



REMARKS OF JANE L. RAMSEY

Executive Director, Jewish Council on Urban Affairs

FAITH, FAMILY & FUTURE RALLY

Illinois Church Action on Alcohol and Addiction Problems

Wednesday, April 13, 2005

**State Capitol – Rotunda
Springfield, Illinois**

Good morning everyone. Thank you all for being here on this critical day, and for your important labor against gambling expansion in Illinois.

My name is Jane Ramsey and I am the Executive Director of the Jewish Council on Urban Affairs in Chicago.¹

I am deeply honored to be able to speak today at this turning point in our fight against gambling in Illinois. It is awesome, and inspiring, to look across this glorious space and see a powerful statewide movement against casinos, against riverboats, against lotteries, against internet gambling, against the injustices and bad public policy and cynicism that come with them.

It is a pleasure to be able to be here with Anita, who has been one of the most effective, and humble, advocates in this state.

I am also here as a part of the Task Force to Oppose Casino Gambling in Chicago. Doug Dobmeyer, who leads that group and who has been a tireless voice against the gambling industry, is here with us today.

¹ www.jcua.org 312-663-0960

My organization, the Jewish Council on Urban Affairs, works to combat poverty, racism and anti-Semitism in partnership with Chicago's diverse communities. Since its founding in 1964, JCUA has grown to encompass a network of roughly 50,000 families and individuals. We understand Judaism to be at its core a struggle for, a pursuit of, justice -- justice for the oppressed, the stranger, the orphan, the widow, of any race, religion or faith.

While we focus our work in the Chicago area, we travel to Springfield every year because **this** is where the power is, **this** is where the decisions are made, **this** is where we must be if we are concerned – as we all are – about poverty, about injustice, about economic disparities in Illinois.

The Jewish Council on Urban Affairs fights casinos in Chicago and across the state because – first and foremost – Jewish law offers a virtually unambiguous condemnation of gambling. One Talmudic opinion categorizes gamblers as thieves and, on this basis, disqualifies gamblers from being able to give legal testimony. (*Sanhedrin* 27a) The medieval scholar Moses Maimonides, one of our most important legal authorities, defines gambling as stealing, even if both parties agree to the rules of the game, as the winner “takes another’s money for free.” (*Mishneh Torah, Hilkhos G’zelos* 6:10)

Earlier this year, in an editorial for *The Forward*, America’s largest and oldest weekly Jewish newspaper, we pointed out that:

[t]he equation of gambling with stealing reflects the contemporary reality of casinos, in which those who gamble the most are often those least able to afford monetary losses, and in which the conditions are such that the house, as a rule, comes out ahead. Low-income people are lured into believing that they will win money, or at least break even, but more often than not end up losing significant sums of money.

Furthermore, the placement of casinos or advertisements for casinos in low-income neighborhoods violates the biblical precept *lifnei iver lo titen michshol* — “do not place a stumbling block before the blind,” generally interpreted as a prohibition on tempting a person to do something that she or he knows to be wrong. The addictive nature of gambling makes the placement of casinos among those most in need of money akin to offering drugs or alcohol to someone in recovery.

Judaism instructs that gambling encourages the mistaken belief that the path to prosperity and wealth is through the spin of a wheel rather than through the work of one's hands.

And, indeed, cutting edge research on gambling supports our tradition:

First, studies repeatedly show that legalized gambling brings with it a variety of **enormous social problems**. A recent Iowa study showed that the rate of gambling addiction increased three-fold after the introduction of river-boat casinos.² Recent Illinois and Michigan studies have found that such addictions often carry with them increased rates of bankruptcy, domestic abuse, and suicide.³ Similarly, FBI crime reports have shown significant hikes in violent crime rates in cities with casinos.⁴

Even more disturbing is the fact that **these burdens are shouldered primarily by low-income people and racial minorities**. After three Detroit casinos were built, those receiving public assistance lost 5 times more as a proportion of their total incomes than did other Detroiters.⁵ The same study found that African-Americans lost 2.5 times more at casinos than other groups.

