

## Legislative Assembly of Alberta

Title: **Tuesday, April 4, 1995**

8:00 p.m.

Date: 95/04/04

head: **Committee of Supply**

[Mr. Tannas in the Chair]

THE CHAIRMAN: I'd like to call the committee to order. The committee is invited to take their seats, and we'll again observe the usual custom of one person standing and talking at one time.

head: **Lottery Fund Estimates 1995-96**

THE CHAIRMAN: We call on the hon. minister responsible for lotteries to begin this evening's deliberations.

DR. WEST: They're not very enthusiastic, Mr. Chairman. Well, what better night to talk about lotteries than a snowy night in springtime? I trust the debate will be as crisp as the weather.

Tonight, Mr. Chairman, we are reviewing the 1995-96 lottery fund estimates. As outlined on page 7, you will note that the total payments to be voted on are \$125,075,000 worth of direct expenditures under the lottery fund.

Mr. Chairman, the Lottery Review Committee was established not long ago to seek public input on the distribution of lottery proceeds, accountability of lottery dollars, and the duplication of lottery funding decisions. The recommendations from this committee will be considered when determining the future of lottery fund disbursements.

The \$125 million plus of lottery fund revenue allocated in '95-96 will be provided to community-based organizations. This is a \$12 million, or about 8.8 percent, reduction from '93-94 expenditures of \$137 million and comparable to the \$126 million budgeted in '94-95.

The '95-96 expenditures are directed to eight separate program areas. As was done last year, lottery fund grant programs are part of the regular budget process and subject to full review by the Legislature. Commitments made to lottery funded foundations and community organizations are made under a three-year lottery licence, which is effective from April 1, '94 to March 31, 1997.

In program 1 the agricultural initiatives expenditures are set at \$22,530,000, and this allocation remains unchanged from the '94-95 comparable estimates. These are the dollars that many of you will realize go to your agricultural societies and, of course, to two major fair organizations, Edmonton Northlands and the Calgary Stampede each receiving \$5 million a year.

Program 2, the cultural initiatives, shows an increase of \$12 million over '94-95. This increase reflects a previous commitment made by the province to provide . . .

### Point of Order Decorum

MR. GERMAIN: Excuse me, Mr. Chairman. I'm unable to hear the minister giving the estimates, and we're interested in those on this side of the House.

THE CHAIRMAN: The hon. Member for Fort McMurray raises a very good point. The Chair was having some difficulty, in spite of the normally tremendous volume of the minister's voice, hearing over the variety of conversations. However, thanks to your intercession they have ceased and hopefully will remain that way.

## Debate Continued

DR. WEST: As I was saying, the cultural initiatives grants show a \$12 million increase over last year's, and this reflects the commitment made by the province to the Edmonton concert hall. This \$12 million of lottery funding is contingent upon a number of conditions on the concert hall, including confirmation that the project and the operation are financially viable and will not require further provincial support. As well, a letter by the previous minister did indicate that funds would not flow outside the initial commitments unless the budget was balanced provincially. Therefore, there is a contingent clause against that \$12 million to ensure that it is not forwarded until such time as the province has its fiscal program in shape.

Funding for the Alberta Foundation for the Arts, the Alberta Historical Resources Foundation, and the Alberta Multiculturalism Commission remain at the '94-95 levels.

Program 3. The program spending is maintained for the Alberta Sport, Recreation, Parks and Wildlife Foundation, and no additional funding of recreational initiatives has been allocated to these areas.

Program 4. The tourism initiative funding will be discontinued in the '95-96 fiscal year. Funding commitments under the Team Tourism and community tourism action plan programs are now complete, and the municipal anniversary grant program has been discontinued.

Program 5. Community facility enhancement program expenditures, otherwise known as CFEP 2, are estimated at \$35 million for '95-96. The deadline for applications under this program is December 31, 1995. I repeat, December 31, 1995, for all of you who are wondering when that ends. The '95-96 estimate represents the balance of funds available from the total program funding over three years. If you can recall, roughly \$75 million was up in that commitment over the three-year CFEP 2 program.

Program 6. The education initiative represents one-time payments in '93-94 and '94-95. With equitable funding for education there is no need for a further allocation this year. Remember, there were funds removed from lotteries to meet the equity formula in the province during a discussion on the pooling of taxation through the province and the delivery of those dollars to various school boards.

Program 7. Health and wellness initiatives show a slight increase over '94-95 comparable estimates. This year \$1,065,000 will be allocated to provide services for problem gamblers, an increase of \$245,000 over last year. This is part of the Alberta government's \$3 million four-year funding commitment to AADAC, which is the lead agency in the referral information for problem gamblers.

I might just say that I've mentioned about five areas: Education, AADAC, Community Development. Some of the ministers are here tonight. As we go forward, they of course get the dollars from this \$125 million. It is transferred over then to programs within their departments, and of course they will have a hands-on information base from them.

One of the issues I would like to note, Mr. Chairman, that is before the Lottery Review Committee is what measures beyond the current program should be delivered through AADAC, and again we're awaiting the response made by Albertans to that committee.

To also provide quality and cost-effective health services to Albertans, lottery funding for advanced medical equipment is being maintained at the '94-95 level of \$7,266,000. You will recall that over the years lotteries have been instrumental in delivering us everything from MRIs to CAT scans and other

medical equipment that has been so important for the advance of some of the high-tech deliverance of health care.

Funding for the Wild Rose Foundation, which again is through the Department of Health, remains at \$6.6 million.

In program 8, science and environment initiatives maintain an expenditure of \$950,000. In 1994-95 one-time funding of \$147,000 was provided for the development of science kits for use in elementary schools. That was in last year; now a general fund of \$950,000 was directed to Education.

Mr. Chairman, the amount of revenue coming into the lottery fund continues to increase. I think that is one that always intrigues Albertans and even members of this House. The total lottery fund revenue for '95-96 is estimated at \$510 million: \$508 million from ticket and video lottery operations plus \$2 million from lottery fund interest and grant recoveries. This represents a \$7 million increase over the \$503 million, the '94-95 comparable forecast.

#### 8:10

Mr. Chairman, in '95-96 \$385 million will be transferred from the lottery fund to the general revenue fund. On a monthly basis the balance of the lottery fund in excess of \$35 million will be transferred to the general revenue fund. The \$35 million retained is to ensure sufficient cash flow to meet the lottery fund requirements, those that I just talked about.

I have copies of the 1994-95 lottery fund commitments, a whole list of the various initiatives I was just talking about, and the '95-96 lottery fund commitments, the total of both of these, and before I go any further, I would like the members to have those before the debate starts tonight. It will give you those comparative lists of the initiatives and the amounts of dollars that went for everything from the environmental research trust fund right through to what was transferred to the general revenue fund. By the look of the numbers here tonight, I'll have adequate numbers to deliver out, because I thought they'd all be here tonight for this.

As I was saying, there is going to be a \$35 million minimum amount kept in the lottery fund, and that's to meet the day-to-day requirements and commitments that go in those three-year contracts and other commitments that have been projected. The rest will be transferred to the general revenue fund.

The dollars transferred from the lottery fund to general revenue were \$225 million in '91-92. This is a comparison. Those were surpluses that had accumulated, and of course, they were transferred over. In 1992-93 there was \$25 million, \$113 million in 1993-94, and in '94-95, when the pickup from the VLTs and the rest started to really raise momentum, \$492 million was transferred over.

Mr. Chairman, to recap: of the \$510 million of projected revenues, we are asking for approval tonight for expenditures of \$125,075,000. The balance, \$385 million, will be transferred to the general revenue fund.

Mr. Chairman, one of the challenges given in the last several months is to ensure full accountability of lottery revenues and to create a process where distribution of lottery funds to communities is based on community priorities. The review committee was put out to do that, and the VLTs were capped at 6,000 pending the public input and the recommendations from the Lottery Review Committee.

