

presentation and debate on each report seriatim.

Delegate Sherbow.

DELEGATE SHERBOW: Mr. Chairman and ladies and gentlemen of the Committee of the Whole: We will shortly have four reports of the Committee on State Finance and Taxation; the first is the report on lotteries, which is SF-2.

Thereafter, we will take up the report dealing with taxes and assessments, which is SF-3, and this will be presented to you by Delegate Case, who is the Vice-Chairman of our Committee on State Finance and Taxation.

Then we will have SF-4, which deals with State indebtedness, and then SF-5, dealing with budget and appropriations, the latter two of which I will present to you.

We are now dealing with our proposal relating to the subject of lotteries. Our proposal is very brief. It contains a total of twelve words, and it says "Lotteries shall not be sanctioned by the State or its political subdivisions."

You will find some new language in this recommendation, because for the first time in dealing with the subject of lotteries you see the State or its political subdivisions and this I will go into in a moment or two.

First, let me give you a very brief history of the subject of lotteries. Much of this you are aware of, all of you have read and undoubtedly re-read the report of the Commission dealing with the Convention and its comment on the subject of lotteries.

But briefly, its history goes back into Colonial days when in order to finance various enterprises, some of a civic and some of a religious nature, we had in the State of Maryland various forms of lotteries.

The State would grant to a particular group or to an institution the right to sell lottery tickets for the purpose of raising money for the construction of some building in some worthy cause. One of the purposes of these lotteries was rather simple, it enabled those dealing with sectarian institutions to call on others of different faiths to help them in the hope and with the possibility that they might in some way gain by reason of the purchase of the lottery ticket.

They were really for community purposes, but as they increased in size, they

ceased to be community projects. Competition began between those who were selling lottery tickets for one enterprise, and those who were selling them for another.

Then it became necessary for the legislature to extend the life of one lottery after another. I suppose the one you have heard most about is the Washington Monument Lottery. It was authorized in 1810. In 1820 it was still in operation. Finally in 1829 it was completed and the only way they could complete it was for the General Assembly to grant \$178,000.

The lottery did not itself produce the necessary funds. Too much of it went into the pockets of those who were running the lottery.

Then there came over the years what we see happening all over this country and elsewhere; where there were easy pickings, in marched the organized gamblers. They were the ones who could come in and what started out as a good enterprise, so they thought, became wrecked by reason of what they were doing.

We found that in Maryland we were having a pretty bad time of it, but it took a governor of New York a long, long time later to sum it up when he said, dealing with the history of lotteries: "Throughout its entire history in the United States and abroad, legalized gambling has brought nothing but poverty, crime and corruption."

This is the statement of Governor Thomas E. Dewey of New York.

The legislature as early as 1792 in Maryland found that it had to regulate lotteries. By late 1834 they had become such an acknowledged evil in Maryland that efforts were under way to suppress them.

The efforts continued, but it took 20 more years before they could get legislation through to end them, but like the phase-outs that are supposed to be taking place in some parts of Maryland on other matters, even the adoption of a constitutional prohibition against lottery proved ineffective for a long while, because there were lotteries still in effect whose life had not expired.

It was not until 1860 long after the efforts had been put on the statute books, that the General Assembly succeeded in bringing about the suppression of the lottery.

What we are dealing with in this particular matter before you today is this situation. If you approve the recommendation