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OUR VIEW: Still a bad deal for Maine: Vote 'no' on casino

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That's as true for governments as it is for individuals, and it's the position Maine voters have taken three out of the four times they've been asked since 2003 to expand legal gambling.

In November, they will be asked again, this time to authorize slot machines and table games in a yet-to-be-built facility in Oxford County. Proponents say this is a new plan that deserves a different result from other votes, including a 2009 referendum on a similar Oxford County proposal.

But there is little that is really new here. What has been proposed is a good deal for the gambling industry and a bad deal for Maine. We endorse a "no" vote on Question 1.

The essential argument for the Oxford County casino is that it would bring economic development to a blighted area and ease the state's budget problems. To back this up, supporters have commissioned an economic impact study by University of Maine economist Todd Gabe, who projects that the proposed facility would "generate" \$127 million in gaming revenue, "create" 2,786 new jobs and deliver \$60 million in tax and other revenue to the state.

NEW MONEY

Written by Administrator
Saturday, 09 October 2010 23:56 -

While those numbers sound impressive, the report makes a startling disclaimer: Gabe writes that his analysis, “does not say whether the revenue generated by the proposed facility is ‘new money’ to the state and region, or whether it is money that would have been spent elsewhere on other goods and services.”

This statement exposes the key flaw to the whole economic development argument, and raises serious questions about all the projections.

The difference between “new” money and “old” money is the difference between cashing a pay check and cashing your own personal check. One puts you ahead, and the other puts you in the hole.

Since there is a limit to how much money people have to spend on entertainment, what’s spent in a casino by Maine residents and visitors who would have come here anyway is money that won’t be spent elsewhere. Jobs created by this category of spending in Oxford County would be jobs lost in Washington, Lincoln or York counties. Money spent by local residents inside a casino is money that they can’t spend in area restaurants and stores.

The only new money that would be produced by a casino would be from people who would come to Maine just because it had a casino, and those are the kind of tourists who are least likely to spend at other Maine attractions.

STOPPING THE LEAK

Backers say that a casino here would also keep gambling money from leaving Maine, but that deserves a closer look. In a much-seen television ad, the casino’s supporters suggest that a second gambling facility here could recapture the \$140 million they claim was spent by Maine residents over five years in Connecticut casinos.

The backers, however, don’t say how a Western Maine facility would do that.

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Maine already has an option for gamblers who want to stay in state, Hollywood Slots in Bangor. Foxwoods Resort Casino is one of the largest casinos in the world, and has shows and attractions that the Oxford proposal could not match. The leak might be slowed, but not much.

Like all previous gambling proposals, this one is pitched with promises to revive a suffering local economy, but the backers can't provide convincing proof of how that would happen.

Bangor was not an economically depressed community when Hollywood Slots opened, and it is not today. But it also has been no better off at weathering this economic downturn than other urban areas in Maine, and is worse off than some. Unemployment is still high and retail sales are down, just as they are in places without legalized gambling.

Other areas of the country have turned to gambling to revitalize economically depressed regions. The lesson they have learned is that while the casinos may make money, no other businesses do. And states find that they are so quickly addicted to the tax collections they receive from these operations that they can't step in and regulate an industry that is sucking local economies dry.

Every gambling operation has one guaranteed winner — the house. But Maine voters have shown three times that they know that the only other way to win is to stay out of the game.

They should show their good judgment once more, and vote “no” on Question 1.

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