This indeed may reflect the leveling off of lottery revenue in the future. If you'll recall, an initial 8,500 machines were destined to be delivered. The cap at 6,000 gives us sober second thought because of the remarkable response to the first 6,000 machines. I think it even blew the targets out from under the lotteries board

and the people marketing it. They were to maximize the return, and they had estimated about \$400 per machine per week. In the initial running it was over \$1,700 to \$2,000. They were almost five times out on their estimates. Therefore, the revenue from 6,000 machines has certainly been maximized at this time.

Effective in '95-96 the Alberta Lotteries operation will be funded from the general revenue fund. This is the operation. Now, we're not talking about the \$125 million to those targeted programs. Those are the operations that used to be taken off the moneys before they were sent over to the general revenue. Now they will get a grant, and as a result, Alberta Lotteries will be fully accountable to the Legislature as any other budget, and the revenue to the lottery fund will no longer be reduced by these operational costs.

The lotteries review now under way will result in recommendations designed to improve accountability and set a clear new direction for lotteries in the future. Our deliberations today will bridge that gap into the future direction, and I certainly hope you recognize that there has been a change in that direction.

On March 20 - I want to digress a little bit here - I announced that the Alberta Liquor Control Board, Alberta Lotteries, the Alberta Gaming Commission, and the Alberta gaming control branch would be integrated into a single administrative organizational structure. Many of them have long histories. If you take the ALCB, it's 70 years. When you look at the dimension of the others, the gaming control branch and Alberta Lotteries and the Gaming Commission, you can see that this has been a major change for these organizations. They have been very successful on their own. They have done a tremendous job for Albertans, but we can see that there's going to be a tremendous savings and a cutting back of duplications by integrating them into one entity.

Before the implementation this structure will be totally reviewed by the Auditor General and Alberta Treasury to ensure that its operation is consistent with their direction of accounting in this province. The Auditor General will look at it to ensure that the delivery of some - and these organizations represent over \$900 million worth of revenue to this province, given by Albertans. They will ensure that it is accountable and transparent. Of course, when you study those three bodies, you know that at the present time they have three chairs and chief executive officers under those. Those are three boards with 21 members and all the administration for each, right from communications to admin support, corporate services. When we pull those all together - and their inspecting divisions, their audit divisions, their licensing divisions - there will be a tremendous amount of streamlining and savings of operational dollars. We will also be looking at areas to outsource some of the functions as we go forward with that, and those will come later, at a date when the final restructuring is done, by the end of June this year. Timing for the development of the new board and its chief executive officers and its restructuring is June 30.

At the same time, the charitable gaming industry will also be reviewed based on recommendations of the Lottery Review Committee, and that's many of the charitable gaming issues such as bingos, raffles, pull tickets, and the not-for-profit casinos. There have been many areas in those where the previous minister was working with the gaming board and had developed some new initiatives, and those will be carried forward in the future to try to maximize the return to the nonprofit groups.

Now, I think I've rounded it pretty well. I just wanted to point out that the gross expenditures of the Alberta Lotteries and the Gaming Commission's operating budgets have been decreased

from \$50,205,000 in '94-95 to \$37,055,000 in this year. This represents a 26 percent reduction in the first slot of cutbacks, but that does not include the streamlining of those three departments. We expect to maximize that close to 50 percent before we're done.

Funding for the Alberta Lotteries operations will decrease from \$36 million in '94-95 – this is directly Alberta Lotteries, not with the Gaming budget – to \$24 million in '95-96. Again, part of that is maintaining the VLT network at 6,000, some capital savings. It was also done through curtailing certain marketing activities, some of the streamlining of public communications for a \$1.4 million savings, and the planned streamlining of administration netted over \$2.2 million at the same time. Salaries, wages, and benefits for Alberta Lotteries have been reduced \$910,738. That's nearly a 10 percent cut. They were asked to take a comparable or more than the 5 percent rollback that was given to all other areas, and they did. FTEs have been reduced by \$22,000, or 9 percent; that's the full-time equivalents. They have dropped from \$242,000 to \$220,000, and of course, with the amalgamation with the other areas, there'll be a significant further downsizing.

Mr. Chairman, that concludes my remarks. I will now ask that people give me any questions they want on the operating expenditures of Alberta Lotteries.

8:20

THE CHAIRMAN: The hon. Member for Edmonton-Rutherford.

MR. WICKMAN: Thank you, Mr. Chairman. I want to lead off my comments by first of all thanking the minister for his openness and frankness when it comes to dealing with various issues and the co-operation I've always received from the staff within his office. They've always responded very quickly to any concerns that I've brought forward on behalf of constituents.

At the same time, Mr. Chairman, I want to acknowledge the presence of the former minister responsible for lotteries. Despite the friendly exchanges we had in the House here on distribution of the lottery fund, when he once challenged me to find one group in my riding that did not receive the funding they had requested, I can say that I could not find that one group. So the minister was particularly good with applications coming from Edmonton-Whitemud at that particular time. Thank you.

Mr. Chairman, the first thing I'd like to do is just kind of, I guess, establish some ground rules, not so much for you because of your wisdom in chairing estimates but in case you vacate the Chair during the night and somebody without the same experience comes along. When we talk in terms of lottery estimates, like we would of any other budget, I would just assume that we're not contained to what's in this actual document. We also look at the five-year plan, as the Member for Calgary-Buffalo pointed out on a previous occasion, and the minister himself drifted away considerably from the actual estimates that are in this particular document. So I would assume that the same procedures would follow for members from this particular caucus that are speaking to the estimates tonight.

The first matter I want to raise. Yesterday in question period I raised the matter about the number of machines that were budgeted for in the '95-96 budget, which of course is 6,000 machines, and the revenue is projected on the basis that 6,000 machines will remain in place during the '95-96 year. In all other portions of the budget, Mr. Chairman, I find most of the revenues projected on the conservative side; in other words, any estimation is done below what one would expect. Except in this particular case there is no allowance in the budget for the possibility of the Lottery Review Committee coming forward and saying, "We're

going to recommend that the number of machines be reduced to 5,000, 3,000, zero, whatever." In other words, there's an assumption made. The question I was asking yesterday is: has there been an actual decision made, even before the committee has finalized its review, that there is going to be a cap of 6,000 machines? The minister seemed at the time, responding to the question, that he wasn't sure exactly what I was getting at.

Now, Mr. Chairman, I look at the actual estimates themselves, and I just want to highlight a couple of the expenditures. When we look at the \$5 million for Edmonton Northlands and the \$5 million for the Calgary Exhibition and Stampede, a lot of members in this House and a lot of members of the public don't understand the background of that particular grant. There is a tendency to condemn the two exhibitions because of the \$5 million that they each get each year, saying, "Why don't other groups have a higher priority?" Any of us that were involved in politics back in those days or may have followed the horse racing industry to any degree would realize that a deal was struck, and part of the deal was that both exhibition boards would drop their derby day lotteries in exchange for this set amount to be received from Lotteries to avoid that duplication. At that time, it wasn't \$5 million. It was a lesser amount, and it went up. If they would have done their own lottery year after year, it would have gone up, and it seems to now be capped at this \$5 million apiece. So I have no problems with that particular expenditure.

I look at the Edmonton concert hall, \$12 million from the lottery fund. I think that's excellent for the city of Edmonton. That particular concert hall is going to add a great deal, and it's going to show some real cultural benefits. That translates into economic well-being for the city of Edmonton as well as in terms of new industries that want their employees to have the opportunity to be exposed to the so-called finer things or other things in life.

