

MINUTES OF THE SUB- COMMITTEE ON SENATE FEDERAL AND STATE AFFAIRS

The meeting was called to order by Senator Bill Morris at
Chairperson

7:00 a.m. on February 5, 1985 in room 254-E of the Capitol.

~~All members were present except~~

Those present were: The Sub-Committee members, composed of Senator Bill Morris, Chairman; Senator Neil Arasmith and Senator Phil Martin. Senator Edward F. Reilly, Jr., and Senator Norma Daniels were also present.

Committee staff present:

June Windscheffel, Committee Secretary

Conferees appearing before the committee:

The Reverend Richard Taylor, Kansans for Life at Its' Best, Topeka
The Reverend John Olds, Pastor, Capitol City Community Church of
God, Topeka; and Vice-president of Kansas for Life at Its' Best
The Reverend David Upchurch, Pastor, Christ Presbyterian Church, Topeka
Jim Edwards, Director of Public Affairs, Kansas Chamber of Commerce and
Industry
Denny Burgess, Kansas Greyhound Owners for Economic Development,
Wamego
Norman Hanson, President, Kansas Greyhound Owners for Economic Development,
Solomon

Chairman Morris stated that the Sub-Committee had been appointed to hear further testimony on SCR 1606, concerning horse racing with parimutual wagering by county option. This is a continuation from yesterday's meeting of the entire Committee on Federal and State Affairs.

The Reverend Richard Taylor appeared first, as an opponent of SCR 1606. His prepared statement is Attachment #1. It also includes copies of letters from Nebrasks State Senator Howard L. Peterson and Rep. Richard L. Harper, and from The Rev. Theodore Staudacher, other quotations and articles. Attachment #2 and Attachment #3 are also part of The Reverend Taylor's presentation.

The next conferee, also an opponent, was The Reverend John Olds, Pastor of the Capitol City Community Church of God and also Vice-President of Kansans for Life at Its' Best. Pastor. His statement is Attachment #4. He stated they oppose commercial gambling because it victimizes people who cannot resist the temptation to get something for nothing.

The Rev. David Upchurch, Pastor, Christ Presbyterian Church, was the next opponent. His statement is Attachment #5. He stated that parimutuel gambling lives off the hopes of people to make easy money.

The Chairman distributed copies of a statement from Mike Beam, of the Kansas Livestock Association. It is Attachment #6. Mr. Beam had been at yesterday's meeting but was unable to be present this morning. It states that KLA members would like to see the proposed constitutional change on the ballot for approval or disapproval and urge the Committee to recommend SCR 1606 be considered by the full Senate.

Jim Edwards, Public Affairs Director for KCCI, appeared as a proponent of the proposed legislation. His statement is Attachment #7. It expresses the organization's support for SCR 1606.

Denny Burgess, Kansas Greyhound Organization for Economic Development, was the next proponent of SCR 1606. He said that his organization supports SCR 1606, but would like to see it amended to include greyhounds. They support seeing the question put to the people and feel that the people of Kansas are capable of being allowed to vote on the matter.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

7 a.m.

CONTINUATION SHEET

MINUTES OF THE _____ SUB- _____ COMMITTEE ON _____ SENATE FEDERAL AND STATE AFFAIRS _____,
room 254-E, Statehouse, at 7:00 a.m./~~p.m.~~ on February 5, 1985.

Norman Hanson, Kansas Greyhound Owners for Economic Development, to appear. Mr. Hanson is President of the Association. He is a greyhound breeder. Mr. Hanson appeared to represent the Association. He said that there are probably forty greyhound farms in the Abilene area. All the greyhounds in the United States have to be registered with the NGA and that office is at Abilene. They feel that the proposed legislation is a parimutuel bill and that greyhounds should go along with horses on it.

The Chairman thanked the conferees for appearing and said this would conclude testimony on SCR 1606 this morning. He said the Sub-Committee will report to the full Committee and he felt certain the full committee will be taking some action on the matter in the near future.

The meeting adjourned at 7:40 a.m.

Hearing on SCR 1606
Senate Federal and State Affairs Committee

February 4, 1985
Reverend Richard Taylor

The issue is Senate approval of commercial gambling at Kansas horse tracks. A long time New Jersey lawmaker said if he could have one vote back from his lengthy legislative career, he would take back his YES vote for casinos at Atlantic City.

The voters of New Jersey approved Atlantic City casinos at the second step of the constitutional change procedure. But the lawmaker can not escape responsibility for his YES vote that approved casinos at the first step.

According to the Wall Street Journal, commercial gambling is "technically a swindle." The little flyer, HORSES YES, gives more details on this.

Thomas Kelly, director of the Kansas Bureau of Investigation, was called before this committee in 1981 as a proponent for parimutuel wagering in Kansas. When he completed his testimony, Chairman Reilly said Mr. Kelly's time would have to be deducted from that allotted to the opponents.

Page 36 of Mr. Kelly's report carries a quote from Illinois, "when the State participates in an activity which is otherwise criminal in nature . . ."

Parimutuel is a legal skimming operation, a percent of all bets is skimmed off for track operators and horse owners.

People who love horses hate parimutuel wagering because horses are drugged and abused by owners who love money more than horses.

Parimutuel promoters claim their product is harmless recreation. If the product is recreation, why do persons connected with organized crime go to jail for selling the same product?

Commercial race track gambling has been defeated in the Senate year after year after year. Yet parimutuel promoters keep coming back and wasting tax payer dollars, taking days of legislative time on this issue. Why?

Last week at a local TV station, a friend of mine said, "Take the profit out of liquor and gambling and the legislature would not be faced with these issues year after year." The Christian Science Monitor said, "Legal gambling is being promoted chiefly because there is money to be made by individuals from it."

Everyone loses, except the high paid track operators, their lobbyists, legal counsel, PR people, and a few rich horse owners.

The state loses because social and law enforcement costs exceed taxes received.

The public loses because a high percentage is skimmed off of all money wagered.

Business and industry lose because of lower worker productivity and higher job absenteeism.

Public officials lose because of tremendous pressure for graft and political corruption.

Families lose as more husbands and wives become compulsive gamblers.

Merchants on main street lose because consumer dollars previously spent on goods and services are gambled away at the track.

The Killingsworth Report indicates most horse owners lose. Kansas farmers have enough problems without going broke trying to raise race horses that cost more than they will ever win at the track.

Before my first experience with Senate consideration of parimutuel wagering, Senator Vince Moore of Wichita loaned me his copy of the DESKBOOK ON ORGANIZED CRIME by the Chamber of Commerce of the United States. He was Corporate Secretary of Cessna Aircraft and greatly concerned for the impact of commercial gambling on business and industry.

Before reading that book I had never heard of a "loan shark." Parimutuel promoters claim commercial race track gambling will bring people to Kansas. They are correct. It will bring loan sharks, race fixers, jockies with criminal records, bookies, prostitutes who follow the tracks, organized crime, and those who deal in fraud and corruption.

Parimutuel gambling was always defeated on the floor of the Senate under the leadership of Senator Moore from Wichita. Senators who want high worker productivity and low job absenteeism will defeat it again.