Sadly, we have already seen glimpses of these sad trends in our state, where the bankruptcy rate of the seven casino counties in Illinois is 10% higher than the 95 non-casino counties.

While casinos' terrible effects on society are well documented, **their alleged "contributions" to local economies are far, far more questionable.**⁶ Although

² National Coalition Against Legalized Gambling fact sheet. Available at <http://www.ncalg.org>

³ a. SMR Research Corporation, Hackettstown, NJ, <http://www.smsresearch.com> ← ABC's of Gambling

b. Robin Widgery, Ph.D., *The Effects of Casino Gambling on At-Risk Groups in the City of Detroit*, Social Systems Research Institute, May 19, 1998. Available at: http://www.ncalg.org/library/pdf/Effects_of_casino_gambling_in_an_inner_city.pdf

⁴ Examining Police Records to Assess Gambling Impacts: A Study of Gambling Related Crime in the City of Edmonton.

⁵ *The Effects of Casino Gambling on At-Risk Groups in the City of Detroit*, supra.

⁶ For every \$1 that is being contributed in gambling taxes, it usually costs taxpayers \$3 in socio-economic costs such as social welfare, criminal justice, and regulatory cost (ICAAAP Gambling Action Alert April 23, 2004; Stanford Journal of Law, Business and Finance, Spring 2003, Volume 8

gambling lobbyists claim that casinos bring in tourist revenue, there are almost no facts to support this assertion.

For example, there is no evidence that expanded gambling in Cook County, or a casino in Chicago, would bring in more tourists than would otherwise come. In fact, ***there is evidence to the contrary***; in the State of Illinois, 84% of casino patrons came from within a small 35-mile radius, not from far away.⁷ Furthermore, casinos compete with other entertainment establishments and take away their business.

We all sense what Baylor University professor, and former member of President Reagan's Council of Economic Advisers, Earl Grinols ably illustrates in his new book. In *Gambling in America: Costs and Benefits*, Professor Grinols finds that the gambling industry's claims to produce "economic development" are patently false. He finds that average revenue losses for general merchandise, retail and wholesale businesses within 10 to 30 miles of a casino were \$243 for every \$1,000 that the casinos increase their revenue. Small businesses lose, and the gambling industry makes out like a bandit. Can we call that development?

For all these many reasons, in 1992, when our mayor started talking about putting a casino in the Windy City, the Jewish Council on Urban Affairs went on record opposing casino gambling in Chicago.

And then we acted. We met with politicians. We wrote op-eds. We mobilized synagogues. We joined rallies. We went to City Hall. We – like you – did not give up.

Moreover, we studied the experience of our neighbor to the east – Detroit – and watched the harmful effects of casinos in that downtown come to light. In the mid-90's, Michigan voters barely approved a ballot proposal to build three casinos in Detroit. Casino supporters hoped to boost the local economy by bringing people into the city. Instead, five years later the casinos have brought with them many of the social problems that we know about.

Number 2; ← Congressional Gambling Hearing 1994, supra note 75, at 77, 77, 79-81 (Statement of John W. Kindt); John W. Kindt, *The Business Economic Impacts of Licensed Casino Gambling in West Virginia: Short term gain but long term Gambling*).

⁷ *Would decriminalizing U.S. Gambling Pump-Prime the Economy and Could U.S. Gambling Facilities Be Transformed into Educational and High Tech Facilities?* Stanford Journal of Law, Business, and Finance, Spring 2003. Volume 8, Nov. 2.

Our religious teachings, our experience and our research tell us that gambling tears at the fabric of our society, creates new social problems for our most at-risk communities, and does not provide the long-term economic benefits promised.

Moreover, the gambling industry erodes our very democracy.

Friends, there is bad math here. Corporate gambling lobbyists plus weak-willed politicians add up to scandal, corruption and cynicism. The torrent of private lobbying money is an insidious and shameful influence on our elected officials. Gambling money corrodes everything it touches. It brings out the worst in people.