The community facility enhancement program: that's been an interesting one over the years, and we're now starting to wind down. I don't expect it's going to be continued. We have a proposal on it that I'm going to speak to in a few minutes.

The Wild Rose Foundation: that's one of my favourite groups that receives money from the lottery fund. It's one of my favourite groups because it is a group that provides funding to organizations that fall through the cracks, organizations that don't access funds here or access funds there. The current chairman of the Wild Rose Foundation is Krishan Joshee. I want to commend him for the work that he has done with the Wild Rose Foundation, recognizing the benefit it is to the community. If the minister were to find himself in a situation where he couldn't recommend the continuation or distribution of dollars for a community enhancement in whatever form, then I would recommend that he look at beefing up that Wild Rose Foundation somewhat to allow them to distribute money to community groups. I really feel that there has to be a better mechanism for the distribution of dollars, rather than the politicians doing it directly.

The committee to review the lottery funding headed by the Member for Lacombe-Stettler was a disappointment in that we had requested in writing, specifically from the Premier, the opportunity to participate on that committee. One member was all we requested. We acknowledged at that time that there was aldermanic representation on there. There was representation from citizens at large. But the Premier in his wisdom, for whatever reason, chose to decline us. Mr. Chairman, I don't understand that, because as Members of the Legislative Assembly we could have made I believe a valuable contribution to the ongoing process of that particular committee.

As a result, we were forced to develop a mechanism of our own with research funds that we have available. With those research funds we developed a proposal which we sent out to hundreds of people throughout the province, municipalities and such, to get their feedback as to how they felt about lottery revenues. Somewhere along the line we will be filing some type of report of our findings. I want to spell out very, very clearly that we have a proposal that calls for grandfathering – and it's a proposal, of course, subject to participation by Albertans – of the existing contracts or arrangements that are made with the various foundations that are there in place and that have become very dependent on those dollars to spread to other organizations in the community. Then we proposed, instead of programs like the community facility enhancement program, that we would distribute on a per capita basis to regions throughout the province through the municipalities a per capita dollar. Those regions of municipalities would then distribute those dollars within their community. I maintain, Mr. Chairman, that nobody is closer to the people in terms of elected representatives than those at the municipal level. So they're in a position where they are best to determine the highest priorities for their own community. Thirdly, we would use any other funds that are available from lottery revenues – and I'm saying lottery revenues like the 6/49 and such – to pay down the tax-supported debt. So that's the three-pronged approach that we would propose for distribution of lottery revenues.

Now, there are two other aspects of the proposal that we've drafted. One is: absolutely under no condition allow profit-making casinos in the province of Alberta, money-making casinos run by profit-making operations. That is no, no, no. Mr. Chairman, it is one thing to jet off to Las Vegas for three days, spend a few dollars down there maybe gambling a bit, take in some floor shows, have a good time. One goes to Vegas or to Reno or to Atlantic City, wherever, to do that and then comes back three or four days later because one chooses not to live in that type of environment but rather to visit that environment. It's an environment that I would not want in my backyard. Nevada has chosen it. It was there even before the people were there. Nevada started off as a gambling hall, and from there it continued to grow.

### 8:30

The fourth portion is the elimination of the VLT machines in an orderly fashion. The consequences, Mr. Chairman, of what's happening as a result of those machines – and it's not only in Alberta. It's in different parts of Canada; it's in different parts of the United States. Numerous reports that I know the minister has already seen, done by consulting groups like Wynne consulting, for example, which the government commissioned to do one report – AADAC has commissioned reports. All the reports say the same thing: the VLTs are the crack cocaine of gambling and they lead to a great deal of trouble.

Mr. Chairman, I think that when the committee comes down with its findings, there are going to be two very, very clear messages. One message that is out there is eliminate the VLTs. The 6/49, the scratch and win, the other forms of gambling that occur aren't seen as serious because they don't have the same addiction. Even when we look at the dollars that are made available for services for problem gamblers, which this year will be \$1,065,000, in terms of the problems being created out there, I don't think that comes anywhere close to providing the help that is going to be requested.

The minister's office has to hear some of the same stories. Even at the Lottery Review Committee meetings, when I was at the one at the AgriCom, a fellow came up to me when we were

still outside and said, "Am I going to have an opportunity to tell the committee what the VLTs are doing when they take away money and then turn around and give that money to various groups?" He showed me a stack of bank drafts and such from his cash machine, whatever you call it: \$30,000 he had spent in recent months. He was torn apart; he was at wit's end. That's just one story. There are dozens and dozens and dozens of stories.

DR. WEST: You could do that farming in half an hour.

MR. WICKMAN: Mr. Chairman, in fairness, it's one thing to make fun of this, but if you're the spouse . . .

DR. WEST: I'm not making fun of it. [interjections]

### Chairman's Ruling Decorum

THE CHAIRMAN: Order. [interjections] Order. It's committee stage, hon. minister. As soon as the hon. Member for Edmonton-Rutherford is finished, you can refute or answer or complement every item he brings up immediately after, because we do go back and forth. But while he's speaking, if we could contain our enthusiasm.

DR. WEST: Yes, Mr. Chairman.

THE CHAIRMAN: A point of order?

DR. WEST: Unfortunately, I . . .

THE CHAIRMAN: A point of order, hon. minister?

DR. WEST: Yeah; on this . . .

MR. HENRY: Citation?

THE CHAIRMAN: The Chair is quite capable of calling for citations when needed. The Chair has intervened on . . .

DR. WEST: When you name me, do I not get a chance to . . .

AN HON. MEMBER: No. You've just got to sit there and behave.

DR. WEST: I've got to sit here and take it?

THE CHAIRMAN: The hon. minister is attempting to have an interchange with the Chairman but instead has chosen to listen to the interventions of other members. If you have a point of order, the Chair is quite prepared to hear your point of order and rule on it. Unfortunately, I could not hear what your comment was because of the interjections of others, which was why I got into this interchange in the first place.

### Point of Order Relevance

DR. WEST: Relevance, I guess, is the point of order, 459.

THE CHAIRMAN: That's right.

DR. WEST: As I was listening here and they're bringing out their policy, I suppose I just want a clarification. In committee is it open-ended in that you can go off the topic and go straight into

some other political debate here on the floor, or do you have to concentrate on the reality of the facts that are before us here tonight?

**THE CHAIRMAN:** The Chair has ruled in the past that if you are dealing with the expenditures of a department, the parliamentary tradition has been to give that department and bring it to account, and it may not be specifically on an item that's listed in the estimates because the estimates are limited to rather large numbers. For instance, if we got into community facility enhancement, \$35 million. Well, as the hon. member knows, there are probably thousands of grants or thousands of parts to that. So a certain amount of leeway has been given to departmental estimates, a wide range.

Now, in the one that we have at hand, we have a two-sided debate. One is the expenditures, which, correctly, the minister is asking members to stick with, but there's also the other side because of peculiarities of this particular set of estimates; that is, how it's raised is also a factor in it. While at the same time it is not part of the expenditures, it's very much part and parcel of how those moneys got there so that you could have the expenditures. So for the moment the Chair will allow a certain amount of leeway. However, the point is taken, to all hon. members, that if we can try and balance it out by as much or more on the estimates as we do on how they're raised, that would be appreciated. If that's the nature of the objection, then hopefully with that understanding we can continue.

Edmonton-Rutherford.

#### Debate Continued

**MR. WICKMAN:** Thank you, Mr. Chairman. Your wisdom is once again illustrated very clearly. I do acknowledge that I do tend to drift on occasion, but I am speaking very specifically here.

Mr. Chairman, to the minister . . . [interjection] We've got a bad boy over here, Mr. Chairman.