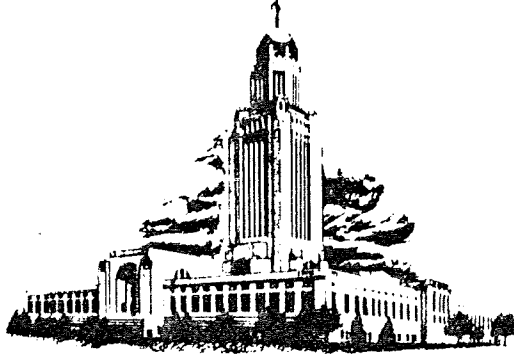
Nebraska State Legislature

Unicameral
Lincoln, Nebraska 68509

SENATOR HOWARD L. PETERSON

District No. 35
1522 West 1st
Grand Island, Nebraska 68801

Legislative Address:
State Capitol
Lincoln, Nebraska 68509
Office: (402) 471 2617



COMMITTEES

Appropriations
Building Maintenance
Legislative Council

EIGHTY EIGHTH LEGISLATURE

March 8, 1984

Reverend Richard Taylor
Kansans For Life At Its Best
Box 888
Topeka, KS 66601

Dear Reverend Taylor:

Every spring, when the horses race at Fonner Park in Grand Island, people borrow money on their cars, their household goods, their homes to bet on the winning ticket. Every year, some people lose everything.

Grand Island is my legislative district. This tragedy occurred each spring when I was a banker there and, according to my friend, Cliff Dale, the losers have not stopped risking everything.

I offered this testimony in opposing the state lottery proposal in Nebraska. Some people will become gamble-holics; real families suffer. The State of Nebraska has no business being involved in a tax-revenue raising enterprise which has gambling as its basis of support.

Sincerely,

A handwritten signature in cursive script that reads "Howard L. Peterson".

Howard L. Peterson
State Senator

HLP/ap
cc: Jim Hamilton

GAMBLING — IN THE PLANT AND ELSEWHERE

Description of the Threat

Regardless of the ethical tag attached to gambling, the economic effect on the firm where it takes place is bad news. This is especially true where management blithely assumes that in-plant gambling does not exist or writes it off as a harmless nickle-and-dime pastime. But is the baseball pool, for example, just a once-a-year phenomenon, or is it merely a single facet of a pervasive and deleterious condition throughout the business?

In-plant gambling is a common problem, Internal Revenue Service officials report. A source within a private investigation company estimates that there is a bookie in three out of four companies employing fifty or more. Among the more prevalent forms of in-plant gambling are the following:

**Bookmaking*— the solicitation and acceptance of bets on the outcome of a sporting event.

**Numbers* — a form of lottery where bettors select a number and winners are determined by a drawing, published stock and bond quotations, or other means, sometimes referred to as "policy."

**Treasury balance* — prenumbered tickets are sold to bettors. The winning number is the one coinciding with the U.S. Treasury balance, as published weekly in the financial sections of many newspapers.

Gambling adversely affects business on two levels. On the first, these are the hazards:

**Inefficient employees.* Workers will be prone to waste time by visiting or roaming about in search of a racing form, the latest sporting news, the in-plant bet collector.

**Accident-prone employees.* When a gambler becomes a loser — and in the long run they all do — he becomes worried, distracted, perhaps tense as debts mount.

**Potentially dishonest employees.* As losses mount, the employee may resort to a loan shark to bail himself out. More often than not, this merely compounds his problem. He becomes subjected to such intense loan-shark pressure that he begins to steal or embezzle from the company in a last ditch effort to get out from under.

**Public relations problems.* If gambling in the business becomes widespread, the company's reputation is bound to suffer as the word spreads throughout the community.

The second level of danger is present when organized crime takes interest and assigns a bookie to the premises. The preceding hazards are escalated. Even worse, you are unnecessarily advertising yourself to organized crime. The organized underworld's gambling organization can also function as an efficient information-gathering system. The spotlight a company focuses upon itself through tolerance of in-plant gambling may inspire racketeers to consider hijacking your trucks, stealing your supplies and equipment, perpetrating a planned bankruptcy, "suggesting" you purchase supplies from mob-run outfits, creating labor trouble and then recommending you add one of their "labor consultants" to your payroll.

Off-premises gambling — especially by key salaried or hourly personnel — may also lead to serious consequences for the business. A "real swinger" among your employees could easily find his leisure-time gambling debts turned over to a loan shark for collection. In lieu of cash, the loan shark may exact payment in a manner quite costly to your firm. According to a state investigator, every so-called legal casino in the western hemisphere is linked to the organized underworld in some manner. More than one gambler has learned to his dismay that his casino debts have been turned over to a loan shark for collection.

Perhaps the biggest threat of all from tolerating gambling is that by so doing business management is contributing to the Cosa Nostra's largest source of income; business management is helping its most ruthless competitor.

Symptoms of Gambling

A number of external and internal signs are possible tip-offs to gambling activity, such as:

1. Routine appearance of a nonemployee on the premises.
2. Lengthy use of the pay telephone by the same individual at a specified time each day.
3. Frequent calls from wives complaining that workers are not taking home all their wages.
4. Paychecks of several employees endorsed over to the same person (bookie or loan shark?).

STATE OF KANSAS

RICHARD L. HARPER
REPRESENTATIVE, ELEVENTH DISTRICT
BOURBON, CRAWFORD, AND LINN COUNTIES
RFD NO 3
FORT SCOTT, KANSAS 66701



TOPEKA

COMMITTEE ASSIGNMENTS
CHAIRMAN ELECTIONS
MEMBER JUDICIARY
TRANSPORTATION

HOUSE OF
REPRESENTATIVES
April 4, 1984

Something is often overlooked in the plea of parimutual supporters "to allow the people to vote." The Oklahoma Secretary of State reports parimutuel promoters spent over one million dollars on advertising to convince voters that race track gambling would reduce their taxes. The people voted YES.

If 111 members of the Kansas legislature vote for HCR 5082 (27 in the Senate and 84 in the House), persons who want to maintain quality of life in Kansas superior to other states will be forced to raise over one million dollars to advertise the truth at election time to equal what was spent in Oklahoma. Each lawmaker who votes YES would cost concerned Kansans more than \$10,000.00 (\$10,000 times 111 is over one million dollars).

Long time Representative John Bower said it well. "My wife and I tithe to support our little church that is doing a positive work for good in our community and beyond. I would hate to use some of this money in a campaign to defeat parimutuel gambling at election time, but I would."

Persons who want parimutuel want to vote on it. If the vote goes YES, millions of dollars will go into pockets of track operators and race horse owners. If the vote goes NO, things just stay the same. Gambling promoters can't lose, they can only win.

Concerned citizens who don't want parimutuel don't want to vote on it. If the vote goes YES, they lose and quality of life takes a step backward. If the vote goes NO, things just stay the same. Concerned citizens can't win, they can only lose.

If your opponent can't lose and you can't win, it is easy to see why concerned citizens are asking us to refuse to approve a proposition to change our constitution and permit race track gambling. To equal what was spent by gambling promoters in Oklahoma, your vote to approve this constitutional change would cost concerned Kansans \$10,000 they would rather spend on that which builds up our state.

Persons opposed to race track gambling don't want to spend over one million dollars just to keep promoters of this public swindle called parimutuel from tearing down our state. Please vote NO on parimutuel gambling.

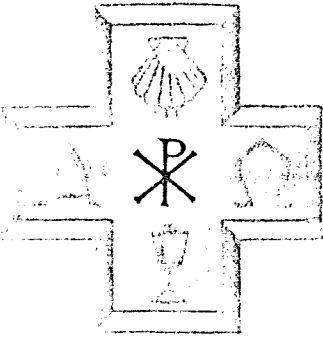
Respectfully yours,

A handwritten signature in cursive script that reads "Richard L. Harper".

Richard L. Harper,
State Representative

RLH:d1m

March 22, 1983



ST. JOHN'S LUTHERAN CHURCH

901 FILLMORE STREET • TOPEKA, KANSAS 66606
Telephone 354-7132

The Reverend Theodore L. Staudacher, Pastor
The Reverend Roger M. Goetz, Pastor/Minister of Music
Mr. Dennis L. Hintz, Director of Christian Education

Prior to moving to Kansas almost 4 years ago, I spent 17 years as a pastor in the Chicago, Illinois area. While ministering in the suburb of Thornton on the south side, I lived about 8 miles from Balmoral Race Track and only about 1 mile from Washington Park Race Track. Then we moved to Mt. Prospect on the northwest side, only about 4 miles from Arlington Race Track. The people of our community and the people of our congregation in both locations were very much affected by what went on at the tracks.

