

Only a few weeks ago, Gov. Cuomo was raving about Moody's Investors Service after it upgraded New York's bond rating to its highest level in half a century. "With these ratings agencies," he said, "it is just pure on-the-facts, on-the-merits."

Well, the same rating agency whose credibility the governor extolled is just out with a new report. And it essentially questions the wisdom of the governor's bet on casinos as an economic driver for Upstate.

The report came the day after the state received 17 formal bids for Upstate casino licenses. In it, Moody's changed its national long-term outlook for the gaming industry from stable to negative.

The reasons: Weaker demand coupled with an oversupply of casinos has led to "a fundamental downward shift" in the gambling industry. Add to that high fixed costs, and Moody's finds that, with the exception of Las Vegas, casinos across the country are facing a "cannibalizing effect."

We've long been dubious of the government's claim that casinos are a sure-fire jump-start for economically depressed areas such as the Catskills. Once upon a time, it might have worked. But as Moody's reports, the numbers today aren't there.

And if this weren't enough, Jersey may be looking to bring in even more competition by expanding casinos to the Meadowlands.

The reality is that gambling is essentially a tax on those who can least afford it and contributes to myriad social ills. And the success of gaming establishments at bottom largely depends on being part of a privileged monopoly: The more casinos you open, the more you dilute the profit.

Besides which, the casinos New Yorkers authorized when they voted to amend the state Constitution last November may not even wind up where Gov. Cuomo pledged they would: in "the areas that need them the most," like ailing Sullivan County.

Written by Administrator

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Moody's is telling us that even if they did, they likely wouldn't do Upstate much good. But here's a safe bet: Albany won't listen.

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