The services for problem gamblers that I was referring to, about the addiction of the so-called crack cocaine of gambling, the VLTs, that's in the estimates, Mr. Minister: \$1,065,000. That's the point that I'm addressing, so I'm not drifting in any fashion here whatsoever at this particular time.

Now, the story that I talk about, about this one individual, can be repeated. There are, I would say, thousands of Albertans that are now addicted. Stop and think about the spouses, about the children, the impact not just to that individual but to that family unit. I can recall that in the early part of the '70s when nonprofit casinos were first allowed, there were very limited controls on them. We were one of the organizers of three of the first ones, and back then they made the mistake of allowing cheques to be cashed right on the spot. Once these three casinos wrapped up, part of my responsibility was to go out there and collect any cheques that had bounced. There was one individual who on three weekends had bounced \$2,400 worth of cheques. It was after that they set the rules that cheques would not be accepted, that they could not be cashed at casinos. I recall phoning that individual. In the background I could hear these children crying, and I was picturing children running around with no food because their father was out gambling their money. After repeated phone calls, the mother phoned me. She says: I guess I've got to bail my son out again. That was on a very small scale. That was the nonprofit casino, which at that time was not regulated to the extent that it should have been. That same situation wouldn't

occur to the same degree today in those types of casinos. When you look at the VLTs, you compound that problem considerably.

In this House the other day – and some members weren't there. I know the Member for Olds-Didsbury – I believe it's Olds-Didsbury – in particular takes an interest in this particular topic of VLTs, because he's spoken on the matter in the House. In the central part of the province a judge made a statement in reference to a part owner of one of these establishments that had VLTs who himself had started to use money that belonged to his partners to feed his addiction to the machines in his own establishment. The judge was sympathetic in recognizing that it was an addiction, and there was a minimal fine. Nevertheless, the judge agreed that the machines are destructive. He went on to say: "They're one of the worst things to ever hit this province. They take funds from people who can ill afford it. To me, it's not even gambling; it's a money-raising scheme." However, the judge said that he didn't think the machines would be eliminated, because they make too much money. I think he's right in terms of this particular government, that's looking at the revenue side of the picture and not the impact in terms of social consequences. Where the judge is wrong is he fails to recognize that if there was a Liberal government, those machines would be eliminated right away.

8:40

Mr. Chairman, if some of you have the opportunity to read the Bonnyville study – and the Member for Bonnyville will speak on that at length later – it clearly demonstrates that approximately 69 percent of the gambling done in that area is done by about 9 percent of those people who gamble. So it shows that for a percentage of people, it's out of control. It's totally out of control, and they're not getting sufficient help, but they're being tempted with these VLTs that have just escalated.

The last point I'm going to make, Mr. Chairman, as I run out of time here, is about the drain on the community in terms of other charities having to compete for these dollars. I have talked to groups at West Edmonton Mall that are hustling raffle tickets. We've talked to other organizations in the community that hold their lotteries. We hear stories about revenues being cut in half as a result of the competition. We hear stories about groups being down a hundred thousand dollars in their fund-raising efforts. Whether it's Edmonton or Calgary or Red Deer, it's a similar picture throughout the province. The minister and the government have to recognize that as they drain these dollars from the community, they're draining them from nonprofit organizations. The Premier and members of the cabinet are saying: we ask you to do more because government has to do less. So they're being asked to do more, yet they've got to compete against the people that are telling them to do more for the very dollars that they have to raise to do more.

Mr. Chairman, because of the amount of interest in these particular estimates, which will carry on for tonight and tomorrow night – tomorrow night, quarterbacked by the Member for St. Albert, incidentally, for your information, Mr. Minister – I'm going to conclude because others on this side of the House are anxious to speak. I would assume there are some on the other side of the House that may not share the government's policy on this matter at this time and may get up and voice that objection to government policy.

On that note, I'll conclude.

**THE CHAIRMAN:** The hon. Member for Calgary-Buffalo.

MR. DICKSON: Thanks very much, Mr. Chairman. I'll start off by telling you that I was in the House and listening to your earlier clarification in terms of the latitude members have when we're exploring the budget and dealing specifically with the estimates in the area of lotteries, and I appreciate that advice. I note that the minister was present, and maybe he'll be able to curb his incendiary heckling long enough to heed your admonition.

Mr. Chairman, what I wanted to start with was to talk briefly about the three-year plan that the government has introduced in terms of dealing with lottery funds. I'm looking at page 10 in the government's plan booklet, which was introduced in the House as a companion piece to the detailed estimates. Goal 1 is something I think Albertans feel strongly about, and that speaks to a greater measure of accountability in terms of lottery revenue.

This is a point where I want to say that my constituents tell me that they are heartened that this government is finally moving to ensure that we have an adequate level or a much better level of accountability in terms of lottery and gambling dollars. So to the extent that the government deserves some credit, I think they can take some credit. It's taken a long time to get to this point, but I think the government has heard what I'd suggest is an overwhelming consensus from Albertans that they want to see a measure of accountability in terms of lottery dollars that hasn't existed prior to this point.

[Mr. Herard in the Chair]

When I look through the goals in terms of lottery funding and I move on from the first one, the second goal isn't of the same kind of interest; it speaks to a smaller constituency. But the third goal is an interesting one to me, Mr. Chairman, because it talks about creating in this province a healthier gaming industry. When I read the business plan and I read that objective, it strikes me that in some respects this is representative of what we see this government doing in other areas of endeavour. It's manifest here when we're talking about the lottery estimates. Have we not seen in other departments and other aspects of what this government does that there's a fascinating preoccupation with the private sector and the financial health of the private sector and there's scant attention paid to what this is doing to our communities?

I think I would have been much encouraged when I read the business plan for this area of lotteries if I had seen somewhere in there a commitment and a concern in terms of what's happening to Alberta communities. To me, that's the issue that Albertans are focused on in a way that they are rarely focused on any given issue. I don't have to wait and I don't think the minister has to wait until he gets a report from the Member for Lacombe-Stettler. I think Albertans are speaking on a couple of issues with a very clear voice and a very unambiguous voice.

What they're telling all elected people I suggest, Mr. Chairman, is that they want this government to say no to Las Vegas-style, Nevada-style casinos. Whether it's in downtown Calgary or on the southwest edge or the west edge of Calgary or in Kananaskis Country or in some other part of this province, I think what Albertans feel very strongly is that that isn't part of the Alberta they want to raise their families in. I'm going to be astonished if we see a different representation from the Member for Lacombe-Stettler when she finally tenders her report. That's certainly a submission that I hear from a lot of my constituents.

The other concern has to do with video slot machines. I want to tell the minister that what I hear from people in Calgary in particular is that they take little comfort from the ceiling of 6,000

machines that the government has insisted is going to be the point they're not going to exceed at least in the near term. What I hear from my constituents and other Calgarians is that they are concerned about the negative impact on their communities and on Calgarians and Albertans. What many Calgarians would like to see would be not simply a cap at 6,000 machines but to reduce the number, and if there are to be VLTs in this province, they would only be available in casino sites and not in every lounge and restaurant in the province. Now, Mr. Chairman, I'm reasonably confident we're going to see that reflected when we get the report from the Member for Lacombe-Stettler. If it's not reflected in there, then I'm going to have some difficulty with what weight I assign to the other recommendations when I see them in the report.

Just turning for a moment to program 2 in dealing with lottery funds, Mr. Chairman. On January 16 of 1995 I had been reviewing the hearings that the government task force was going to be holding around the province, and I was concerned when I saw that there was only a single three-hour session in the city of Calgary, because I'd certainly heard a lot from constituents. So I had written the chairman of the government's task force on January 16 urging her to consider at least three additional days for the city of Calgary because there were a very large number of groups and individuals that wanted to be heard on it.