"Bettin' on the races" became an obsession with so many people who simply could not afford it, that much of my time was spent in counseling with them and their families or making referrals to the newly established "Gamblers Anonymous" in Chicago. On the surface there didn't seem to be anything wrong with going over to the track, ordering a delicious meal in the restaurant, and relaxing in very posh surroundings, or perhaps placing a \$2 bet. But under the surface, it was a different story altogether! Many people were unaware of the very deep involvement of the Chicago Syndicate (The Mafia), lost revenues, and families who went "bankrupt" financially and spiritually as a result. In Thornton, most of my people were "blue-collar" workers and day laborers - who could little afford the luxury of another addiction! Being acquainted with the nature of human nature as I am, it was easy to understand why so much of their time was spent in talking about "GET-RICH-QUICK" schemes and about the time 2 years ago when they won \$150! After several years in Thornton, I made the surprising discovery that one of my members was a "MUSCLE MAN" for the syndicate. He was frequently called upon to "DEAL WITH" people who "WELCHED" on their bets or tried to get away from the "BOOKIE"! If you think Kansas is beyond the reach of any syndicate involvement, I think you'd be sadly mistaken! Well-meaning legislators, track promoters, quarter horse ranchers, and racing enthusiasts would quickly find themselves in the rumble seat of things!

A friend of mine, Lt. Ken Nevills, a photographer for the Lansing, Illinois, police department, showed me some pictures he had taken of various individuals connected with the tracks who, unfortunately, ran afoul of the syndicate! I specifically remember one who was found in the trunk of a car and his body was a literal sieve - ice pick holes!

My wife, Carol, our four children, and I are very happy in Kansas! We own our own home, and God willing, will retire here. One of the first things we noticed after moving here was that most of the kids, the teen-agers, were beautifully naive. They weren't drug-wise, street-wise, and other-wise on the scale we had experienced in Chicago. We are happy that Santa Fe will stay in Topeka, that we're getting a new air terminal, and talk of a sports complex, but we are definitely not in favor of parimutuel betting! As I was leaving home this morning, my son David (Sr. at Seaman High) said: "Dad, why don't you suggest that they legalize all crime.....and tax it!"

The people of my congregation will not hear me preach in favor of this candidate or that, nor will they hear me preach "politics" from my pulpit. I'm a firm believer in separation of church and state. But I can...no, I must speak up as a concerned citizen. I humbly submit that Kansas definitely would not benefit, in the long run, from parimutuel race tracks. The "liabilities" are just simply too great! Therefore, I would encourage you to vote NO on parimutuel gambling.

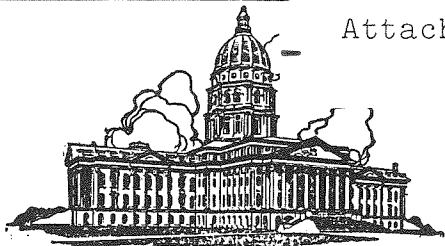
Rev. Theodore Staudacher

2/5/75
Attachment #2
"Legal gambling is being promoted chiefly because there is money to be made by individuals from it."

—Christian Science Monitor, December 11, 1972

ECONOMICS IN THE PUBLIC INTEREST

Attachment 2



Ask these questions. Help others think through important issues. Let lawmakers know of your concern.

ADVISORY COMMITTEE to KANSANS FOR LIFE AT ITS BEST!

AUGUSTA — Everett L. Johnson, WSU Engineering Professor / BELLEVILLE — Warren L. Hardin, Civil Engineer / CHENEY — Robert E. Taylor, Mayor / CONCORDIA — Dr. Paul L. Nelson, Pediatrician / CONWAY SPRINGS — Joyce E. Church, Teacher (ex-Jockey) / DODGE CITY — Gene Willich, Educator / DWIGHT — Lowell L. Miller, Dairy Farmer / ELLSWORTH — Karl K. Gaston, Newspaper Publisher / ENTERPRISE — Reed Hoffman, Banker / GARDEN CITY — Ken Anderson, C.P.A. — Duane E. West, Lawyer / HESSTON — Leroy King, Contractor / HIAWATHA — R. C. Finley, Businessman / HORTON — David Gaskell, Steel Manufacturing / INDEPENDENCE — L. Clarke Simpson, Retired Postal Service — John Vermillion, Newspaper Publisher / JEWELL — Harold Totten, Farmer / KANSAS CITY — George Bell, Attorney / LECOMPTON — Charles W. Wright, Former Topeka Mayor / McPHERSON — Rev. John E. Van Valin, Free Methodist Supt. / MANHATTAN — T. Russell Reitz, Businessman / MELVERN — Cecil D. Kramer, Insurance Agent / MILTON — Mrs. Judy Casner, Farmwife / MINNEAPOLIS — R. W. Hemenway, Newspaper Publisher / MT. HOPE — Loren Elliott, Farmer / OTTAWA — Dr. Wayne Angell, University Economics Professor / OVERBROOK — Max J. Friesen, Banker / OVERLAND PARK — C. F. Garner, Entomologist — Wendell Lady, Engineer / PITTSBURG — Dr. Robert R. Noble, University Sociology Professor / SALINA — Dr. Donald Hammerli, Presbyterian (USA) — Dr. S. C. McCrae, Orthopedic Surgeon — Dr. C. L. Olson, Veterinarian / SHAWNEE MISSION — Bob Hunt, CLU, Insurance Agent / SHIELDS — Rod Bentley, Rancher / TESCOTT — Mrs. Robert Johnson, Homemaker / TOPEKA — Dr. Richard Beach, Internal Medicine — Robert Groff, Attorney — John W. Harvey, Broadcasting — Dr. Doug Jernigan, Veterinarian — Dr. Rex Lindsay, Southern Baptist Executive — Sewall Macferran, Banker — Charles Marling, Retired Businessman — Bishop Ben Oliphint, United Methodist — Charles Sheetz, Businessman — J. Elwood Slover, Law Professor Retired — Rev. Fred Thompson, American Baptist Churches C.R. — Dr. Robert Woods, Neurosurgeon / TROY — Gordon Hinde, Real Estate / ULYSSES — Ora Martin, Quarter-horses / WICHITA — Lee Anderson, Artist — Dr. John H. Hartman, WSU Sociology Professor — Lonnie Hephner, Businessman — Lester Holloway, Attorney — Dr. Martha S. Housholder, Dermatologist — Ted Mason, Architect — Vincent E. Moore, Retired Cessna Officer — Dr. Marvin M. Somers, Radiologist

Include in mailings. Place next to cash register.
Give to friends. Copies available from KANSANS
FOR LIFE AT ITS BEST! Box 888, Topeka, 66601

(2)

For persons signing petitions asking for the right to vote on parimutuel:

QUESTION - "SHOULD LAWMAKERS FOLLOW CONSTITUTIONAL REQUIREMENTS FOR AMENDMENT AND REVISION?"

Parimutuel promoters can not win legislative approval of race track gambling, so they are trying to circumvent constitutional requirements by claiming lawmakers are not voting for or against parimutuel, but are only voting for the right of people to vote on it. If successful, they will later tell voters statewide, "You are not voting for or against parimutuel, but just for the right of counties to vote on it."

That is deception, a tactic of swindlers and gambling promoters. The right of people and right of lawmakers to vote on amendments is guaranteed by the Constitution. According to the Kansas Supreme Court, V 207 p 651-4, the legislature may "initiate any change" and "in proposing and agreeing to amendments" is making "a request for a change", asking the people to approve or reject what lawmakers have already approved because "it is the right of every elector to vote on amendments to our Constitution in accordance with its provisions."

