

There's trouble in River City: Devil from Davenport on the move

by Marcia Merry

As of a Feb. 8 filing deadline for an April statewide referendum, Missouri became the most recent of 18 states that either already have riverboat gambling, or are in the process of putting it to a vote in a plebiscite or in legislative elections. As the map shows, the 18 states are mostly located in the eastern half of the United States or along the Gulf coast, where there are rivers big enough to float casino boats. The way the craze is sweeping the country, the only thing holding back the arid western states is lack of rivers.

However, don't expect all these enterprises to float financially. If all the proposed riverboat gambling operations are approved, there is a prospect of 250-300 riverboats in these 18 states, with a promised gross take reputedly to provide \$2.55 billion a year to the states in taxes. Illinois now has 12 operating gambling boats, with 8 more in the works. Louisiana anticipates 15 river casinos. There's a campaign for 20 in West Virginia alone. But just from the numbers, it is clear that many of these riverboats are going to sink financially along with the good folk who sold their souls to allow them. So much for a deal with the devil.

The argument made in favor of legalizing riverboat gambling is the same pitch as the devil made to Davenport, Iowa on the Mississippi River back in the 1980s: "There's no money for infrastructure; there's no future in agriculture or manufacturing; go modern. Go for the leisure industry, go for gambling. We'll kick back some money and jobs for your dying town and hopeless kids." The people of Davenport fell for it. They even agreed to forgo construction of a town levee, because the riverboat operators insisted that it would spoil the view and deter tourist-gamblers. When the 1993 mighty Mississippi flood hit, as economist Lyndon LaRouche observed, "the people of Davenport had their riverfront view . . . right in their living rooms."

What are the river towns in the other 17 states getting and giving up? Their stories are all the same as how the devil came to Davenport. It's a lot like the theme song of the cornball Hollywood/Broadway musical, "Music Man." A shyster comes to River City, Iowa, and plays on peoples' fears of their children succumbing to the evils of the pool hall. He warns you about "Trouble in River City . . . with a capital T, and that rhymes with P, and that stands for pool."

Then he sells you his snake oil solution. Today, the shysters offer you a way you can supposedly "save the economy," by going along with riverboat gambling. Apart from Davenport, Iowa, the state of Missouri is nationally one of the most dramatic battlefronts of the riverboat gambling fight.

'Show me' state says yes

Despite its state motto "Show me," Missouri is falling hook, line, and sinker for riverboat gambling. The Missouri River joins the Mississippi River in this state, which, in recent years, was targeted for legalized floating casinos by gambling/organized crime interests. In 1992 a riverboat gambling law was approved by Missouri voters. However, subsequently, the state Supreme Court found constitutional flaws in the law. Meantime, certain localities—Riverside, St. Louis, St. Joseph, and others—went ahead with local arrangements for riverboat gambling, all of which were then called into question by the state Supreme Court ruling against the legality of the 1992 gambling law.

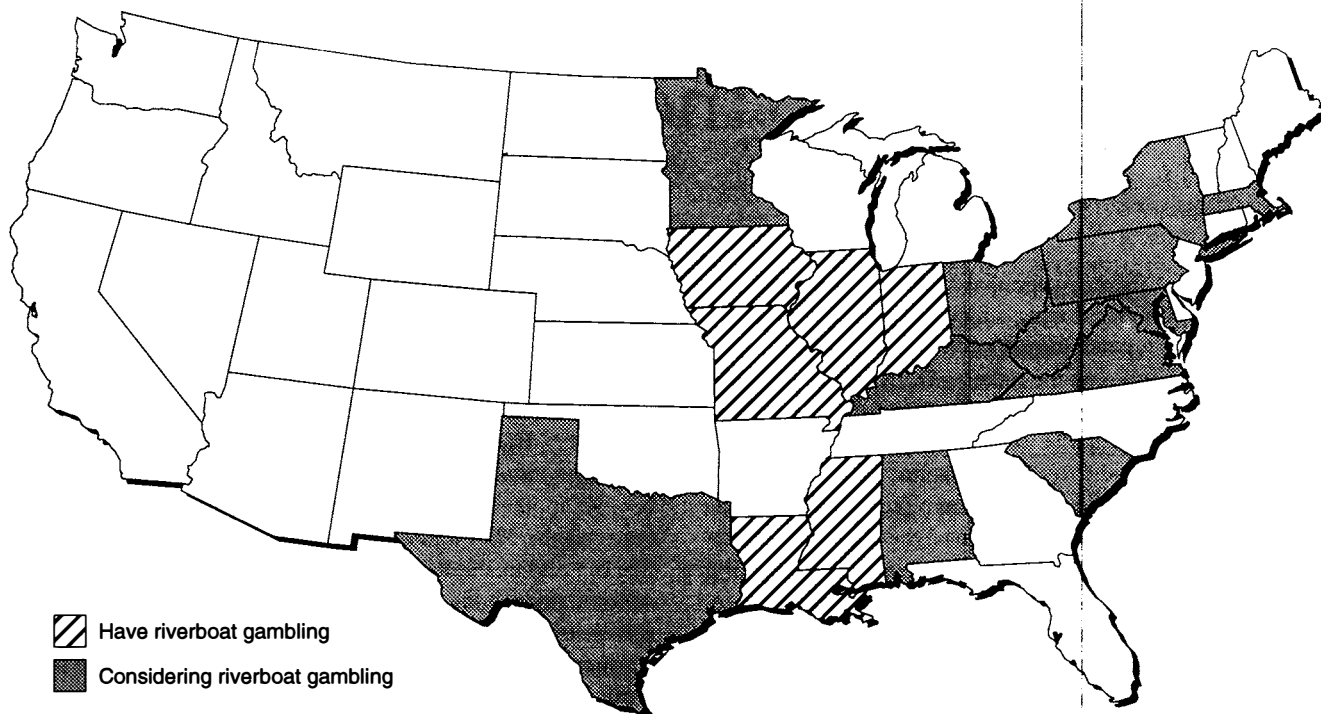
Then, the state was inundated by flooding in 1993. Levees were broken, unprotected towns were wiped out. A massive infrastructure rebuilding program is needed. Missouri Gov. Mel Carnahan reported in January that unless levees are repaired, many cleaned up towns and agricultural areas will be hit again by spring floods.

