EDITORIAL: Internet gambling ban under pressure

Attorney anticipates huge WTO award

Rep. Barney Frank, D-Mass., is trying to overturn the current federal ban on Internet gambling.

What's that? You didn't know it was illegal? Well, that's one of the problems. When governments pass toothless laws intended to block voluntary activities that harm no one except the volunteers, governments can end up looking toothless and goofy.

The other problem is that a World Trade Organization panel ruled in March that the United States is violating international trade law by prohibiting Americans from gambling on Web sites based in the Caribbean island nation of Antigua and Barbuda.

In May, the U.S. trade representative responded by blithely declaring U.S. gambling to be exempt from international trade regulations.

Mark Mendel, the attorney representing the island nation in the action, doesn't believe that's going to work.

"One of the frustrating things about our case is that everyone seemed to pretend the United States doesn't have to comply (with WTO guidelines)," Mr. Mendel told a Review-Journal reporter this week in a phone interview from Ireland.

But that's not so, insists Mr. Mendel. "I feel confident that what we will get will be a massive number -- one of the two or three largest WTO awards ever."

Mr. Mendel anticipates a fine in the range of $1 billion to $3.4 billion.

In lieu of the damages, Antigua and Barbuda would be happy to reach an agreement with the U.S. to allow Americans to use the island's gambling Web sites, the attorney says.

Which brings us back to Rep. Frank, who Tuesday admitted his bill to overturn the Internet gambling ban has stalled, though he believes international pressure could yet revive it.

Rep. Frank's bill, which would require the U.S. Department of the Treasury to regulate online gambling Web sites, currently has 36 co-sponsors.

A competing bill to fund a one-year study of Internet gambling -- sponsored by Nevada Democrat Shelley Berkley -- has 64 co-sponsors, though it has not been scheduled for a hearing and even Rep. Berkley believes it will be 2008 before any action is likely on her proposal.

Mr. Mendel, the attorney, says he would welcome a study of the $13 billion Internet gambling industry -- a study that many have surmised could lead to regulated, taxed virtual casinos based in Nevada.

Antigua and Barbuda could serve as a pilot for the study, he suggests. "If a true test is given, we feel strongly that we could prove Internet gambling in Antigua and Barbuda is a safe and respectable business."

Of course, one of the arguments for lifting the ban will always be the hope that the federal government can slap on additional taxes.

But how would such taxes be enforced, without rigorous snooping on all private Internet commerce -- whether gambling-related or not?

The more basic question is how we arrived at a default setting where...
everything has to be either taxed and regulated, or else banned outright. What ever happened to freedom?

Why should anyone have to pay Congress a share of the take -- like the victims of some protection racket allowing the local mob boss to "wet his beak" -- for the privilege of merely being let alone? Why can't Congress simply keep its mitts off the Internet and let Americans choose whether and how to risk their own money in games of chance?

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willy wrote on September 14, 2007 01:49 AM:
Actually RJ staff did you know it is not a federal crime to bet online? There are laws against running a sports betting business that has snared a few offshore operations, but no express law prohibits the act of betting alone. Politicians aren't so stupid to piss off the people who would actually vote for them by making them criminals.

There are laws against betting online in Nevada thanks to our state bowing to the pressure of the NGCB and the casino companies. Thankfully only one person has ever been prosecuted for it: none other than the RJ's favorite local Billy Walters!

bethofspring wrote on September 13, 2007 06:00 PM:
If you think a ban on internet gambling is a hot political issue, be aware that Senator John McCain wants to eliminate NCAA sports betting.

He needs to be consistently asked about this, so he realizes that Nevadans want top bet our sports without intervention from the government. That's a Democratic tactic, not a Republican one, Senator.

http://www.lvrj.com/opinion/9755987.html
If you think a ban on internet gambling is a hot political issue, be aware that Senator John McCain wants to eliminate NCAA sports betting.

He needs to be consistently asked about this, so he realizes that Nevadans want to bet our sports without intervention from the government. That's a Democratic tactic, not a Republican one, Senator.

You can thank the religious right for this legislation and their lap dogs in Congress. I find it appalling that the self-proclaimed morally superior can dictate their morals upon the rest of us. Playing poker or betting on a sporting event is not a crime. It is a form of entertainment that I as an adult should be free to engage in regardless of the beliefs of others as to its propriety. As a society, we need to recognize that individual liberty is the foundation of democracy and the erosion of such liberties erodes the democratic principles on which our country was founded. In 2008, the choice is clear. Elect those politicians that respect the rights of individuals as opposed to those that capitulate to the self-proclaimed morally superior among us.

First off they added this law to a port security bill at the last minute so no one would vote against it. This is the world wide web, Not the usa web! 2 people voted against the bill in october 2006. I thought we broke away from england for freedom way back in 1776. Sad,Sad, commentary on our politicians. Now their going to do something; Why did they put it in their in the first place! maybe they will have cameras on lights to stop crime next; oh wait they are already have them. When was that vote held? Sports gambling is not a crime!!!

The pressure that the gambling ban feels comes from the multitude of Americans who continue to play online poker daily despite the ban. The practice is as common as driving 3 mph over the speed limit.

I also agree that the government should not be in the business of legislating morality. If a person wants to gamble on the internet, it should be his right to do so. I will fight to the death for my freedom and liberty. It looks like the battle is beginning - with internet gambling of all things - for Gods sake.

A company doing business in the US should be subject to the same taxes as any other company doing business in the US regardless of its line of business.

The underlying anti-tax argument is just silly. Funds must be raised to finance the vital functions of the US government. If there were no taxes, where would the funds come from?

I do agree however that the government should not be in the business of legislating morality. If a person wants to gamble on the internet, it should be his right to do so. Government does serve a legitimate role in regulating the internet gaming industry just as Nevada gaming regulates land based casinos in order to ensure that the games are fair, wagers are paid and underage gamblers do not gamble.