

Legislative Assembly of Alberta

Title: **Wednesday, April 5, 1995**

8:00 p.m.

Date: 95/04/05

head: **Committee of Supply**

[Mr. Tannas in the Chair]

THE CHAIRMAN: Government House Leader, are we ready? The Chair would invite members of the Committee of Supply to take their seats, and then we will recommence for the second evening on lotteries. Once everyone is seated, the Chair would undertake to invite the minister to speak. Hon. members, please take your seats, and then we might begin this evening's deliberations.

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

THE CHAIRMAN: If the minister wishes to begin, we would invite him to. If he wishes to wait till later, we can continue with the debate.

DR. WEST: Let the debate continue.

THE CHAIRMAN: All right; the debate continues.
The hon. Member for West Yellowhead.

SOME HON. MEMBERS: Question. Question.

THE CHAIRMAN: West Yellowhead.

MR. VAN BINSBERGEN: Thank you, Mr. Chairman. We will wait with the question for a little while.

Mr. Chairman, I would like to start off on the usual positive foot. I would like to acknowledge that these programs, the lottery programs, are well run, well administered. I would also like to commend the minister on the fact that they're now open to relative scrutiny. I think that perhaps I should also pay credit to his predecessor, who started the machinery of the lottery funding and did a good job on that. Before he relinquished his job, he also set in motion the attempts to make the whole process more accountable to the Legislature. I realize that he did so at the behest of the Auditor General, and of course members on this side have for years asked for that particular move. So we're all in favour of that. I think it is truly a well-run program.

Mr. Chairman, if the members on my side will be a bit quiet – I think it's the influence of the House leader, which is somewhat pernicious in interfering with my ability to speak.

Mr. Chairman, I shall go on. Yesterday the Member for Fort McMurray spoke. In fact, he offered his services to function as a mailman to the minister responsible for lotteries in the delivery of cheques. He was talking about the CFEP programs and others to which members from his constituency might have applied. I'd like to underscore that particular offer. I'd like to point out that I extended the same offer to the minister's predecessor. In fact, it was almost a year ago when we spoke to the lotteries when I, too, extended the offer, I thought very generously, that I was prepared to deliver any cheques to any people in my riding, and I would not even charge a fee for that. I thought that was particularly tempting. The offer not only was not accepted; I never received a response to my generous offer. To this day I lament that particular neglect.

Mr. Chairman, I'd like to turn to the business at hand. Having dispensed with the commendations, I now would like to focus on video lottery terminals in particular. I would like to ask a few questions and perhaps make a few remarks about this.

I'd like to point out first that in the short time I've been in this House I've gotten to know the minister as a man of principles and distinctly a defender of traditional family values, which I think is the best way of putting it. In fact, he often strikes me as a man who yearns for the days of yore. I wonder, though: given that, how does this minister, who is such a proponent of traditional values, such a man of principles, come to accept the fact that his government now is more or less dependent on the pernicious influence of the VLTs to the tune of about half a billion dollars?

We all know that the VLTs are pernicious in the sense that they in fact do their level best to outvote families. So what it comes down to is that I'm asking the minister: how does he explain the fact that his government favours the use by Albertans of VLTs, not just favours it, makes it very attractive, and has come to rely on the funding that results from this, which to a large extent goes into general revenue?

At the same time, I think it goes without saying that the VLTs do their level best to upset many families. Surely a government has the moral duty to think of the welfare of all its people. It has an obligation, in my view, to assess the damage that's done by gambling in general and by VLTs in particular.

There is an ever increasing number of people affected by this addiction to VLTs. The point was driven home two days ago, when I got a phone call from a constituent in my riding who told me that he and his wife had just separated, and the cause was the fact that his wife had managed to play away, to gamble away on the VLT machines \$25,000 since last November. I agreed with him that such a move would be a cause for divorce or separation, I think, in most families. It was very sad to have to listen to that. He in fact told me that he'd be willing to let his name stand as an example of how not to do this.

Placing those VLTs in every neighbourhood, I think, in fact inculcates the notion of wanting to gamble and the ease with which one can gamble, particularly if it's tied in and placed next to a place where you can buy liquor. Surely the minister, who is once again a man of principles and of moral rectitude, knows that his government should not favour reliance on VLTs and should in fact perhaps go as far as to pull them out of communities, and he should do that for the good of communities. He should come up with a schedule by which he can extricate those machines from the different communities, so the reliance on any revenue would be sort of like a slow withdrawal process. I wonder if that is contractually possible. I'd like the minister to comment on whether he could extricate himself from those kinds of contractual obligations.