Article 14.—CONSTITUTIONAL AMENDMENT AND REVISION

§ 1. Proposals by legislature; approval by electors. Propositions for the amendment of this constitution may be made by concurrent resolution originating in either house of the legislature, and **if two-thirds** of all the members elected to each house **shall approve such resolution**, the same, with the yeas and nays thereon, shall be entered on the journal of each house. The secretary of state shall cause such resolution to be published in one newspaper in each county of the state where a newspaper is published, once each week for five (5) consecutive weeks immediately preceding the next election for representatives, or preceding a special election called by concurrent resolution of the legislature for the purpose of submitting constitutional propositions. At such election, **such proposition to amend the constitution shall be submitted** either by title generally descriptive of the contents thereof, or by the amendment as a whole, **to the electors for their approval or rejection.**

- 1st Step - If lawmakers approve a proposition to amend which is the resolution;
- 2nd Step - Such proposition to amend shall be submitted to the electors.

Lawmakers do not vote to submit a change. If they approve the change, it shall be submitted.

(3)

Speaking to the Downtown Rotary Club in Topeka on October 2, 1980, Governor Carlin told of his desire to protect the reappraisal of urban and rural real estate by passing a constitutional amendment. He did not say the people have the right to vote on his classification amendment. He said, "It requires a two-thirds vote of the Legislature to win approval of something that is truly good for Kansas."

Speaking at an Eggs & Issue Breakfast on February 4, 1969, concerning another constitutional amendment, Senator Bennett who later became Governor said, "We do not vote to submit that which we do not want passed."

Parimutuel gambling promoters want lawmakers to be rubber stamps who simply vote to submit it to the people. They believe the legislature does not have enough intelligence to consider parimutuel on its merits.

For Chamber of Commerce committees promoting parimutuel and lottery gambling:

QUESTION - "DO YOU WANT LOWER RETAIL SALES AND INCREASED BAD DEBTS FOR YOUR MEMBERS?"

When gambling tracks in other states are running, retail sales drop and bad debts increase because millions of local consumer dollars are lost at the track. As one merchant said, "They come to town to gamble. They don't spend money anywhere except in hotels and restaurants near the track. My business is down. The few dollars brought in from out of town are nothing compared to local dollars lost." It may be the sport of kings, but peasants lose the most.

Governor Rockefeller of Arkansas wanted to know the biggest problem experienced by local people when the parimutuel dog track and horse track are running. "Bad debts" topped the list. Hometown folk gambling away paychecks can't make payments on car, TV, rent, bank loan.

"Parimutuel didn't work last time it was tried, which was 1933-37. Too many Texans squandered time and money at the track, couldn't pay their bills." -Dallas Morning News, March 15, 1983

A grocery store owner said on the opening day of the Colorado lottery, "We might as well let our check out girls stay home. All we sold were lottery tickets." Most consumer dollars lost on parimutuel and lottery are taken from cash registers of main street merchants.

(4)

For persons who say we should have liquor by the drink, Sunday beer sales, wine in grocery stores, cut rate alcohol prices, etc:

QUESTION - "DO YOU WANT PEOPLE TO DRINK MORE ALCOHOL? DO YOU WANT MORE ALCOHOLICS, MORE HIGHWAY TRAGEDY, MORE WIFE AND CHILD ABUSE?"

"total consumption is the common denominator for alcohol problems...if per capita consumption increases, alcohol problems increase"
-Information & Feature Service, Nov. 23, 1976
National Institute Alcohol Abuse & Alcoholism

"So promising and straightforward is the simple syllogism of reducing alcoholism by reducing total social consumption."
-Bruce C. Vladeck, Ph. D.
American Journal Public Health, Dec. 1975

"It is therefore important to observe that, in the long run, education, treatment and deterrence are all of secondary importance compared to the central task of cutting down the general level of consumption by regulating the price and controlling the availability of alcoholic beverages"
-Dr. Klaus Makela, Research Director 1974
Finnish Foundation for Alcohol Studies

According to the Third Special Report ALCOHOL & HEALTH to the U. S. Congress, for each \$1 in alcohol taxes, over \$4 is taken from all of us in HIGHER PRICES for goods and services because of alcohol impaired personnel, HIGHER PREMIUMS for hospital-medical-auto-fire insurance to cover alcohol related losses, and HIGHER TAXES to pay costs of welfare, criminal justice, treatment and needed social services resulting from alcohol consumption.

"One drug causes more human trouble than all other drugs combined. That drug is alcohol."
-THE TELEVISION REPORT DRUGS: A to Z
Columbia Broadcasting System, Inc.

"the drug that causes by far the greatest amount of damage both personally and socially to our college students - drug ethyl alcohol"
-Donald L. Cooper, M.D.
N.C.A.A. News, February 15, 1977

"alcohol - it continues to be the drug most associated with crime, violence, auto accidents, marital problems and child abuse."
-Dr. Walt Menninger
Hutchinson News, November 7, 1976

(5)

For parimutuel promoters who talk about freedom of choice:

QUESTION - "SHOULD SWINDLERS HAVE FREEDOM OF CHOICE TO OPERATE IN KANSAS?"

"There would seem to be an inconsistency in demands for consumer protection agencies, coupled with demands for legalized gambling. As professor Irving Kristol pointed out on this page several months ago, gambling is 'technically a swindle: the payoffs on bets must be less than fair, and the overwhelming majority of the 'investors' must eventually lose their money, if the gambling enterprise is to survive and prosper.' Therefore, he noted, the case for legalized gambling is 'simply an argument in favor of the government raising revenues by swindling its citizens rather than by taxing them.'" GAMBLING AND THE GOVERNMENT
The Wall Street Journal, Jan. 4, 1974

"Parimutuel racing has become such an obvious consumer swindle..."
-New York Times editorial, July 30, 1977

The Kansas Constitution is a bulwark for consumer protection by not permitting parimutuel and lottery swindlers to prey on the public.

They say parimutuel will reduce taxes:

QUESTION - "WOULD \$9 MILLION REDUCE PROPERTY TAXES OF ONE BILLION DOLLARS?"

Kansas property taxes totaled \$1,085,137,000.00 in 1981. \$9 million Nebraska 1981 parimutuel taxes equal a 1/20th cent Kansas sales tax.

Parimutuel wagering has not reduced taxes for persons living in Nebraska, Colorado, New Mexico, or Arkansas. Professor Glenn W. Fisher of Wichita State University told the Topeka Rotary Club on October 30, 1980 that "Kansas state and local general revenues as a percent of personal income are well below the U.S. average and the average of neighboring states... Only Kansas has had a negative growth rate in taxes as a percent of income."

For Kansas tracks to produce taxes promised by gambling promoters, Kansans must bet every day 250,000 consumer dollars on the 1st race if all winners wager total winnings on following races. With 16% takeout on each race, at the end of a 9 race afternoon, bettors would "win" \$52,000 with \$62,000 going for taxes and \$136,000 going into pockets of non-profit track operators and owners of winning horses. (Details sent on request)

(6)

For persons promoting lottery in Kansas:

QUESTION - "WOULD YOU RATHER HAVE \$50 MILLION CONSUMER DOLLARS TAKEN FROM THE PUBLIC WITH A LOTTERY AND ONLY \$35 MILLION GOING TO THE STATE OR WOULD YOU RATHER HAVE \$45 MILLION CONSUMER DOLLARS TAKEN FROM THE PUBLIC WITH A 1/4TH CENT SALES TAX AND ALL \$45 MILLION GOING TO THE STATE?"

"35 percent of each lottery ticket dollar goes to improve the quality of life for all Coloradans, 15 percent goes to lottery operations and 50 percent goes to player prizes."