However, the rebuilding plan is not forthcoming. As of late January, the levee repair and construction program for Missouri required \$53 million; but only \$18 million has so far been approved by the federal government for all nine flood-hit states *combined*. In addition, 50 Missouri river towns have applied for federal aid for relocation, a number Governor Carnahan said was "a surprise to us and a surprise to the administration." The needed funds are not forthcoming.

Enter, the devil from Davenport.

Governor Carnahan pressed the plight of his state in Washington, D.C. in early February, at the National Conference of Governors, where he met with Vice President Al Gore and other top officials, and warned that unless levees are rapidly repaired, the spring floods will "create havoc all up and down the river."

Riverboat gambling is a live issue in 18 states



What is called for is a declaration of national economic emergency, and a roll-up-the-sleeves approach to an infrastructural development program. Anything less than that becomes the devil's playground.

A frenzy of action took place in Missouri in late January, as legislative stoolies for the gambling interests rushed to meet the paperwork deadline of filing by Feb. 8 for putting a new riverboat gambling issue on the ballot April 5. Local river towns are already geared up for gambling operations. A state commission has started the procedures to consider for approval the Argosy Gaming Co., to operate floating casinos in Riverside. At St. Joseph, the *St. Joe Frontier Casino* is already docked, waiting for approval to weigh anchor and deal.

West Virginia: 'Come aboard'

In West Virginia, the gambling companies have run a heavy advertising campaign called "Come Aboard," to try to ram through state approval for riverboat casinos, and beat back the public disgust over the 1980s convictions for corruption in state-approved land-based casinos. Several state legislators were found guilty in the scandals.

The well-funded "Come Aboard" public relations campaign of the West Virginia Riverboat Gaming Association uses the old devil-in-Davenport pitch that 7-9,000 new jobs would come to the depressed state, \$300 million in new

business, and \$50 million in state taxes the first year.

These enticements are based on 20 riverboats, two at each of ten locations on the major rivers in the state, including dockage on sites along the 277 miles of the Ohio River. The West Virginia Riverboat Gambling Association targets the state capital, Charleston, as the purported chief potential beneficiary of new revenue if riverboats are allowed. The association points to New Orleans, where the Star Casino operates 17 hours each day, and employs 962 people.

The tines on the devil's pitchfork in West Virginia say that if they don't allow riverboats fast, Pennsylvanians will beat them to it, and the riverboats will go upstream to Pittsburgh, where the Ohio is formed at the junction of the Monongahela and Allegheny rivers. So far, Pennsylvania has held out against floating casinos.

Members of the West Virginia Riverboat Gaming Association include the American Entertainment Corp. of New Orleans; Winamax Corp. of Eden Prairie, Minnesota; Horseshoe Casino of Las Vegas, Nevada; and Bender Shipbuilding of Mobile, Alabama.

West Virginia Gov. Gaston Caperton has said that he will neither introduce nor promote gaming legislation. "I don't think the people of West Virginia want casino or riverboat gambling at this time," he said. The opposition to gambling includes the state's Council of Churches (15 denominations) and the Roman Catholic Diocese of Wheeling-Charleston.