Now, I know that the minister is going to point out, of course, the obvious benefits of VLTs, particularly the revenue, but I think he's also conscious of the very insidious powers of addiction, that it plays upon people and the misery that it causes. My feeling is that the lottery committee which has been sent about the province has discovered that most people are in favour of doing away with the VLTs. I know that the mandate of this particular committee seems to have been expanded as time goes on, because every time we've asked a question on lottery funding and on VLTs in the House, the reply has been that this is within the mandate of the committee and therefore we will have to await its report.

8:10

I'm sure that as part of that report we will hear from the chairman of that committee that Albertans in general, by a sizable

majority, are opposed to certainly the increase of the number of VLTs and perhaps, unsolicited, might even favour the withdrawal of these things.

Now, other negative effects of VLTs I think are well known by now. I don't have to pay too much attention to that, but I'd like to go on, then, to the business plan goals, particularly the third goal that I see in there, which I don't have in front of me, but maybe my partner has it here. I can't recall it offhand, but you've failed to carry out whatever that goal is, I'm loath to say, and that is to foster, I think, the use and to protect the use of charitable gaming.

The charitable gaming groups I think have a devil of a time making ends meet, and I think it's a well-known fact that in every community legions and bingo halls and whatnot are severely feeling the pinch of the increased use of VLTs. It's almost as if VLTs, like aliens, have invaded the community and are doing their best to be a community wrecker. So I've been approached by all kinds of groups in my area, and I've written to not this minister but to his predecessor about the failings of VLTs and the particular difficult situation that especially legions find themselves in.

I'd like to say a few things about for-profit casinos, Mr. Chairman. Once again, I'm sure that the minister, a man of principles, is going to be able to convince his colleagues that for-profit casinos ought not to be allowed in the province. Once again, I think that on moral grounds these operations ought not to be introduced. We have to realize that there comes a time when making a buck ought not to be the prime consideration of any moves of the government. I think it's gone too far in the direction of the buck, and it has gone too fast as well, and it's gone too fast too far away from the side of moral principles.

We should, it seems to me, not get to the point where we have to rely on gambling to fund such basic programs as health, education, and so on and so forth. I think it's also time that this government indeed truly listens to Albertans as they, in large numbers, have indicated their displeasure with the idea of establishing for-profit casinos. I think that report is really going to be awaited with bated breath.

Now, every question posed on this subject has not been answered thus far, and we will hope that the committee report will clue us in. I do trust that the report will truly reflect the wishes of Albertans. I must say, Mr. Chairman, that just in case it doesn't, we have made sure on this side of the aisle that we have shadowed every one of those committee meetings, because of course we're not invited to sit on it, unfortunately. We've made sure that we attended every single meeting, that we got copies of every single submission, so we know what Albertans have submitted in fact. This is just in case the committee decides to deviate from what has in fact gone into it. As I said, we can hardly wait for the report.

Mr. Chairman, I think I'm going to leave it at that. I've said all I wanted to say. I would like to thank the minister in advance for all his answers, because he always does such a good job in reacting to what we have to say, and as he's a man of principles, once again he will undoubtedly give us the answers we ask for.

Thank you very much.

THE CHAIRMAN: Before we recognize the hon. Member for St. Albert, may we have permission to revert to Introduction of Guests? All those in favour, please say aye.

HON. MEMBERS: Aye.

THE CHAIRMAN: Opposed, please say no.

The hon. Member for Innisfail-Sylvan Lake.

head: **Introduction of Guests**

MR. SEVERTSON: Thank you, Mr. Chairman. I'd like to introduce to you and to members of the Assembly three guests from the Innisfail Chamber of Commerce. They're in the city today to meet with the Alberta chamber. I'd ask David Layden, the president; Ken Carter, the vice-president; and Myrt Puddifant, the manager, to rise and receive the warm welcome of the Assembly.

head: **Lottery Fund Estimates 1995-96**
(continued)

THE CHAIRMAN: The hon. Member for St. Albert.

MR. BRACKO: Thank you, Mr. Chairman. Again, it is an excellent opportunity for me to rise and speak to the lottery estimates. This afternoon I tabled a letter from one of my constituents Wilf Borgstede, and his concerns were with peace and development and the amount of funds that have gone into it in the past from the government and the amount of funds that are going in today.