-Public Gaming Magazine, March 1983, p. 25 (Promoting commercial gambling nationwide and mailed free to lawmakers in every state. The magazine is paid for by those who get rich from commercial gambling operations.)

They mean 35% is hidden taxes, 15% goes to improve quality of life for lottery gambling promoters, and 50% is taken from the pockets of 1,999,999 ticket buyers to pay off one buyer who won a million dollars. (2 million \$1 tickets must be sold to create a \$1 million prize) For each \$100 million in lottery sales, \$35 million is taxes and gambling promoters receive \$15 million - receive 42¢ to collect \$1.00 tax. Who gets 42¢ to collect \$1.00 sales tax?

The motive for shop-lifting and gambling is the same, enrich yourself from the financial losses of others. Farming is a risk. Lottery is a swindle - theft by deception as 2 million expect to win a million & 1,999,999 are swindled! Thieves rob homes. Lottery robs pocketbooks! Most lottery dollars come from poor people. A 1/4th cent sales tax would come from everyone.

"Recently Charles Hardwick, a New Jersey assemblyman, talked with a woman who tearfully described buying one ticket a week in the beginning and then gradually increasing her purchases to 15 tickets a day...such concerns helped kill a lottery bill in Virginia this month... 'A lot of people get their unemployment or welfare checks and come down here and try their luck,' says Cynthia Harris, who sells lottery tickets at the Whitman Card & Tobacco shop in Camden. Critics charge that states advertise their lotteries in flashy television commercials, that rarely mention the miniscule odds of winning. 'The state's commercials are as skillful and enticing as the ones used to sell sexy perfume,' state Sen. Hardy Williams of Pennsylvania complains."

-The Wall Street Journal, Feb. 24, 1983
STATE LOTTERY HURTS THE POOR

(7)

For parimutuel promoters who claim concerned citizens do not trust people to vote on it:

QUESTION - "IF YOUR OPPONENT OUTSPENDS YOU \$100 TO \$1, IS IT A FAIR ELECTION?"

Parimutuel promoters expect to pocket \$30 million yearly if the people vote YES. They will spend large amounts to buy a YES vote.

"My wife and I tithe to support our little church that is doing a positive work for good in our community and beyond. I would hate to use some of this money in a campaign to defeat parimutuel gambling at election time, but I would. Those who hope to make money out of parimutuel gambling can probably outspend us 100 to 1. I'm counting on dedicated lawmakers to defeat this gambling resolution so my wife and I and thousands of other concerned Kansans will not be forced to use part of our sacrificial giving to fight something negative instead of supporting some positive program for good."

-John Bower, McLouth, long-time legislator
Testimony to Senate Committee, 1981

If 111 lawmakers (27 in Senate & 84 in House) approve parimutuel, concerned citizens will be forced to raise over \$1 million to advertise truth and fight the big lie at election time to equal what was spent on advertising by gambling promoters in Oklahoma. Each lawmaker who votes YES would cost concerned Kansans \$10,000.00. (\$10,000.00 times 111 is over \$1 million)

For beer wholesalers and college students who oppose age 21 for beer:

QUESTION - "IS DRINKING BEER AND MAKING MONEY SELLING IT MORE IMPORTANT THAN SAVING LIVES?"

The Kansas Department of Transportation reports some 4% of licensed drivers are age 18 and 19, yet they are involved in nearly 12% of all alcohol related auto crashes in Kansas. States that raised the legal drinking age have had a decrease in crashes for that age group.

The American Medical Association at its national meeting in 1983 called for age 21. Other groups that have called for age 21 nationwide include the Presidents Commission on Drunk Driving, the National Transportation Safety Board, the Insurance Institute for Highway Safety, MADD and the National Safety Council. Half our nation's youth live in states where they may not buy 3.2 beer until age 21.

(8)

For persons who claim commercial gambling is the most rapidly expanding growth industry:

QUESTION - "DO YOU WANT MORE JOB ABSENTEEISM, LOWER WORKER PRODUCTIVITY, MORE ACCIDENT-PRONE EMPLOYEES IN KANSAS?"

"Gambling adversely affects business. INEFFICIENT EMPLOYEES. Workers will be prone to waste time by visiting or roaming about in search of a racing form, the latest sporting news, the in-plant bet collector. ACCIDENT-PRONE EMPLOYEES. When a gambler becomes a loser - and in the long run they all do - he becomes worried, distracted, perhaps tense as debts mount. POTENTIALLY DISHONEST EMPLOYEES. As losses mount, the employee may resort to a loan shark to bail himself out. He becomes subjected to such intense loan-shark pressure that he begins to steal or embezzle from the company."

-DESKBOOK ON ORGANIZED CRIME, PAGE 31-32
Chamber of Commerce of The United States

Parimutuel promoters claim an average daily attendance of 40,000 for the 210 day racing season. That is a lot of job absenteeism.

For persons who say we should keep home Kansas dollars now going to Nebraska gambling tracks:

QUESTION - "IF GAMBLING TRACKS IN KANSAS WOULD HURT NEBRASKA, WHY DO GAMBLING PROMOTERS FROM NEBRASKA HELP KANSAS PARIMUTUEL PROMOTERS?"

Healey and Fudge came to Topeka and testified for parimutuel at the Senate Committee Hearing. They know gambling tracks in more states cause more people to become regular bettors. This helps attendance at tracks in all states, and Nebraska tracks are in financial trouble.

Michael Healey, director of social services for the county in which AK-SAR-BEN is situated, tried to minimize problems by saying "There have been a few occurrences of people leaving young children in cars in the parking lot at the track."

-Topeka Capital-Journal Feb. 18, 1981

"Testifying about a pari-mutuel system in Nebraska, Duane Fudge, vice chairman of the Nebraska Racing Commission, said betting produced about \$8 million in revenue for (Nebraska) last year."

-Wichita Eagle-Beacon, February 18, 1981

For each \$1 Kansas tracks might keep at home, local persons not now gambling would probably lose \$1,000.00 into gambling promoters pockets.

(9)

For persons who say parimutuel will help the horse industry in Kansas:

QUESTION - "SHOULD HORSE BREEDERS BE SUBSIDIZED BY FINANCIAL LOSSES OF POOR PEOPLE IN KANSAS?"

Poor people are the main victims of parimutuel. They do not know it is technically a swindle.

A longtime New Jersey lawmaker told Senate President Ross Doyen that if he could have one vote back, it would be his YES vote for casino gambling in Atlantic City. New Jersey voters later approved casino gambling, but the legislature approved casinos as the First Step. Casino promoters in New York claim "An exclusive admission policy would discourage casual trade, keeping working people from gambling away their paychecks...Pardon our disbelief." (Quotation from New York Times editorial, Dec. 17, 1980)

"Bettin' on the races became an obsession with so many people who simply could not afford it, that much of my time was spent in counseling with them. On the surface there didn't seem to be anything wrong with placing a \$2 bet, but under the surface, it was a different story altogether! Most of my families were blue-collar workers and day laborers who could little afford the luxury of another addiction! Kansas would not benefit from parimutuel race tracks."

-Testimony to 1983 Committee Hearing by Pastor Theodore Staudacher. He served churches near Balmoral and Washington Park race tracks outside Chicago and now serves St. John's Lutheran Church, Topeka.

The spectator sport of horse racing is legal in Kansas. Gambling is the issue. Parimutuel hurts people and horses. People become compulsive gamblers. Humane Societies & horse lovers oppose parimutuel because horses are drugged & abused by gambling promoters seeking riches.

For persons who believe freedom of choice to purchase alcohol should not be restricted:

QUESTION - "SHOULD PERSONS HAVE FREEDOM OF CHOICE TO BUY MARIJUANA, HEROIN, OR COCAINE?"

