

# Prices Dim Lottery's Appeal

By Susumu Takigawa

**T**he white-collar workers lining up to buy lottery tickets in Tokyo these days must be doing so with mixed feelings.

For years now the dream most Japanese have had when purchasing tickets to the national lottery has been that of owning their own "castle," a private home of their own, even if it might be disparaged as a tiny "rabbit hutch." Yet the way land prices have soared in and around Tokyo over the past few years, even the take from a lottery jackpot is not enough to turn an apartment resident into a happy home owner. Japan's lottery, it seems, can now only manage to peddle limited dreams.

The popularity of lottery games has soared across Japan in recent years. Lottery sales are expected to hit ¥480 billion in fiscal 1988, ending in March 1989. That figure represents a four-fold increase in 10 years, and 1.7 times in five years. According to an official at Dai-Ichi Kangyo Bank, the financial institution appointed to manage national lottery sales, the growing popularity of the games has no direct connection with the recent strength of the Japanese economy, or the popularity of stocks and other money manipulation in Japan today, or even the nation's present great liquidity. Rather, sales have surged each time the size of the first prize jackpot has been increased.

Ten years ago, when the Jumbo Lottery prize was boosted from ¥10 million to ¥20 million, sales increased 45% over the previous year. There was similar growth when the prize was jacked up to ¥30 million. The present popularity of the lottery can probably best be explained by the increase in the prize in 1987 to ¥60 million, and a maximum of ¥90 million (\$720,000 at the rate of ¥125/\$) if the winner should also hold the numbers immediately before and after the winning number. Yet even given this rapid expansion in the size of the jackpot, the spiral in land prices in 1986 and 1987 has taken the sheen off the white-collar workers' dream of owning a home.

The maximum lottery prize in Japan is limited by law. There are three categories of lottery tickets, costing ¥100, ¥200 and

¥300 respectively. The maximum legal limit on jackpots is 100,000 times the ticket price, but in response to strident public opinion the government has issued a special directive doubling the limit. The Jumbo Lottery prize, awarded three times annually, is already as large as it can get.

The Dai-Ichi Kangyo Bank official says, however, that there has always been another, unofficially recognized guideline for the jackpot: the cost of a one-family house in metropolitan Tokyo and its environs. For instance, when the maximum jackpot was set at ¥1 million in 1947, the average cost of a house on a 500-square-meter plot in suburban Kichijoji was ¥500,000. Since then, the increases in the jackpot have been enough to enable the winner to at least buy a house of his or her own, even if the 500-square-meter plot has gradually drifted out of reach. Recently, though, even the maximum possible ¥90 million in jackpot money would barely be enough to buy a 100-square-meter Kichijoji condominium.

In that case, why not raise the legal limit on prizes? Certainly that's possible, concedes the Ministry of Home Affairs, which is responsible for administering the lottery. But any such increases, the ministry says, would have to be limited.

There are two reasons. One is that nearly half the money taken in by the lottery is allocated to local governments and put to use in public works projects. As a result, the total money handed out in prizes cannot exceed 50% of total lottery ticket sales. The second reason is that a sharp increase in the first prize jackpot would require a reduction in the number of second and third prizes, and could actually hurt rather than enhance the lottery's popularity.

According to a survey by the Japan Public Lottery Association, there is a clear split among the public, with nearly half of those surveyed wanting a larger first prize, and the other half wanting a larger total number of second, third and other prizes.

Japan's GNP grew by nearly 5% in real terms over the past year. Corporate profits are up, and personal consumption is solid and growing. Yet one of the biggest



Jackpot? Even if he wins the first prize, it won't be enough to buy an average house in Tokyo.

factors behind the rise in personal consumption is the fact that consumers are finding it harder and harder to buy homes. Instead of setting aside savings for the "castle" of their dreams, Japanese families are buying luxury automobiles and more expensive electrical appliances with their accumulated savings. In a sense, they are consuming for the moment because they have less reason to save for the future.

The lottery draws held at concert halls, theaters, television studios and other sites across Japan number some 170 every year. Big, electrically driven wheels labeled with winning numbers spin on stage in batteries of six or seven. Little arrows are shot at the spinning disks, and the winning number combinations gradually pile up.

In the years ahead, the lottery spectacle is likely to become more exciting than ever. In time, it may be necessary to think of new ways of playing the games—perhaps using simply numbers, as is done in Europe and the United States, or introducing new, different types of lotteries. But until the government adopts effective land price policies to bring down the soaring cost of owning your own home, the "dreams" peddled in the lottery are likely to seem more and more like tinsel than substance to the vaguely dissatisfied participants.

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