I just want to backtrack a bit and give some background. I've attended a Baha'i new year supper, as they went through their religious 20 days of reflection and tolerance and understanding and looking at development in the Third World. Also, I've had the privilege of attending the Islamic Ramadan season, where they fast, pray, and put a lot of work into the peace and development issue, of how we should look after development in the Third World. Today we're going through the Lent season, a very important time when we again look at the world as a global village and reflect on moral and spiritual values and our commitment and our concern and our compassion for others around the world. I know the minister is a man of compassion, a man of caring, and a very sensitive person. As we look at these issues, we see that we have a responsibility as Albertans to share the resources, the skills, the talents the Creator has given us. Our way to give back these gifts to our Creator is to develop our gifts, talents, and use our resources wisely. It's very important that we do this. We have to give a helping hand to those who need it not only in our own province but also in the Third World.

Many projects have gone on by nongovernmental organizations over the years, and they've learned that the most important thing to do is not make others dependent but to teach them how to fish so they can feed themselves, to use the illustration that's been used many times. Many projects may go just to basic health and safety: good drinking water is needed, a safe well, or even minor health rules that would greatly increase their lives. In this season of Lent again we reflect upon this. I know that we've gone through the Share Lent project in the past: for every dollar raised by the church a dollar was added by the province and a dollar also matched by the feds. That way a lot of projects took place for those less fortunate.

8:20

I just want to mention what is happening as we look at peace and development. The number of children dying every day, Mr. Chairman: 50,000 die per day from malnutrition in the world. That equals the population of the city of St. Albert or a hundred 747 jet planes crashing every day with everyone on them dying. If that happened, of course, we would take action to make sure it

doesn't happen. We'd make some changes. Yet this is the number of children dying every day because of lack of food. Also blindness in many parts. A \$25 donation can buy eyesight for people in other parts of the world: Africa, Asia, and so on. I'd like to quote Mother Teresa before I ask questions on this. Mother Teresa – and she walks the walk – states: unless life is lived for others, it's not worthwhile.

I guess the questions I have for the lottery minister are on our government's policy. What amount of funds that came from lotteries or government sources – mainly lotteries – were used to assist development in the Third World? Another question was asked by my constituent. The Wild Rose Foundation sent out a questionnaire on nongovernmental organizations, and the question I ask is: why were the questions self-serving and devoid of principle of human justice and caring? Another question asked: why was the question more concerned with the Alberta advantage and benefit than human justice and caring? It went on to state that trying to justify Alberta Aid to the Third World by equating it to our provincial trading benefits is a purely economic consideration, governed by the laws of the marketplace and a community of thought enslaved by dollars and profit.

My question is: what has been the decrease to the NGOs since the 1981-82 year? In order for our government to demonstrate its goodwill and commitment to addressing the needs of people and the struggling poor of the world, will the government have a department, rather than lottery foundations, administer the program? I'll get back to that in a minute. The next question: will the province assist the NGOs more in helping the federal government reach its goal by the year 2000?

Mr. Chairman, lottery funding creates a problem for many groups, many groups who do excellent work, with thousands of volunteers that give thousands of hours of their time. They would like the same access to government funds as those who apply for lottery funds, but some groups would need to have these funds come from general revenues and not from the lottery fund. They see gambling as not a proper way of gaining money. Because of their moral values and spiritual values, principles, they will not apply for a lottery grant because it would come from gambling money. They are required or asked to put up a sign saying that it's sponsored by lottery funds, and this they object to. So the question I'm asking the minister is: will they have access to another department or to general revenues so that the funds they can apply for to assist in the good work they're doing come from general revenues instead of the lottery fund? It's their principles, their values that do not allow them to get it from the lottery fund.

I've been part of a group that did this, Mr. Chairman. I spent 30 years working with the Inter-Varsity Christian Fellowship, two camps. We worked thousands of hours with thousands of people working towards the complete growth of the person: spiritual, intellectual, physical, and emotional. So if that could be looked at, if we could do it in another way, I would . . .

THE CHAIRMAN: Hon. members, the hon. Member for St. Albert is often being drowned out by those who wish to carry on lively conversations, and I wonder if they would retire to the lounges outside the Chamber so that we may continue.

