

Curse or cash cow: Japan ready for casinos?

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Lawmakers are seriously considering legalizing casinos so Japanese can roll the dice without having to travel to gambling houses in the United States, East and Southeast Asia.

Backed by the Liberal Democratic Party-New Komeito ruling bloc and smaller forces, including Nippon Ishin no Kai (Japan Restoration Party), casino advocates believe that allowing legalized gambling to flourish will generate jobs, boost tourism and provide badly needed revenue in a country burdened with

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massive public debt and trillions of yen in rebuilding costs for the Tohoku region.

Opponents, however, warn that gambling will cause crime to surge and inflict other social ills upon the country.

What kinds of gambling are legal and how much money do they generate?

Betting on horse, motorboat, bicycle and motorcycle racing, which are officially classified as "public sports," is legal and, according to 2010 figures, generated about ¥4.3 trillion in gambling receipts.

But this amount is only one-third of what it was in the early 1990s, at the peak of Japan's so-called bubble economy.

Aren't pachinko and lotteries considered legalized gambling?

The government classifies both as "amusements," although in the case of pachinko, prizes are exchanged for cash off the premises (officially, that is). The amount of money pachinko brings in is difficult to calculate, but recent estimates by economists and police tend to range between ¥20 trillion and ¥30 trillion, which, if true, would make the pachinko industry as large as, if not larger than, the auto industry.

Are the nation's success with gambling and the scale of pachinko revenues behind the push for casinos?

Partially. But politicians who aggressively support casinos, including Nippon Ishin's Shin-taro Ishihara, Toru Hashimoto and many other national and regional leaders desperately seeking new revenue, have latched onto the larger idea of casinos

as part of an "integrated resort" complex.

Studying the examples of thriving Macau, as well as U.S. casinos in Atlantic City, New Jersey, Las Vegas and their riverboat and Native American reservation counterparts, those advocating for a new casino law insist gambling income will only be a small part of the overall revenue generated by family-oriented resort complexes.

These typically combine luxury hotels, convention and shopping venues with good restaurants, museums and other cultural attractions.

What's the status of Diet efforts to pass a casino law?

Nippon Ishin has said that it soon plans to introduce legislation to the Diet to legalize casinos.

Earlier this month, Prime Minister Shinzo Abe said the idea of legal casinos had merit, hinting that the LDP might throw its support behind legalization.

Some Diet members have hinted that the first casinos could be up and running by 2015 if legislation is passed soon. Diet members in five different parties have indicated their support for the idea.

What about the opposition?

The Japanese Communist Party has raised concerns that gambling addictions and other social problems will be compounded by the legalization of casinos. Citizens' groups are also raising concerns about whether casinos will be able to keep out children and remain outside the influence of organized crime and the vices that entails.

Other critics see casino resorts as simply another series of boondoggle projects designed to benefit the LDP and the construction industry. The promises being made about how ca-

sinos will raise huge revenues, generate jobs, create ancillary businesses and revive regional economies smack of the same arguments that politicians and big business made about all of the ill-conceived and poorly managed amusement parks built with public money in the late 1980s and early 1990s that subsequently went bankrupt, the opponents said.

In November 2011 testimony before the Upper House, senior National Police Agency officials said they were not enthusiastic about the idea of legalized casinos, citing the adverse effect they will have on society and the need to ensure yakuza can't get involved.

Casino proponents have noted that the NPA regulates the pachinko industry, which is divided on the issue. Some large pachinko machine manufacturers see new business opportunities if casinos are allowed. But many smaller pachinko parlor outfits fear a loss of income.

How much money would casino gambling generate if the legislation is passed?

That depends entirely on the number, type and scale of the casino resorts that are built.

A recent study by the city of Chiba suggested that building a resort in the Makuhari area, not far from Tokyo Disneyland and Narita airport, might bring in ¥800 billion annually.

Municipalities ranging from Hokkaido to Osaka to Okinawa are also doing their own studies. The biggest proponents of casinos say they could rival the pachinko industry in income.