People snort cocaine, shoot heroin, smoke marijuana, or drink beer because they like the way the drug makes them feel. Many become addicted or dependent on these mind altering chemicals.

Drug control laws have been passed for the sake of public health, safety, and welfare. Alcohol control laws are drug control laws.

(10)

For those saying parimutuel will create jobs:

QUESTION - "DO YOU WANT KANSANS TO LOSE JOBS THEY NOW HAVE?"

"The thing that bothers me most about it is that when people gamble away their money, they don't spend it on an honest product that someone has put work into. There's only so much money, and if it is lost at a gambling table, it is taken out of the productive part of our economy. Who would you rather see employed, a blackjack dealer in a casino in Las Vegas or a machinist at an automobile assembly plant in Detroit? Which contributes most to what's good about American life?"

-Andy Rooney, national columnist
Topeka Capital-Journal, August 24, 1983

"Attorney General Curt Schneider said Sunday he is opposed to a proposed amendment to the Kansas Constitution which would allow parimutuel betting. Schnieder said he opposed gambling because it doesn't add to the Gross National Product of the nation or to Kansas."

-Topeka State Journal, March 21, 1977

Virgil Peterson of the Chicago Crime Commission wrote, "As a business, gambling is parasitic. It is non-productive. It creates no new wealth and performs no useful service. It redistributes wealth from many into the hands of the few."

Parimutuel promoters say \$273.1 million would be wagered yearly with 5% going to Kansas and 11% or \$30 million going into pockets of non-profit track operators and owners of winning horses. (Gamblers lose \$3 for each \$1 to the State and \$2 to gambling promoters.)

If millions of consumer dollars are redistributed to support parimutuel jobs, jobs now supported will be lost. Who would you rather see employed, a tote board operator at a local gambling track or a factory worker in Wichita?

Oklahoma gambling promoters won a state wide YES vote by promising thousands of new jobs. If questioned, they could always say the new jobs were in some other part of the state. Counties are now voting and this has forced them to tell the truth. Creek County "Pro-betting force organizers like J.R. Payne said they are being cautious about claims to voters about jobs and tax dollars betting could bring to the county. 'We don't want to tell people something we can't back up.'"

-Tulsa Tribune, August 25, 1983

For persons who say legalized parimutuel will get rid of illegal gambling in Kansas:

QUESTION - "DO YOU WANT MORE ILLEGAL GAMBLING?"

Legal gambling tracks increase the number of persons who bet illegally and the amount bet.

"We can see that illegal bookies are operating in states without (gambling) tracks. One percent of our sample living in those states report they bet with a horse book. This compares to three percent who bet with a horse book who live in states with a (gambling) track, suggesting that while a local (gambling) track is not necessary for an illegal horse operation, it does stimulate betting on the horses with a bookie. And while heavy illegal bettors are found in both states, there are more of them in states with (gambling) tracks." Page 191-3

"As would be expected, the greater popular interest in horse racing naturally accompanying existence and advertising of racing and publication of results (at local gambling track) augments the demand for illegal betting facilities...Existence of (legal gambling on) horse racing also appears to increase the average amount wagered illegally per bettor, particularly with horse books." Page 172

-GAMBLING IN AMERICA, Appendix 2,

Commission on the Review of National Policy
Toward Gambling created by 91st Congress.

"Thomas Kelly, director of the Kansas Bureau of investigation, warned that introducing track-side betting would cause significant law enforcement problems. He said a KBI survey of the 31 states with parimutuel wagering indicated that such an operation in Kansas would mean increases in crime, including illegal gambling, bribery, race-fixing, fraud and corruption in the race organizations. 'There is a definite impact of parimutuels on law enforcement when it comes into a state,' he said."

-Wichita Eagle-Beacon, February 20, 1981
Committee Hearing on Parimutuel Gambling

For those saying you can't legislate morality:

QUESTION - "WHAT IS THE MEANING OF MORALITY?"

Morality has to do with right and wrong. A Wichita State University professor said, "Every law is legislated morality."

Every law says something is right and something is wrong. It is right to drive 55 MPH. It is wrong to drive faster. It is right to pay so much in taxes. It is wrong to pay less.

Before the General Election of 1982, Governor Carlin was asked, "If elected Governor,

-Will you support raising the beer drinking age so highway injury and death for Kansas youth will be reduced?

-Will you speak publically of the personal, social, and economic problems which will come with legal commercial gambling at Kansas race tracks?

-Do you want the legislature to vote NO on a Constitutional change which would permit parimutuel wagering in Kansas?"

His written response was YES to these questions.

"As Attorney General, my concern has been with commercial gambling. The losses become more extreme. The likelihood of infiltration by organized crime will increase. I prefer keeping the law as it is. We've got a healthy state and I'm very pleased with it.

"I've a lot of friends who are in favor of parimutuel gambling, and I have a lot of friends who are not. Some of my good friends have horses. They raise them for racing purposes and are somewhat bewildered at my position on the parimutuel question. It is just that I see no positives in opening up the state to commercial gambling. I see a lot of negatives.

"We have very little problem with public corruption in Kansas. One of the reasons for that, for example, are the difficulties involved in opening liquor stores, in regulated private clubs, in the lack of commercial gambling. The cash flow that attracts so many problems just isn't here. And I'm glad.

"The thing other than organized crime, is the fact that there is always illegal off track betting and there are many stories of the drugging of horses, and about cheating in regard to the races. And then the regulation, and the problem of people who can't afford to gamble, and gamble too much. They hurt themselves and hurt their families. We have enough problems with bingo gambling.

"My main concern about commercialized gambling, particularly parimutuel betting, is the fact that I don't see any positives. All I see are negatives. I think we can continue to have a wonderful state and enjoy our wonderful people without those negatives.

"Every law is a moral issue and that is the business of government, to determine what is best."

-Attorney General Bob Stephan

WIBW-TV interview, March 5, 1983

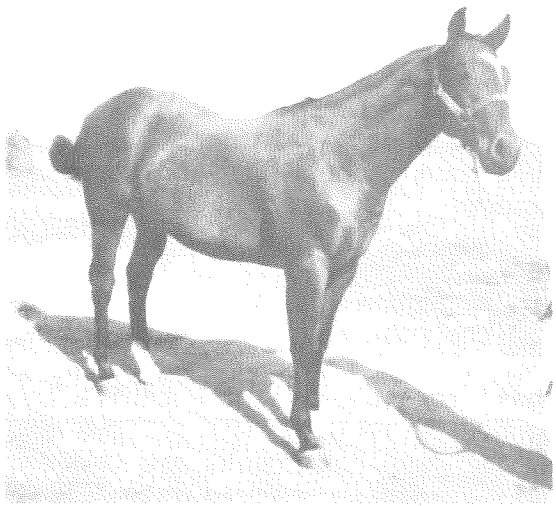
2/5/85
Attachment #3

"Parimutuel racing has become such an obvious consumer swindle that management must now bribe horse-players to come out to the track."
New York Times, July 30, 1977

H O R S E S - Y E S !

Parimutuel

G A M B L I N G - N O !



In the Wall Street Journal, Professor Irving Kristol said parimutuel gambling is "technically a swindle: the payoffs on bets must be less than fair, and the overwhelming majority of the 'investors' must lose their money, if the gambling enterprise is to survive and prosper." He noted the case for legalized gambling is "simply an argument in favor of the government raising revenues by swindling its citizens rather than by taxing them."

"The disposition of low-income families to spend a greater fraction of income on gambling makes gambling a regressive expenditure and, where used as a source of revenue, government receipts from gambling become a regressive tax." - Commission on the Review of the National Policy Toward Gambling created by the 91st Congress.

When Texas defeated parimutuel in 1978, Catholic Bishop Flores of El Paso, a champion of the poor, said they would be the main victims of parimutuel, "it would entice them to lose what little they have." Texas Bishop C. D. Coleman of the C. M. E. Church said parimutuel would mean "added woes and stresses" for poor families.