We'll now invite St. Albert to continue his thoughts.

MR. BRACKO: Thank you, Mr. Chairman. Again, the Share Lent project used to be matched, but they feel they cannot accept money from the lottery fund. They raised thousands of dollars in 1981-82. They raised \$381,000, which was matched by the government, and now because of where it comes from, they do

not accept this. They do tremendous good works across the world, and we'd like to have that continued.

Moving on to slot machines. We heard when there were about 3,000 slot machines that there were 30,000 addicts and 130,000 problem gamblers. I would like to know what the updated numbers are now with 6,000 machines, almost double the number that we had. How many teenage addicts do we have? It's a tremendous problem in the States. I'm sure the minister has been using research dollars to get that information. Also, seniors are becoming addicted. What is the information on the number of addicted seniors, and what is being done to help those addicted?

My next concern with the slot machines again is the business community. I've talked to businesses in many parts of the province. They have to bring in machines in order to compete. They're forced to, otherwise they'll lose their business. So I guess against their own will, maybe against their own values they do this. The other part that I think is very important to recognize is that this will have a hindrance on new businesses starting, because in order to compete they would have to have slot machines on their premises. If the cutoff is at 6,000, they won't be allowed to have these machines, and if they don't have the machines, they won't be able to compete, so they won't start new businesses. It's important that there's a level playing field. If you understand the free enterprise system, that's what has to happen. I guess I would like to know why the government didn't foresee this problem of the slot machines and the problems that go with it.

On research, to the minister, I would like to ask the following questions. I'd like what research information you've got from the different ministers associated with slot machine addiction. To the Minister of Family and Social Services: the number of divorces, breakups, separations, and the number of more families on welfare that resulted from addiction and problem gambling. Also, I'm sure research has been done on the amount of abuse and how that has increased because of slot machines, as well as child neglect and the loss of homes. How many people have lost their homes? As my colleague was saying, that could happen from a breakup in marriage, a very strong, stable family, in fact one of our community, that may have been divided over this issue.

Also, to the Minister of Justice: the facts on what is the increase in crime because of slot machine gambling in our province, the number of bankruptcies – personal and business – the number of jail sentences that have been given because of the addiction to these machines. I'd also like to know the cost of keeping these people in prison because of their addiction as well as the court costs. If the minister could give us the facts, information, stats on that.

To the Minister of economic development. I'd like from you, Mr. Minister, the amount of theft at work, in businesses because of addiction. I know I was in one community and the business owner had to fire his staff, recruit a whole new staff because of their addiction to slot machines. Not only were they getting their wages in advance, they were also helping themselves to the till. I'm sure that if you had researched, you'd have gotten the facts, also the amount of absenteeism caused by this and the stats on the work performance of people affected by this.

8:30

Moving on. Minister of Health, what has been the cost to the health system because of the slot machines, gambling, the mental health cost increases? There have been for some families suicides, mental breakdowns, counseling needed. I am sure that with the government's \$200 million research budget you'll have that information.

To the minister of FCSS. Again I'd like information on how the FCSS groups have suffered because of the slot machines. I know that in many communities up to two-thirds of the fundraising has declined, and the revenue has gone to slot machines. The other nonprofit organizations also: what is the loss? I imagine it's well into the billions of dollars. If you could give us the exact figures so we could use that instead of making a guesstimate of the amount of loss across the province. There isn't one committee that I've been on or heard of that hasn't suffered from this tremendous loss, where volunteers and volunteer organizations, charitable groups, sports groups, and so on, who used to raise a lot of money from bingos and casinos now are not able to do so.

Again I know that in the hotels and bars they can cut off alcohol consumption. What is the minister doing to deal with addicted gamblers when they're known in the different places?

Moving on. My next question is: why was there no input from the public as more and more gambling was introduced over the years in our province? I would assume that would have been the first priority, to see what Albertans wanted. I appreciate the lottery committee going around now, but in the lottery committee's presentations and presentations to the committee there were no questions asked in the booklet on the amount of gambling people want and what their position is on other forms of gambling, except for the slot machines. It's more or less done to ask how the money should be spent. It's interesting that some of these volunteer groups have to go to the lottery fund for funding to fight the problems that are caused by the machines themselves.

With that, I would like answers to these. To the minister: I'm sure the research dollars have been put into this so we have a safer, better Alberta, that our children and children's children can look forward to, not a province that depends on gambling for revenue, one that uses our great resources – our people, our natural resources – to compete on the world economic scene, not the lottery funds.