And, sadly, this week in Chicago we have seen yet another example of the corrupting effect that private money has on public policy.

An investigation released this week by the Better Government Association and *Residents' Journal* – a newspaper by and for Chicago public housing residents – found that 63 construction firms that are contractors to the Chicago Housing Authority donated \$250,000 to the small 17th Ward Democrats, helping make that one of the city's wealthiest ward organizations

While contributions by construction firms is common in our city, these were no ordinary pay-offs. As the *Chicago Sun-Times* wryly noted, “There is no public housing in the South Side ward. But it does have a key resident: Chicago public housing chief Terry Peterson.”

Thanks to what are in reality tiny contributions – as small as a couple thousand dollars each – these firms are cashing in on the city’s \$1.6 billion plan to change the face of public housing in Chicago. Indeed, these contractors enjoy tens of millions of dollars of redevelopment contracts through the city. And the political machine is unable to resist.

Like the siren call of lucrative public housing redevelopment contracts, gambling money leads to political corruption and public cynicism -- only on a much vaster scale, with much vaster consequences.

For years, JCUA has publicly argued that casinos are an unstable, problematic source of money, and that casinos disproportionately harm low-income people. As we said last May when Mayor Daley announced his latest campaign to put a large-scale gambling facility in our downtown, “This casino plan is not needed for the state or city finances and only hurts people in the long run.”

So we were heartened when just a week ago, Mayor Daley backed down from his more than a decade-long quest.

JCUA publicly applauded the Mayor's decision, and even sent him a thank-you note for his decision to prioritize funding public schools and public transportation using more stable, more rational, sources of revenue.

Just as we must criticize our elected officials when they make decisions that lead to unwise and unjust policies, we must also remember to commend them when they do the right thing.

And, in the same way, the Task Force to Oppose Casino Gambling in Chicago recently thanked Governor Blagojevich for his continued opposition to a casino in Chicago, and commended him on filling the Gaming Commission position with three qualified appointees.

But that did not stop the Task Force from sharply criticizing the Governor's call for doubling the number of gambling positions at existing casinos. We said that increasing the gambling positions will only add to the state government's addiction to gambling, and will hurt the citizens of Illinois and other states that may frequent the casinos.

While the news has been positive in Chicago, we are not kidding ourselves that the fight is over. Rather, we know – we all know—that it will continue, and will grow more aggressive, more ugly, as the pro-gambling interests pour ever vaster sums of money into their nefarious lobbying efforts.

So we need to step up our efforts, not step down. Friday is the deadline to pass bills out of their first chamber. We must stop the proposals in the General Assembly that would expand gambling in Illinois. We must say NO! to SB 198 that would expand internet gambling, NO! to HB 448 authorizing a statewide raffle, NO! to HB 3472 that would expand scratch-off lotteries.

And, like Mayor Daley, we must say YES! to rational comprehensive economic development, YES! to finding stable, secure sources of revenue for vital public services, YES! to a statewide reform of our tax policies.

And we must say YES! to citizens working together to make our state a better place for all Illinois residents. YES! to cooperation across religious and political lines.

YES! to a vision of a nation that does not have to look to gambling as the source of scarce dollars to fund critical social programs.

Expanded gambling is not the solution to our budget problems. The long-term social costs associated with gambling will heavily outweigh any possible short-term gains. Instead of trying to fund our state on the backs of Illinois' most vulnerable citizens, we need to pursue economically and socially responsible policies that will improve the lives of all Illinoisans.

In closing, the Jewish Council on Urban Affairs thanks you for providing us with the opportunity to share a few words this morning. We thank you for the opportunity to work with your inspiring statewide network. We promise to work together with everyone here as part of a powerful and ever-growing growing force against the gambling industry, and the irresponsible elected officials who allow themselves to be swayed by it.

Together we will win, and we will help lead our leaders to a more just, more rational state policy. Our faith teaches us that we can do nothing less.

Thank you, and best wishes with the many important conversations you will all have today.