Every lawmaker who votes for a parimutuel resolution is voting to take from the poor and give to the rich.

Legislators who want the people to approve parimutuel, who believe commercial gambling tracks are truly good for Kansas, should vote YES.

Senators and Representatives who oppose this consumer swindle will vote NO. They need your support. Tell them you want a NO vote.

Legislators who say they are voting for the right of people to vote on it are rubber stamps in the hands of parimutuel promoters.

The issue is not taxes or new jobs or tourism or recreation or horse racing. The issue is \$30 million a year into the pockets of gambling promoters.

(This explanation of parimutuel is from material distributed by Kansas gambling promoters.)

Parimutuel means, literally, a mutual wager, or betting against other bettors. It is legal in thirty states, including all states west of Kansas except Utah. A parimutuel wager is much like a stock transaction. When you buy a \$2 ticket on a horse, you are, in effect, buying one share in the horse's performance in that race. The race track acts as the broker for the transaction and deducts its commission, which is fixed by state law.

The mutual pool is returned to the bettors. If the takeout is set at 15%, as in Nebraska, the mutual pool would be about 84% of the handle. Since the racing association in Kansas must be a nonprofit organization, the takeout plus breakage (16%) would be allocated to these three categories: 1) the State, 2) the horsemen, and 3) track operating expenditures.

Parimutuel rainbow chasers claim Kansas would receive \$13.7 million revenue from gambling tracks with 210 racing days a year. This would require a daily tax take of \$65,238.10. Kansas people would need to "invest" over \$250,000.00 a day statewide if all winners re-invested only their winnings and all losers on every race would not make additional wagers.

\$ 250,000.00	wagered by the public on the first race.	16% take-out leaves a mutual pool of
210,000.00	returned to the winners who bet it all on the second race.	16% take-out leaves
176,400.00	returned to the winners who bet it all on the third race.	16% take-out leaves
148,176.00	returned to the winners who bet it all on the fourth race.	16% take-out leaves
124,467.84	returned to the winners who bet it all on the fifth race.	16% take-out leaves
104,552.98	returned to the winners who bet it all on the sixth race.	16% take-out leaves
87,824.50	returned to the winners who bet it all on the seventh race.	16% take-out leaves
73,772.58	returned to the winners who bet it all on the eighth race.	16% take-out leaves
61,968.97	returned to the winners who bet it all on the ninth race.	16% take-out leaves
<u>\$1,237,162.87</u>	Total (Sales tax exempt)	\$52,053.93 returned to winners of ninth race.

\$ 61,858.15 Taxes for the state, (5% of \$1,237,162.87) Some of these dollars would be needed for increased law enforcement budgets, expenses of administration, and other social costs.

\$136,087.92 Into pockets of non-profit track operators, gambling lobbyists, lawyers for legal counsel, public relations firms, advertising agencies, rich owners of winning horses, shady vets with quick fixes for injured horses. (11% of bets)

\$ 52,053.93 Returned to the public. Due to 144% take-out for the afternoon (16% times 9 races times amount bet), a person who "won" on every race will end up with nearly the same number of dollars he brought to the track or less. Very few will end up with more. Gambling track operators enrich themselves from the

\$250,000.00 "investment" by the public on which is charged a 55% "commission."

Who would pay a stockbroker a commission of \$136,087.92 on an "investment" of \$250,000.00 which was certain to be worth \$52,053.93 by the end of the day? Parimutuel is a swindle.

Most of the \$197,946.07 take-out lost by Kansans in one afternoon at gambling tracks would be taken out of the pockets of persons who can least afford to lose. It would have been spent for food and clothing and shelter. Merchants on main street lose \$197,946.07 consumer dollars in lost retail sales and increased bad debts. For each \$1 in taxes, an additional \$2 is taken from the poor and given to the rich gambling promoters.

Gambling promoters claim \$273.1 million would be wagered per year in Kansas with 5% going to the state and 11% for track operating expenses and purses for winning horses. With parimutuel tracks in Nebraska, Colorado, and Oklahoma, who would come to Kansas gambling tracks? People in Missouri are already in the habit of going to Arkansas, Illinois, and Nebraska. Except for a few dollars from out of state, this \$13.7 million in parimutuel taxes and \$30 million into the pockets of gambling promoters would simply be redistributed Kansas dollars now spent on goods and services, already turning over time and time again, generating jobs and taxes. If these dollars are redistributed toward supporting jobs in the parimutuel gambling industry, jobs they are now supporting will be lost. There is no such thing as a free lunch. It always costs somebody.

Kansas horse people who understand the economics of parimutuel do not want to expand their business at the expense of Kansas poor people who would lose their pay checks at commercial gambling tracks. Horse breeders concerned for others want no part of this public swindle.

Lawmakers concerned for important issues do not want to waste time on commercial gambling tracks. Parimutuel will not heat the homes of Kansas people. It will cause more to have their gas shut off.

Legislative Research says a 1/20th cent increase in state sales tax would generate \$9 million a year. This is now generated by long established tracks in Nebraska, Colorado, and Arkansas. Concerned Kansans will gladly pay an additional penny on a \$20 purchase rather than permit their neighbor to be swindled at the gambling track.

Nebraska gambling promoters paid some \$100,000 to the Killingsworth Co. of Massachusetts to make a study of Nebraska parimutuel racing. The Killingsworth Report of 1981 found the financial condition of Nebraska gambling tracks worsening and said the state's racing industry faced "a troubled future." Purses for winning horses were a bit more than half of what it was costing horsemen to keep their steeds running, so most were losing money. On March 22, 1982, the Nebraska Legislature voted to exempt from taxes the first \$5 million wagered at the ATOKAD gambling track near South Sioux City. ATOKAD officials said they expected only \$5 million to be wagered for the year. One lawmaker said, "Our priorities should not be saving small race tracks"

When parimutuel promoters say farming is a gamble just like parimutuel, they are using the same tactics as swindlers. They want to deceive the public. The farmer takes a risk when he buys the seed, plows the soil, plants and cultivates and fertilizes, hoping for rain and not hail. He produces food for the world and wants a fair price for his product. Gambling is an attempt to get rich from the financial losses of other persons. Farmers are risk takers, not gamblers.

Once upon a time all the parimutuel bettors at a commercial gambling track had a tip on a sure winner. Every bettor bet \$100 on that horse, and sure enough, it won! The HANDLE (total of all bets) was reduced by 16% TAKEOUT to form the MUTUAL POOL returned to the winners. Every bettor "won" \$84 for having wagered \$100 on the winner! Pure fraud.

Due to takeout, gamblers who break even at the parimutuel track lose 16% of all money bet on each race. If a person would break even betting with friends at some Kansas track today, he would go home with exactly what he came with, because there is no takeout. This explains why the illegal bookie using the legal track for his operation can give the bettor a better deal, and winnings are not reported to IRS.

Reported parimutuel revenue from well established tracks for 1981.

\$9.5 million Colorado
\$9.4 million Nebraska
\$8.5 million Arkansas
\$2.2 million New Mexico
Would Kansas produce 13.7 million?

For each \$1 in taxes, citizens in those states lost an additional \$2 into pockets of gambling promoters.

\$1,085,137,000.00 Total property taxes collected in Kansas for 1981.
\$1,486,029,000.00 State and local taxes for education in Kansas 1982.
(Kansas Legislative Research Dept)

P-A-R-I-M-U-T-U-E-L does not spell RELIEF for \$1 billion property or \$1½ billion taxes for education.

As a per cent of income, state and local taxes now paid by Kansans are lower than in any state around us.