THE CHAIRMAN: The hon. Member for Redwater.

MR. N. TAYLOR: Thank you, Mr. Chairman. My comments are going to be on Mandate, the heading on page 10 of your long-term plan, nothing too technical or philosophical, so it'll be real easy to do. Might it be you have your pair of gremlins up there taking notes?

DR. WEST: Nobody's here.

MR. N. TAYLOR: You're doing it on your own? Okay. [interjections] I don't know what's so funny.

The first one was: "Provide support to the horse racing industry in Alberta." That's what it says. Now, I'd like the minister as an ardent free enterpriser to maybe explain why the horse industry needs support. As a matter of fact, I've never heard the minister say that anything needs support. I know that there was some of the old hierarchy in the party who thought horse racing needed support. All right. They used to go out and enjoy them running, and maybe, I suppose, on the other hand the minister used to practise on some of those horses. They needed support, too, if the minister was going to get turned loose on them. Outside of that, I understand he is not in a veterinary practice anymore. I'm just kind of curious why it needs support and how the support goes exactly. My father used to have racehorses many years ago. I remember my mother thinking

many a time that she wished a program was in force at that time to support horse racing. It didn't always turn out to be the moneymaker my father always thought it was going to be. So I'd be very interested.

The second point now, to move off horse racing for a minute. By the way, if the minister is interested, I'm rather a dog lover. I was just wondering, Mr. Minister, if you have good qualified reasons for aiding the horse racing industry, I'd like to put forward, if they're very convincing, the chance to get the greyhound industry supported, because I do love dogs. There's no reason why dog racing shouldn't be supported also.

DR. WEST: We heard it here first.

MR. N. TAYLOR: Who was here first: the horses or the veterinarians? I don't know which. It's hard to say.

The second point here. It says you "establish and implement policy for ticket lotteries and video lottery operations in Alberta." That's curious too. For years and years, Mr. Chairman, we made money from sin taxes, whether it was drinking or smoking. In some countries even houses of ill fame are being taxed with sin taxes. I don't know if the minister is considering that or not, but he could always throw that in, if he wanted to. What we have here, "establish and implement policy," shows an absolute philosophical difference of opinion of what we used to have for years and years and years. We used to make money off nicotine addicts and make money off people that needed alcohol, and now we make money off people that need gambling to get their joy out of life.

Now, that's sort of a tried and true democratic principle, but this government has sort of changed over to promoting it. It's not altogether true that we haven't promoted smoking. We give an income tax write-off to people that promote smoking and drinking through advertising. That sort of encourages the use of that, so maybe we can make more money out of the sins being committed. But then there's always the argument at least in liquor's case that it's good for the heart and a few other things. It loosens the tongue, gets the mind working, and everything else, up to a point. Let's say half an ounce. After that, it goes downhill. But there's nothing about smoking that's any good at any time, and I don't really think there's anything about gambling that's good. If you think it's relaxing, you only have to drop in, as I did the other day. I dropped in for a cool one at one of the clubs out in the northeast side of Calgary, and I noticed that there were about seven machines there. They were all occupied except one. The look of intense concentration and the use of tobacco and liquor at the same time, as they're watching those pins move around – it looked like anything but relaxation.

So that brings me back to "establish and implement policy for ticket lotteries." Are we really out there promoting it? Are we really out there to try to get more people to use it? I mean, it's one thing to make money from people's weaknesses and tax it off – sin taxes have been accepted by all parties for some years – but to go out there and promote the excessive use of liquor or smoking or gambling doesn't seem right. Yet right here is a plan: "establish and implement policy for ticket lotteries." In other words, it's very much as if you're selling cornflakes or new General Motors cars or Toyota imports. You get out there and the more you sell, the better it is for the economy. I get the feeling that we've twisted off here somewhere, to use an old oil term. For a government that's supposed to not necessarily lead in moral principles, as the *Alberta Report* would have you do, but at least sort of skate alongside it a little bit – I see the hon.

Member for Rocky Mountain House would like this handed over. Would you take it over, Mr. Page? My friend Forest Stump wants to get involved here again. I think it's a philosophical wrong being committed here, and I'd be very interested. The gentleman that serves as minister for lotteries has time and again told me that he has very strong moral principles, and I was just wondering where he draws the thin line between promoting gambling and just taking advantage of gamblers.

