

CAMPAIGN '96

Dole Hits the Jackpot in Nevada

Wary of Taxes, Gaming Industry Puts Money on GOP Front-Runner

By Blaine Harden
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The Nevada-based gambling industry, wary of federal taxes and stalked by an increasingly powerful populist backlash, has singled out Senate Majority Leader Robert J. Dole (R-Kan.) as its favorite presidential candidate.

The contributions to Dole are part of an abrupt about-face in the party allegiance of the gambling industry, which has long been loyal to Democrats.

"First, you see a big growth in the amount of money given by the gambling industry. Secondly, you see a major shift to Republicans. Money for the Republicans has more than tripled" since the 1994 congressional election, said Ann McBride, president of Common Cause.

Dole opposes any federal tax on the gambling industry. The Clinton administration briefly considered imposing a 4 percent tax on gambling revenue two years ago, as a way of paying for welfare reform. The plan was quickly dropped after word of it leaked, alarming the congressional delegation from Nevada.

Figures compiled by the Center for Responsive Politics, a nonpartisan group that studies the role of money in politics, show how much Dole's fund-raising efforts owe to Nevada, a state dominated by the casino industry.

During the first nine months of last year, individuals from Nevada gave more than twice as much money to Dole's campaign as they did to the combined campaigns of President Clinton and six other Republican presidential candidates, according to the center.

Dole received \$398,715 from donors who listed Nevada as their home state, while all the other candidates combined received \$134,815, the figures show.

Most of Dole's Nevada money was raised last June at a lunch organized by casino kingpin Steve Wynn, chief executive and chairman of the board of Mirage Resorts.

Dole attended the lunch, held at Wynn's private Shadow Creek golf course outside Las Vegas, one day after traveling to Los Angeles to criti-

cize the exploitative values of the entertainment industry. The lunch—counting donations from Nevadans, residents of other states and political action committees—raised \$478,000.

"One should conclude that those contributions are an out-and-out expression of Nevadans' opposition to increased federal taxes [on the gambling industry] as proposed by the Clinton administration," said Christina Martin, Dole's deputy press secretary.

"Bob Dole is a good, solid-thinking, middle-of-the-road Republican," Wynn said in a recent interview at his Mirage Hotel in Las Vegas. He explained that he arranged the fund-raising lunch at the request of his close friend John Moran, Dole's finance chairman.

Wynn, who is often credited with having saved Las Vegas by selling gambling as a sort of Disney entertainment, did much more than throw a lunch, according to figures from the Center for Responsive Politics.

A healthy chunk of the money raised at the lunch—about \$89,880—came from executives who work at Wynn's three Vegas-based hotels, as well as from their families, according to figures compiled by the center.

Thousand-dollar donors included Wynn, his wife, Elaine, his mother, Zelma, his brother Kenneth, and his daughter Gillian, according to the center's figures.

Alan M. Feldman, a spokesman for Wynn, said yesterday that Wynn gave the Dole campaign a list of people to invite to the lunch that included a number of Mirage company executives. Feldman said, however, that no one was ordered to attend the lunch.

In the first half of last year alone, according to Common Cause figures, gambling interests gave almost five times as much to Republicans (\$156,000) as to Democrats (\$35,000).

This year's presidential campaign is unfolding during a season of tumult for the gambling industry.

It has enjoyed astonishing growth, with profits more than quadrupling since 1988, a period during which 19 new states legalized casinos. Casinos raked in \$18.3 billion in 1994, more than Americans spent that year on

movie tickets, theater, opera and all music concerts combined.

Taxes are a key issue. Casinos pay federal and state corporate income taxes, as well as state gambling taxes, which range from 5.6 percent in Nevada to 20 percent in Illinois. But there is no federal tax specifically on gambling. Gambling executives say any new federal tax would bankrupt the industry.

William Thompson, a professor of public administration at the University of Nevada Las Vegas and an expert on casino finances, says that's not true. "The industry could afford a 4 percent tax. It would pinch, but they could afford it," he said. Casino profits are about double the average of American industry.

Since 1994, a grass-roots anti-gambling movement has all but stopped the industry from expanding. Concerns about compulsive gambling, political corruption and the cannibalization of existing businesses have found their way to Washington. There is bipartisan support in Congress, and from Clinton, for a bill that would create a commission to study gambling's social costs.

Dole, who says he discourages people from gambling, supports that study, which is likely to be voted on in March.

Wynn and other gambling industry executives, however, say they believe the study will be biased by anti-gambling moralists in Congress. Wynn singles out Rep. Frank R. Wolf (R-Va.), principal House sponsor of the gambling study, as an enemy of the industry.

"I think it is annoying to have someone who is your foe use the government to conduct a public-relations campaign against gaming, which is what I think Frank Wolf wants to do," said Wynn, who is often described as Nevada's single most powerful man.

FOR MORE INFORMATION

For a list of Dole campaign contributors by industry, see *Digital Ink*, The Post's on-line service. To learn about *Digital Ink*, call 202-334-4740.