8:50

When I received no response from that member and continued to wait and wait, finally what I did with my two opposition colleagues from Calgary was have a session on February 15 at the Fort Calgary Interpretive Centre. From noon until 9 p.m. we heard submissions from some 19 different groups, and I want to say, Mr. Chairman, that most of these groups had been unable to get an appointment with the government panel. [interjection] I didn't say all of them. I didn't say all of them. There's some remonstrance from the Member for Calgary-Bow, and I just emphasize what I said before: a number of the groups that came to make submissions to us indicated they had been unable to book a time with the government panel. I'm happy to play for any member that wishes to hear it the audiotape that we made of the submissions that came to us on that particular day.

Just so the record's clear, the Member for Lacombe-Stettler subsequently indicated in the House that she'd written me a letter, and in fact the letter was tabled in the Legislature. My point then – and I just reiterate it – was: I had not received that letter from the Member for Lacombe-Stettler until the time that that member rose in the Legislature and referenced it and tabled it.

The point is, in any event, that there were groups that weren't able to be heard, so we will be filing a report which basically reflects what we heard from those 19 groups that met with us at Fort Calgary, Mr. Chairman. I think it's safe to say that there was a disagreement on some elements, but there was overwhelming agreement that those groups did not want a for-profit casino in the city of Calgary and they did not want to see proliferation of video lottery terminals.

I think, Mr. Chairman, that . . .

THE ACTING CHAIRMAN: The hon. Member for Calgary-Currie is rising on a point of order.

#### Point of Order Relevance

MRS. BURGNER: Yes, Mr. Chairman. *Beauchesne* 459 on relevance. I do appreciate very much the issues that are being raised by the hon. Member for Calgary-Buffalo, but I really take

exception to access to the committee as being a critical argument in the estimates. Clearly there is the provision for written submissions for any group that couldn't get their issue in front of the committee. It gives the impression that the committee did not want to hear from Albertans, and that's profoundly not the fact. In fact, the minister in his deliberations made several references to the input from those Albertans that had taken this into consideration. We are looking at the dollars that come through lotteries, and I really think access to the committee is not a relevant point in the debate.

THE ACTING CHAIRMAN: Well, hon. member, I think that is a point that the minister can in fact rebut when he stands up in the House. I think what we have here is a disagreement, and I would ask that the hon. member continue his debate and try and keep it relevant to the estimates.

### Debate Continued

MR. DICKSON: Thanks very much, Mr. Chairman. In any event, I'll indicate that I'm sure the other Calgary members will be interested when I table this report in the next few days which reflects the submissions we heard. If they have any questions in terms of the things that aren't apparent in the report, I'd be happy, as would my colleagues from Calgary-North West and Calgary-West, to deal with their concerns.

What I wanted to do now was highlight those representations that had been made and some of the things that will not appear in the written submissions, Mr. Chairman, all of them speaking directly, for the most part, to program 2 in the estimates in terms of lottery funds. There's some reference also to program 4 and program 5. I just mention that now so that members can reference it in the text.

We had organizations that wanted to be heard in terms of application of lottery funds. The Heart and Stroke Foundation and the Planned Parenthood Society had concerns. The Alberta Society of Artists were concerned that lottery funds to a greater extent should be targeted on quality of life services and programs.

On the issue of allocation of lottery revenue we heard a number of different concerns. The Calgary Handi-bus Association was anxious that lottery dollars in this province be used in ways to encourage innovation and new endeavours and things that represented some innovation, Mr. Chairman. We heard representations from Planned Parenthood Alberta. They were anxious that there be a bigger focus on health and wellness initiatives, and I'm happy to convey that to the responsible minister.

One of the very excellent submissions that we heard on that day at Fort Calgary was a submission by Mr. Robert Lang, who is president of the Federation of Calgary Communities. One of the points he made, and I thought he made it very eloquently, was that there has to be a better method of prioritizing applications from organizations seeking gaming licences. The suggestion was, firstly, to establish a priority in terms of applications for casino and bingo licences based on criteria which measure the scope of their service to the community and the public. Secondly, the Federation of Calgary Communities urged us and urged the government to consider that top priority applicants get first consideration. If we're dealing with a finite number of licences, we have to be able to ensure that top priority applicants get first crack at it. The third submission from the Federation of Calgary Communities was that the government have an appeal process so that if someone feels aggrieved in terms of the priority they've been assigned, they'd have some means of redress.

We heard from the Calgary Regional Arts Foundation a thought that if lottery money is given directly to municipalities, it should be given to an autonomous body, the suggestion being the Calgary Regional Arts Foundation for the city of Calgary. The Calgary Handi-bus Association suggested that as an overall approach there should be a 50-50 split between community-based lottery councils and municipalities.

We heard submissions from the Heart and Stroke Foundation and the Andrew Sibbald Parent Association, who were particularly concerned with video lottery terminals. In fact, one group described them as push-button bandits. There was a concern, in fact, that the presence of VLTs in the city of Calgary is having the effect of dramatically reducing income to groups that rely on bingo revenue and casino revenue. The same point was made by the Calgary Aquabelles, who had a great deal of concern that as a result of video lottery terminals they're seeing just a dramatic decrease in the sort of revenue available to their organization.

We heard a fascinating submission from the Dr. Gordon Higgins Rundle elementary school, who expressed a concern with for-profit casinos and were anxious - in fact, adamant - that allowing for-profit casinos in Calgary would make it impossible for parent advisory councils, those kinds of voluntary groups in the community, to be able to adequately meet the kinds of needs they've got.

Now, program 7, Mr. Chairman, deals with services for problem gamblers, and we received a number of submissions with respect to this particular concern. In fact, the last submission we received was from a problem gambler, who I think was particularly eloquent in terms of talking about the enormous human toll, the human cost, the social deficit that comes from a proliferation of gaming and gambling opportunities in the province. The recommendation that he made to us to convey to the minister and to members in this Chamber was that if in fact, as AADAC reports, 5 percent of Albertans are addicted or problem gamblers, 5 percent of lottery moneys ought to be allocated for education, prevention, and treatment. When we look at what in fact the government has set aside in program 7 in terms of services for problem gamblers, what we see is that those services aren't keeping pace with the increased income from gaming, from gambling, so that's a concern as well.

### 9:00

I think that as a result of the hearing the three Liberal opposition MLAs held in the city of Calgary, we've received a substantial number of other submissions, many from people who went in front of the government panel but also wanted to ensure that this side, as an opposition caucus, had the benefit of their concerns. I'll be checking carefully the index of people that made submissions when we see the report from the Member for Lacombe-Stettler, and if there are any that aren't included in that, then I'll be happy to ensure that it's an addendum to the report we'll be filing.

So those are concerns. I appreciated, as did my colleagues from Calgary-North West and Calgary-West, the opportunity to meet with those 19 groups and individuals. It was helpful for us in terms of determining what advice we can give our caucus and what kinds of representations we can make in this Chamber. I hope the government also will be keen on listening. There are 20 MLAs from the city of Calgary, and I'm hopeful that the other 17 MLAs from that city will also take time to consider the specific submissions that were made, because the intention was to speak to every one of the elected members from that city.

Those are my submissions, Mr. Chairman. Thank you.

THE ACTING CHAIRMAN: The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you very much. It's my pleasure tonight to speak to the debate on the expenditure of \$125 million through the lottery fund estimates. I was a bit confused by one comment of the minister's, and I know he'll clear it up. I had understood that the \$125 million would be spent irrespective of the lottery revenues; the expenditure in this area would not increase above that target until the budget was balanced. It wasn't a question that we could see a cancelation of the \$125 million, once approved. So if I misunderstood the minister, perhaps he will clear that up the next time around.

