

## Stock market gambling

Many compulsive gamblers prefer to play in a larger casino: the international financial markets, where the level of wagering easily dwarfs that found in casinos et al. Worldwide, there are some \$100 trillion in derivatives contracts outstanding, with an annual turnover of derivatives and related financial instruments in the range of \$1 quadrillion (\$1,000 trillion) a year.

The players in this *Casino Mondiale*, are mainly big international financial institutions—commercial banks, investment banks, insurance companies—and their customers. The games are different, using complicated formulas instead of cards or dice, but the action is much the same: A gambler bets the house or another player, that a section of the market will move in a certain direction. Picture Wall Street types placing \$100 million bets on a roll of the dice, and you've got the idea.

The same thing goes on, on a smaller scale, with the Dow Jones Industrial Average and other stock indices.

"Oct. 19, 1987 will be remembered by most people as Black Monday—the day that the Dow plunged 508 points. We at the Council will remember it as the day the securities gambler came of age," said the New Jersey Council on Compulsive Gambling. The council noted that in the weeks following the 1987 crash, the percentage of stock market-related calls to their statewide gambling hotline, jumped to 44% of all calls, up from 2% prior to the crash.

Dr. Robert Custer, considered an expert on compulsive gambling, has stated that stock market gamblers represent over 20% of gamblers he has diagnosed, and Gamblers Anonymous has also long recognized the problem.

Given the perilous nature of the financial bubble today, most people who consider themselves "investors," are actually gamblers, who will find that when the bubble bursts, their supposedly solid investments will have no more value than a casino chip, after the casino has closed.

and political fixer Roy Cohn, who served as a liaison between the financial and political powers who ran New York City, and the mobsters who enforced that rule. Cohn represented John Gotti and the sons of Carlos Gambino, and leaders of the various mob families would hold meetings at Cohn's townhouse. One of Cohn's close confidants was Tony Salerno, whose S&A Concrete was involved in building the Trump Plaza. Cohn also had close ties to Sidney Korshak, the man who caused Hilton so much trouble. Trump's connections to Cohn were apparently not a problem for the New Jersey Casino Control Commission.

As of January 1997, Trump controlled 34% of the casino footage and 30% of the gaming revenue in Atlantic City, followed by Hilton (which bought Bally's in 1996) with 13% of the footage and 16% of the revenue, and Aztar, with 10% of both. Overall, there was 987,000 square feet of casino space in the city, with 32,704 slot machines and 1,477 table games. Since 1991, the number of slot machines in Atlantic City has increased 61%, while the number of table games has decreased 6%.

In 1996, the 12 Atlantic City casinos generated \$3.8 billion in gambling revenue, up 29% from 1991. Slot machines accounted for 69% of that revenue, and table games 31%.

### Lotteries: Governments get hooked on gambling

Faced with collapsing tax revenues and a cultural trend away from production and toward speculation, state and local governments have been, in the words of Henry Carey, "driven to encourage gambling, drunkenness, and other immoralities,

as a means of extracting revenue from their unfortunate taxpayers." In the process, they went from fighting against gambling, to protecting it as a source of revenue; rather than protecting their populations, they have elected to loot them.

Lotteries, mainly in the form of subscriptions to public infrastructure projects, were common in the early days of the United States; citizens who participated in them were doing so in order to build the country, not merely to win the modest prizes that were awarded.

Today's lotteries are of a different character. After being outlawed early this century, lotteries began a comeback in the 1960s, when New Hampshire and New York reestablished them. By 1975, the year the Federal government lifted the ban on advertising, 11 states had lotteries; today, 38 states participate in this legalized form of the old numbers racket.

In almost all of these states, the lotteries are operated by private companies, under contract to the state government.

Lotteries are destructive on several levels: They pit the states against their citizens; they encourage immorality; and, they pave the way for the spread of other types of gambling.

Lotteries are also the biggest sucker bet of them all, with far worse odds than the casino games and the slots, which is precisely what makes the lottery racket so lucrative. Whereas—at least according to the published stats—the slots pay back some 90-92% of their bets as winnings, and table games pay back some 85%, the lotteries pay out only about 50% of their take to the players. The states, on the other hand, get about 34¢ of every dollar in ticket sales, with the remainder going to the lottery operators and the ticket sellers.

In 1975, the Federal government gave states complete