows promoters to hold unsafe boxing shows in States with weak or nonexistent boxing regulations.

The Professional Boxing Safety Act will end this disturbing situation in an efficient and nonobtrusive manner. S. 187 will achieve the single most important step to make boxing safer: requiring State boxing officials to responsibly evaluate and supervise every professional boxing event held in the United States. Public oversight by State officials is absolutely essential to protect the health and safety of boxers.

We simply cannot allow the business interests which dominate the boxing industry to sanction and supervise events which they themselves organize and promote. The final authority for the content and conduct of each boxing event must rest with State athletic officials—not promoters or sanctioning bodies. State boxing officials are responsible for protecting both the welfare of the boxers and serving the public's interest, and S. 187 will greatly assist them in this important work.

Let me briefly describe the major provisions of this bill. First, all boxing events must be reviewed and officially approved by State boxing commissioners. If a State does not have a boxing commission—and currently six States in the United States do not—commissioners from a neighboring State must be brought in to supervise the event at the expense of the promoter.

Second, each boxer competing in the United States will receive an identification card which will be tied into the private boxing registries which serve the industry. This will assist State commissioners in evaluating the career record and medical condition of each boxer coming to their State to compete.

Furthermore, S. 187 requires all commissioners and promoters to honor the medical suspensions of boxers that have been ordered by other State commissions. This means no boxer can compete while suspended due to a recent knockout, injury, or need for a medical procedure. Commissioners will also be required to promptly share the results of the boxing shows they supervise with commissioners from other States.

Several additional health and safety provisions were added to S. 187 before it was passed by the full Senate. Licensed physicians must be continuously present at ringside for all boxing events, and an ambulance service must either be present at the site or have been notified of the event. Promoters are required to provide medical insurance for each boxer, as well. The