I want to talk tonight about the issue of fairness, and that is not to say that I disagree with other members of this Assembly who have talked about the issue of lotteries and the impact they have on society. All of those are important issues, but tonight I want to speak to some of the \$125 million that is being spent. Before I get into that, however, I would ask the minister if he is now routinely tracking CFEP grant statistics by constituency and if he is in a position to table prior to the end of the lottery debates how many CFEP grants, both in numbers and dollars, were received in each constituency in the province of Alberta. The breakdown of the expenditure of these discretionary moneys, spent generally for the benefit of Albertans and for what we might call the extras that Albertans have come to expect in this province, is one that attracts a lot of debate, and sometimes it attracts a lot more fire than it does light. One of the best ways to dispel that and those issues are to offer some assurances that all residents of the province of Alberta, irrespective of where they live, are being treated approximately equal, give or take reasonable variances that occur from year to year and are made up in subsequent years. I would ask the minister to provide, at least in the area of CFEP grants, that breakdown which might give that information.

Now, there has been much talk about VLTs and how many we're going to have in the province of Alberta. Depending on who you talk to, the range is from the 9,600 predicted by the previous minister to the 6,000 presently frozen level, back down to zero.

DR. WEST: Eighty-five hundred.

MR. GERMAIN: The members opposite are correcting my numbers to 8,500. There is a significant variance in the numbers that we hear from time to time.

It is in fact the case that there are business individuals in the province of Alberta who have committed heavily on what they feel is the assurance from the government that they will be allowed to pursue this line of activity. They do not sit in moral judgment as to whether it's right or not, but they simply say that if this opportunity is available in this province, they would like to participate. So my question is to the minister. Given that he has budgeted for a certain amount of expenditure and he has budgeted for a certain amount of profit to be returned to the government and in his multiyear plans he projects that profit into the future, I want to receive from the minister, in connection with these debates, his preliminary view on how he will handle competing claims, competing applications for video machines if in fact we have hit the wall in number at the 6,000 that are now in existence.

It has been said that there are three groups of people addicted to the video lottery machines now. The first and obvious group is the government. The second group is those businesses that have now incorporated revenues from VLTs into their own business plans, and the third group of course is the users of the machines. The future of VLT gambling in this province is one

that is going to develop and take a lot of debate, but it will be interesting to see how the minister responds on how he will handle that simple issue of who is going to get them if we restrict the numbers.

The next points that I want to raise to the minister are more specific than those general comments. I want to ask the minister if in addition to the CFEP grants, which I know come within the control of his department, he could go through the other grants that are distributed throughout the province under the control of the minister and indicate in a general way how those grants are apportioned between the various constituencies in the province of Alberta, and in particular if he could provide some detail on the contribution of lottery funds back to the community of Fort McMurray.

At the lottery hearings in Fort McMurray, Mr. Minister, it will interest you to know that the presenters of various submissions to the government were very much alive to the issue that, for whatever reason, Fort McMurray is a healthy contributor to the government's revenues by virtue of VLT machines. It is a wide-based belief in the community that the community of Fort McMurray gambles above the average in the province of Alberta. The minister can refute that if he wishes, and I know he has the statistical data one way or the other. That being the case, the community is very alive to the issue that if they are contributing to these forms of government revenue and gambling, they want to at least be rewarded by seeing some of that money come back to the community of Fort McMurray, beyond that which comes back to all taxpayers through the general distribution of the general revenue fund. So I'm sure the minister will be able to help me provide that information.

DR. WEST: The Winter Games. Remember the Winter Games?

MR. GERMAIN: Yes, I remember the Winter Games. They were very successful, and the community came out in great number. As I recall the Winter Games – and I know it's off topic, Mr. Chairman, but the minister forces me to do this – the community, through their own fund-raising initiatives, generated a long lasting legacy of community generated funds that stayed on in the community to help all Fort McMurrayites and to show once again the resolve and dedication of Fort McMurrayites, often trying to take what humble little they got from the government and turning it into a bigger pot of excitement. That's Fort McMurray.

Now I want to focus the minister's attention specifically on the Alberta Sport, Recreation, Parks and Wildlife Foundation. That particular amount did not decrease, yet we heard much fanfare here in the Legislative Assembly last year that because of new structures that the government was going to put in, the administration of that organization would drop. I anticipate the minister's answer will be: well, they get the total grant, and if they can cut their operations down, they get more for their good work.

*9:10*

DR. WEST: That's a good answer.

MR. GERMAIN: Now that I've helped you that far, Mr. Minister, because this department is handing over \$14 million to that department, I would be grateful if the minister would follow up on his government's commitment that the cost of operation of that department would drop – the minister would undoubtedly be curious, now that I've raised the point – and report back to the Legislature on how much it has dropped and whether he should in fact take some of that droppage and move it into another one of these worthwhile programs that are here on the list.



Now, for the minister's mathematical attention, I noticed that only one program, the community facility enhancement program, has gone up another \$10 million this year. I have done a rough calculation based on 2.7 million people in the province of Alberta, and with 40,000 of them living in the new Wood Buffalo municipality, by my calculation it looks like Fort McMurray should, all things being equal, get about \$520,000 of CFEP grants this year. I'm anxiously looking forward to seeing whether – that goal has been hit in previous years, and we'll be working with the minister to monitor whether that goal is hit this year.

The last issue I would like to raise to the minister is an issue of some sensitivity that has been raised in this Legislative Assembly again, and that is the diminutive role that opposition MLAs are obliged to play in their own ridings at distributions of CFEP grants and other like government grants. The government in fact sends, often by expensive aircraft, an ambassador to Fort McMurray, for example, to hand out a grant cheque, when the MLA is there at the end of the week anyway and would be very gracious to take that grant cheque and say, "Look; I'm delivering it on behalf of the minister of transportation." It seems to me that the minister, if the role were reversed, would not feel comfortable to be in a position where . . .

MR. DECORE: Mr. Chairman, a point of order.

THE ACTING CHAIRMAN: The hon. member is not seated . . . [interjections] Excuse me. [interjections] Excuse me, hon. member. If you were in your seat, I could recognize you. I'm afraid I can't recognize you where you're at.

Thank you. [interjections] I would like to remind all hon. members that, you know, it would be nice to hear the hon. Member for Fort McMurray.

MR. GERMAIN: Good ruling.

So I want to offer this challenge to the minister, and that is this. If he feels that members opposite do not want to give out CFEP and other grants because in some fashion it's contrary to other positions they espouse, that's fine. They can decline that. In the case of Fort McMurray I'd be honoured if the minister, next time there is a CFEP grant, would phone me and extract an undertaking from me that I will deliver the grant in a nonpartisan way and express it as a grant coming courtesy of the minister and I've been asked to deliver it on his behalf. Now, the upside of that, Mr. Minister, is that the government will save the transportation costs and there will be more money available for the laudable objectives of these particular organizations.

Thank you, Mr. Minister. Mr. Chairman, that concludes my comments tonight.

THE ACTING CHAIRMAN: The hon. member from Vegreville – for Bonnyville. Sorry.

MR. VASSEUR: You just about moved me, Mr. Chairman.

Thank you, Mr. Chairman. The first thing I want to address is that I want to commend the department right off the bat for the different direction they are taking. As we notice in the business plan, we've embarked on full accountability when it comes to lottery funds. I think that's a move welcomed not only by the opposition here but is a move welcomed by Albertans. This is one of the issues that was raised in the forum that we had in Bonnyville on lotteries. They wanted to see some accountability in the delivery and the administration of the funds, and we'll see to it that it's kept up as indicated in the business plan.

The debate tonight cannot only be on the \$125 million that is indicated in the estimates here because most of that money has been committed in the past, and as indicated in the budget and in the three-year plan, nothing really will change as far as the number of dollars that the government is estimating will be spent.