Legalized gambling dehumanizes persons and devalues society. The motive for shop-lifting and for gambling is the same. It is a desire to enrich yourself from the financial losses of others. A swindle is theft by deception.

In scorn and ridicule we are called a single-issue special-interest group. Our single issue is the prevention of alcohol and gambling suffering. Our special interest is the health, safety, and well-being of every Kansan. Our support comes from concerned citizens and churches. Your help is needed. (Copies of this flyer available on request)
KANSANS FOR LIFE AT ITS BEST!
218½ West Sixth, Topeka 66603

Attachment 4
2/5/85

I am Reverend John Olds, pastor of the Capitol City Community Church of God and vice-president of KANSANS FOR LIFE AT ITS BEST! We now have a new building on south east 37th street in Topeka. We are working to make Topeka a better place to live.

We oppose commercial gambling because it victimizes many persons who can not resist the temptation to get something for nothing, attracts organized crime that feeds on easy money lost by bettors, and devalues persons and societies.

The Minnesota Catholic Conference opposed parimutuel wagering in their state, saying, "not only is legalized gambling a form of regressive taxation, in that it attracts the poor much more often than other segments of society; it also encourages illegal gambling, thereby adding to an already overburdened budget by increased law-enforcement costs. . . a society experiences social decay with the legalization of gambling."

When Texas defeated race track gambling in 1978, Bishop D. C. Coleman in a letter to his pastors of the Christian Methodist Episcopal Church said parimutuel wagering would mean "added woes and stresses" for black families.

I agree. Every family in Shawnee County has enough problems without adding a gambling race track where husbands lose their pay checks.

Attorney General Bob Stephan said all he sees are negatives in pari-mutuel wagering, such as "people who can't afford to gamble, and gamble too much."

I'm concerned for black people and for white people, for everyone not now driving out of state to gamble but would do so if Kansas had gambling tracks. Please vote NO on Senate Concurrent Resolution 1606.

Attachment 4 Sub. Committee
2/5/85

CHRIST CHURCH

PRESBYTERIAN CHURCH IN AMERICA

David Upchurch, Pastor
322 S.W. Fillmore
Topeka, Kansas 66606
(913) 232-4024

Larry Watkins, Assoc.
425 S.W. Lincoln
Topeka, Kansas 66606
(913) 235-0633

February 4, 1985

Senate Federal and State Affairs Committee
Topeka, Kansas

While attending graduate school in Massachusetts I frequently rode the subway into Boston. One stop on the line, at that point above ground, was Suffolk Downs race track. The train would stop. Routinely, men got off and walked fifteen yards, stood in line, a copy of the Racing Form and a pencil in their hands, and waited for the track to open. They were blue-collar men, many of them older and probably living on pensions. They stared at the Racing Form, they didn't converse with one another, no one laughed or smiled, they just waited for the track to open. They hoped to hit the perfecta or the trifecta and "have it made."

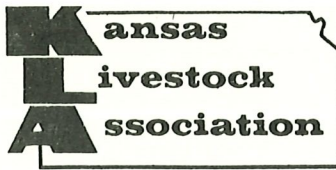
This scene contrasts starkly with the gay, glamorous "day at the races" and "harmless entertainment" picture parimutuel gamblers present to you as the prospect for Kansas. Parimutuel gambling is a business which lives off the hopes of people to make easy money. Through vigorous, expensive, slick advertising and promotion, track operators dangle exotic wagering that promises large pay-offs and "entertainment". But, they deliver: frustration, anger, addiction to gambling, and broken families and lives.

By contrast with what the commercial gambling supporters assert, the Kansas Constitution gives you as legislators the responsibility of judging parimutuel gambling on its merits. You are the deliberative body on this issue. All laws must be written with the public good in mind. Parimutuel gambling harms the public good. As demonstrated in states like Massachusetts, for every winner at a track there are thousands of losers. There are those who lose money at the track, and there are those who lose because they become addicted to gambling or live with gamblers. Those losses are reflected in the social cost to all of us--a cost measured in dollars for additional social services and law enforcement. But far more important are the losses measured in human lives created in the image of God. Those lives are far more valuable than any dollar amount. We can't afford parimutuel gambling in our state.

The Presbyterian Journal recently put it this way, "So all this money is going to (Nebraska or Missouri). . . Let it! We don't need the problems, the possibility of sorrow, the appeal to greed, the personal depletion and waste that come in the gate with those plentiful, tempting gambling funds."

David Upchurch
--Rev. David Upchurch

"In all things Christ and His Word Preminent."



2/5/85
Attachment #6

2044 Fillmore • Topeka, Kansas 66604 • Telephone: 913/232-9358
Owns and Publishes The Kansas STOCKMAN magazine and KLA News & Market Report newsletter.

STATEMENT OF THE
KANSAS LIVESTOCK ASSOCIATION

to the

SENATE FEDERAL & STATE AFFAIRS COMMITTEE
Senator Ed Reilly, Chairman

in support of

SCR 1606

February 4, 1985

presented by

Mike Beam
Executive Secretary
Cow-Calf/Stocker Division

Mr. Chairman and members of the committee, I'm Mike Beam with the Kansas Livestock Association (KLA) and I'm here to voice our support of SCR 1606. KLA is a voluntary statewide organization made up of nearly 10,000 farmers and ranchers. Since 1982, KLA members have annually re-affirmed the following policy resolution:

Parimutuel Amendment

Whereas, the issue of legalizing pari-mutuel betting has never been placed before the voters of Kansas.

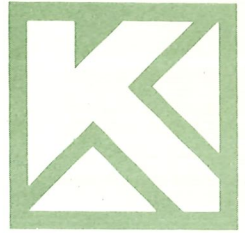
Therefore, be it resolved, that the Kansas Livestock Association recommends action by the Kansas legislature to place a constitutional amendment for non-profit pari-mutuel racing with local option authority before the people during a general election.

Some of our members are registered Quarter Horse breeders and would undoubtedly benefit if parimutuel wagering for horses was approved by the voters. But, more importantly, KLA members would like to see this proposed constitutional change on a ballot for their approval or disapproval. We respectfully urge this committee to recommend SCR 1606 favorably so that it may be considered by the full Senate.

Attachment 6 Sub. Committee
2/5/85

2/5/85
Attachment 7

LEGISLATIVE TESTIMONY



Kansas Chamber of Commerce and Industry

500 First National Tower One Townsite Plaza Topeka, KS 66603-3460 (913) 357-6321

A consolidation of the
Kansas State Chamber
of Commerce,
Associated Industries
of Kansas,
Kansas Retail Council

SCR 1606

February 4, 1985

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the

SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

Mr. Chairman and Members of the Committee:

My name is Jim Edwards and I am Director of Public Affairs for the Kansas Chamber of Commerce and Industry. I appear before you today to express our organization's support for SCR 1606, the concurrent resolution proposing to amend the Kansas Constitution to allow county-option pari-mutuel wagering.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses plus 215 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 55% of KCCI's members having less than 25 employees, and 86% having less than 100 employees.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

While this issue may be new to some legislators, the issue is not new to this body nor the legislature as a whole.

Attachment 7 *Sub. Committee*
2/5/85

The people of Kansas have seen this issue appear for almost the last decade. They have all of the information that they will ever need, or want, to make a responsible decision at the polls. They want to make the decision.

We hope that you take the steps necessary to pass this resolution from this Committee.

I would be happy to stand for questions.

REPORT OF SUB-COMMITTEE OF SCR1606

Mr. Chairman:

Your Sub-Committee met today, February 5, 1985, at 7:00 a.m., Room 254-E, Statehouse, and heard additional testimony, and after a discussion by Members of the Sub-Committee it is its' recommendation that SCR1606 be amended to include racing by dogs.

Senator Bill Morris
Sub-Committee Chairman

Atch. 4
S. Fed. & State Affairs
2/6/85