Now, we know – and if I'm wrong, correct me in your answers, Mr. Minister – that you indicated that the CFEP program ends December '95. That was a \$75 million program for a three-year period. Now, considering that when we look at the long-range plan, the three-year plan, we're looking at similar expenditures of roughly \$25 million a year for '96-'97 and '97-'98. Maybe not. I see the minister shaking his head. The estimates indicate in the three-year plan that there are going to be roughly \$125 million in lottery funds. That's why I'm assuming that, but he can correct me when he has the opportunity to address our comments.

I'll say it again: we can't just limit our comments to the estimates here, the \$125 million, because the big change that we've seen this year in the lottery issue is the increment in revenue. If we take a look at the increase, we're looking at half a billion dollars, \$510 million in revenue in '95-'96. That is roughly \$400 million more than a couple of years ago. So there's no question that in your figures here where you say that we're going to return \$385 million of that to general revenue and it's going to be accounted for through public accounts – that's not the problem. The problem is: is that extra revenue being derived from the communities?

If I can just go back to the study that was done. And the study that we did in the Bonnyville area is no different than anywhere else in the province. The province has a study also, and the figures are very close. The study we had was in the phone exchange of 826, which represents about 10,000 people. In that study there is probably about \$9 million to \$10 million that is wagered, and that's very close to the provincial average. Of that, about 30 percent leaves the community. That means that \$3 million leaves the community. In a small community of 5,500 people in Bonnyville and another 5,000 in the surrounding area, it has a harsh impact. True, it may be a voluntary taxation of some type, but when you take \$3 million out of a community like that, you not only affect the charity groups that are having a lot harder problem collecting money and less revenue at the bingo halls, but it affects every small business in the community. All you have to do is talk to the business community that doesn't supply the food and shelter to the people but the softer amenities: the hardware stores, the furniture stores, the car dealership, and on and on and on. The business people in the small communities are certainly feeling the impact of that money leaving the community.

Now, the other thing that came out loud and clear is that there's got to be some kind of a format to return parts of that money to the community. I know there have been all kinds of figures addressed to you, Mr. Minister, as far as the percentage, but 25 percent keeps coming back in the discussion. Well, 25 percent of the amount of money that leaves our community is considerably more than what comes back in the CFEP grant or any other program similar to it.

9:20

Now, when we're returning money back to the community, another area that was quite contentious in the discussion at the forum in Bonnyville was the issue of fairness. When we looked at that, there were two issues here. One was returning the money on a per capita basis. Maybe it's not the be-all of fairness, but it's a lot fairer than the redistribution of those moneys through the CTAP grant, because the priorities of the community are not

necessarily addressed when the money is returned in the fashion that it has been done in the last few years, especially under CTAP. There used to be an old program called the CRC, which was a lot fairer because it was on a per capita basis and the priorities were set by the community. The other issue was that the moneys should not be left to be redistributed alone to either the provincial politicians or to the local politicians, but there should be a local authority structured provincewide at the municipal level, and they should be redistributed on a per capita basis.

I know we're subject to the recommendations that have yet to come out, and we expect them shortly. The Lottery Review Committee will be coming forward with recommendations on what they're going to do with the extra money that they're receiving. Now, the communities don't know if they're going to be benefactors of that decision, but let me remind the minister that they're waiting very patiently to see if some of that money that is spent in lotteries comes back in their direction.

In concluding, there are a few remarks that I'd like to go over here from this survey that we had. The Member for Edmonton-Rutherford mentioned that 9 percent of the people that gamble do have a problem. The proof in that from the survey is that 69 or 70 percent of the money that is wagered is done by those 9 percent. So it definitely creates some serious problems with those 9 percent of the gamblers. It's certainly not all people that gamble. We have in the survey the number of people that do gamble, and it's certainly not a majority of Albertans that have a problem with gambling or do gamble at all.

The big issue that came out in the discussion at that meeting was: how do we address the social implications and the problem that it's creating with families, literally the money that's taken away from the grocery budget and the rent budget? I know that it's a voluntary action, but some people obviously cannot control themselves. They're subject to it, and they lose everything. Now, it has definitely created some social implications, and a small amount of money that has been addressed through AADAC really will not even touch the problem. We even have advocated on this side of the House that if we really want to be cautious about this, we may even have to look at the orderly retraction of some of those installations.

In conclusion, I hope that the minister and the government really seriously take a hard look at some of those recommendations that will come through the review committee. I was privy to a few of the meetings, and the story is the same right throughout. People are concerned about the social impacts, and they're concerned about the money leaving their communities.

Thank you very much.

**THE ACTING CHAIRMAN:** The hon. Member for Calgary-West.

**MR. DALLA-LONGA:** Thank you, Mr. Chairman. I'm happy to rise and say a few words on this particular set of estimates. I, too, Mr. Chairman, believe that in going through these estimates we can't just stick to the numbers, because, you know, there's not a lot of numbers to begin with. The budgets for the expenditures, for the most part, as I look down the columns, are pretty much in line. I have a few questions on the numbers, and then, because some of my colleagues did such a thorough job before, I'd like to move on to some of the more general issues on lotteries.

This isn't really a numbers question, but if the minister could update us on the latest status of the Lottery Review Committee. I wasn't here for his preamble. Maybe he mentioned it then. If he did, I'll check *Hansard*.

The other thing is in the summary of payments under tourism initiatives. I note there might be an error there. The Calgary, Alberta 2005 world's fair: I guess we'll see within about a week or so whether some funding might be there, although I gather from their bid that they're not going to require funding inasmuch as they might require a temporary loan of sorts. But some funding will be required. That's about all the questions I had on the specific estimates.

I, too, had an opportunity to go to a couple of the lottery review commissions. As the Member for Calgary-Buffalo mentioned, we held our own panel for a day and had various groups appear just to get a flavour of what happened and give submissions. Mr. Chairman, I might add that I've had a bit of a background in the gambling industry, way back when bingo really started off. I had a client who started off with one or two bingos in small-town Saskatchewan, and by the time they were finished and had moved out of Saskatchewan, they ran one and a half times the population of Saskatchewan in terms of equivalent people going through their various bingo halls in the course of a year. The cash flow was tremendous. Of course, the government, wanting to get in on a good thing, were progressively increasing their take in the province of Saskatchewan. During the course of that, you know, they moved into Alberta, and I had an opportunity to see how the Alberta regulations worked, and then they moved into British Columbia.

Back then those private operators were starting to talk about VLTs. It was about a year later that the province ran the trials at the Calgary Stampede. I don't know if they did it in other parts of the province. It was at that point that I'm sure everyone realized that the fix was on, that these things were going to make money. And they do make money. There's no doubting that. There's no denying that. [interjection] I see the minister has some comments, and I'm interested to hear what he has to say later. The problem is that I think we underestimated the problem.

I hadn't had any experience with VLTs. The indications were that they were going to be good moneymakers. The closest thing that we had seen in previous years was slot machines. I was absolutely amazed in listening to the government's commission and the one-day thing that we had, the individuals that came up. In our case I was particularly touched by an individual that came and made the statement that VLTs are the cocaine of gambling. Now, that might sound like a fairly dramatic statement, but this statement was coming from a reformed cocaine addict and a reformed gambler. He said, "Unless you've been both, you don't know," and I don't know. I don't gamble that much. I might have a Saturday night card game, and that's about it.

**9:30**

Mr. Chairman, I think we have to really re-evaluate what we're doing in this area, because a government or a society, for that matter, that relies on gambling is a society in trouble. The revenues going into the GRF are mounting, are getting bigger and bigger. What was coming out of those commissions – and I hope this is in the report – was that people were saying generally one of two things: (a) we don't want money going to the government; and (b) if there is money going to the government, we want it to go to reduce debt. Now, those are philosophical things.

I fail to see what was wrong with the previous system. You had organizations that went out and held their own casinos. If they had a good following – if the organization was deemed to be worthy in the community, it had a following, and that's the way the bingo operators worked. They were successful. Now in places like Medicine Hat, my old hometown, they haven't had a

profitable bingo since August, and these people are upset, but they're afraid to be publicly upset because they might not get their allocation, which is another problem that's coming up.

There are all sorts of inconsistencies that are jumping out, and the argument is, "Well, if you're over 18, you know, you're free to do what you want." That's valid; I accept that. Government shouldn't be making your choices for you. If you run down and put your money in a VLT, you should be responsible for your actions. I'm an advocate of that, but I don't think we should be making it – I mean, if we carried that argument through all the way, there are all sorts of things that we'd allow in society that we don't.

There is a social problem coming out of this, and to a certain extent we maybe relieve our consciences by increasing the funding to AADAC. But the funding to AADAC, if that is a way of solving the problem, isn't even proportionately increased relative to the amount of revenues that are going to the government. I mean, there's even an inconsistency there. I'm not a particular fan of, you know, creating a social problem and then solving it by putting some money into an organization that helps people that have this social problem. I mean, it just seems ludicrous.

I guess if the government has to get a percentage of their cut, they can do it in another manner, but this wholesale gambling and the possibility of private casinos – I mean, I don't know what the report's going to say, but if it says that private, for-profit casinos are okay, I guess I've misread what I've been hearing at those hearings and from other people that have attended those hearings. I just can't believe we're going to go ahead with that, but time will tell.

I had a client who manufactured bingo sheets and pull tabs. His father was addicted to pull tabs and had to go to Gamblers Anonymous. I didn't even know you could be addicted to those things. Now we're selling those pull tabs in senior citizens' homes. There's something wrong with that.

So, Mr. Chairman, I think we might have misjudged what's happening here. You know, the Gordon committee, if you will, started off initially discussing what was a valid issue: how are you going to allocate the funds that are coming out of lotteries? And it's expanded way past that. So I think we should maybe slow things down a little bit and just at least re-evaluate.

You know, the minister makes light of this, but I don't think it's something to be taken lightly. I think this is a very serious matter.

I would like to know if the minister could update us on who actually commissioned this Haines Elliott communications study. This showed up in the House one day, and nothing more has been said.

DR. WEST: A point of order.

THE ACTING CHAIRMAN: The hon. minister is rising on a point of order.

#### **Point of Order Imputing Motives**

DR. WEST: Yes. Under 23(i), "imputes false or unavowed motives to another member," the Member for Calgary-West made reference that I was making light of some of his comments. I was communicating to another member here on another subject altogether. He brings that into debate, and it stays on the record. It imputes a motive that I did not have sitting here. Therefore, I take issue, and I would like him to retract that when indeed he has no idea of what I was smiling about sitting over here. It had nothing to do with his debate.

THE ACTING CHAIRMAN: Well, hon. minister, I have to confess that I was possibly on a mental holiday at the time at which he made the comments, so I didn't hear it. Therefore, I would suggest that perhaps you could rebut that in your comments later, hon. member.

MR. DALLA-LONGA: Mr. Chairman, I'm not into trying to put the minister on the record and embarrass him. If he says that he wasn't smiling, I accept that, and I give him my apologies. I'm not interested in trying to make him . . . But by the same token, I will say it again if I do sense that you're smiling at me, because I'm serious about this. Okay? So I accept your word, and I apologize for having said that. Okay? Are we happy? May I continue now?

#### **Debate Continued**

MR. DALLA-LONGA: I was talking, I believe, about the Haines Elliott study and if the minister could let us know if he knows who commissioned this study.

One of the problems that's coming out of something like the lottery fund estimates, Mr. Chairman, is: you know, you look at all the various groups and the categories that are going to be getting money, and each year we are going to be having a large number of organizations coming and begging for, making submissions for funding. As a matter of fact, some of these organizations have told us that they've hired lobbyists to come up to the government to try to get their little bigger slice of the pie. I thought this government was in the business of trying to get out of that business. So we're going to have a whole bunch of new problems arising such as money leaving the community: we don't want money going out of our community and this community, because we raise this much lottery funds, and we're not getting it back. Allocations to specific organizations: we didn't get our fair share; this project warrants a bigger slice of the pie. Et cetera, et cetera.

At the end of the day, somebody that made a submission said: what we are doing here is creating UIC recipients out of these gambling proceeds. Something the members opposite always have great disdain for: the UIC program. Here we are creating a whole other structure, a layer of dependent organizations. Why can't we let them go out and raise money on their own instead of making them dependent on government handouts? The other thing: if we've got to do this – and I guess for the next little while we are going to do this, because this government won't listen – politicians should not be involved in allocating these funds. We saw what happened in the past. The people who make these allocations to the various organizations should be totally independent. I see some of the members over there nodding their heads, and I thank them for their support.

With that, Mr. Chairman, I'll conclude my comments, and I'll give someone else an opportunity to speak. Thank you.

**9:40**

THE ACTING CHAIRMAN: The hon. Member for West Yellowhead. Oh, I'm sorry. We're going to go across.

The hon. Minister of Health.

MRS. McCLELLAN: Mr. Chairman, thank you for the opportunity to speak briefly to the lottery fund expenditure commitments that are before us tonight. As an MLA from a rural constituency that is composed of many, many small communities that have very, very strong commitments to retaining their communities, to retaining the somewhat modest resources that they do have in their

communities, I certainly recognize the value of many of the lottery fund expenditures. I would point especially to the ones to the ag societies, that allow ag societies to contribute to their community in a way that is best for their particular community.

I would also point to the Wild Rose Foundation, which supports the volunteers in our province, truly supports the volunteers in our province. I'm proud to say that Alberta is recognized worldwide as a province that utilizes and has a commitment to supporting their volunteers. I was asked to make a presentation in Japan at the International Association of Volunteer Effort conference about how the volunteer component works in Alberta and the support of this government to that volunteer component. I was very proud to be able to stand and tell people from many countries in the world about Alberta. We were also pleased to invite that organization to come to Alberta, and I'm pleased to say that they will be holding their annual meeting in Calgary in connection with the Vitalize conference, which is a conference that is sponsored to support volunteers in this province. The International Association of Volunteer Effort will be holding their annual meeting in Calgary in June of this year. So we're very pleased with that, and we're very proud.

Certainly as the Minister of Health in this province I also recognize the great contribution that the lottery funding makes to specialized equipment for our health facilities and for being able to offer specialty procedures that we would find otherwise quite difficult to fund within our budgets. Over the last years that we have funded that, many pieces of equipment have been contributed through that, making procedures much more pleasant and certainly enabling us to have less hospitalization.

Mr. Chairman, I want to support the efforts of the minister through the leadership of the Member for Lacombe-Stettler of reviewing our lottery expenditures in this province. I know that they have visited communities across this province. They've had

hundreds of submissions written as well, and I think from that review, from those reports that certainly my constituents had an opportunity to participate in or to write in their thoughts, we will have a very thoughtful review of our lotteries expenditures, how we manage those dollars and how we utilize them. I look forward to that report coming and us being able to discuss it.

Mr. Chairman, I would like to move that the committee now rise and report.

[Motion carried]

[The Deputy Speaker in the Chair]

THE DEPUTY SPEAKER: Order. The hon. Member for Calgary-Egmont.

MR. HERARD: Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions of the 1995-96 lottery fund estimates, reports progress thereon, and requests leave to sit again.

Mr. Speaker, I would also like to table copies of documents tabled during Committee of Supply this day for the official records of the Assembly.

THE DEPUTY SPEAKER: Does the Assembly concur in this report?

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered.

[At 9:48 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]