8:40

The third point that I notice that's down here is interesting: "Establish and implement policy for charitable gaming activities in Alberta." Mr. Chairman, I'm interested in this, because there is a bit of a cloud on the horizon with respect to gambling. You could put it this way: Alberta may be Jack Binion's last frontier to establish casinos and to move in big-time Las Vegas gambling.

"Establish and implement policy for charitable gaming activities in Alberta". That also includes our native population. I happen to believe and I think many others do that our First Nation's people are Alberta citizens plus whatever they qualify for in their treaty rights, but they are not just federal responsibilities that happen to be sitting in Alberta. They are Albertans plus whatever they are able to have negotiated or their forefathers negotiated in the treaties. Now, I don't think there's much question that they have the right to set up casinos, but there's also very little question that casinos would only benefit very few – very few – native people indeed because they don't pool their funds. As anyone familiar with native government knows, they operate on their own. Therefore four, five, six, seven, maybe eight casinos will benefit that many bands, and that's about it. There are about 45 bands in Alberta, so that would mean that the vast majority of our First Nation's people would not benefit from the setup of a casino on their property. At the same time, there's no doubt that the money that the casinos would make profits from would be nonnative people that would travel to the reserve to gamble.

Now, the province can talk about, as I say, "establish and implement policy for charitable gaming," but what can they do if the native peoples want to go ahead with gambling and the Albertans are going across the border? Although the minister is well known for some of his iron-fisted techniques, I don't think he could get away with setting up a blockade around our First Nation's reserves to stop people from going out to enjoy the casinos, but he may be able to hassle the customers enough so that our friend Jack Binion wouldn't want to finance unless he had the tacit consent of the government. However, I have the feeling that the people of Alberta do not want big-time gambling to come to Alberta regardless of whether it's on a native reserve or not on a native reserve.

Now, bearing in mind that the native reserves do really not owe the nonnative majority in this province any particular favours, and to shut down the gambling just because the nonnative majority might not want it – it becomes a question of negotiation. I'd be very interested to know if the minister has thought at all about what kind of a negotiation the government would be able to mount with our First Nation's people in order that they may forget the idea of Las Vegas type gambling. That negotiation could cover all kinds of things: accelerated land payments. It could cover a share more of the lottery funds and gambling funds that are now rolling into the Treasury.

I suspect that our First Nations people are not getting as good a share of these gambling rewards as they should. I have asked the minister twice in the last six months: how much of the lottery funds are distributed to our First Nations? All I get is a lot of

arm-waving and running around and rhetoric and saying that they get their fair share and so on and we don't know. Well, if he doesn't know how much our First Nations people are getting, it's almost a sure bet that they're not getting their fair share. Consequently, I would like to suggest that our minister and our Premier, if they don't really have a hidden agenda of trying to bring Jack Binion and his cohorts up here, sit down with our First Nations people and work out an agreement whereby they will get a certain amount of funds from gambling, or whatever it is, if they do not go ahead with the idea of casinos. It's not too difficult to work out. I mean, agreements have been worked out a lot. You must remember that they'd have a large number of native people that would like to see such an agreement. Native people know that if casinos go ahead on their land, this may be used by the minister and the Premier to shoehorn, bring them into nonnative country, into our country, because they'll say: well, after all, it's there in Hobbema; we must have it in Edmonton; after all, we just can't go without it. That appears to be the secret agenda. [interjection] Yeah, I'm talking to you.

If it's not their secret agenda, the native peoples, the First Nations I think would like to sit down and work out something, because they're quite aware that if the Las Vegas type of gambling comes to Alberta and starts on the native reserves, it'll only benefit a few natives, but it will then be used as a shoehorn by the minister and this government to come in and tax even more if it becomes a growth industry. I'd be very interested in how the minister is going to work it out with the native peoples, without getting up and using his old iron fist: oh well, you're not allowed to build it; I said you can't. Well, he should know, even though he's not a lawyer – Mr. Chairman, there are lawyers over there; they'll tell him – that he's virtually powerless to stop them from putting casinos on their property. Therefore, if he doesn't want casinos introduced in Alberta, he has to work out some deal with our First Nations.

I move on a bit. It says: "Ensure the integrity of all lottery and gaming activities in Alberta." That's sort of like the wolf asking the three little pigs to come out and he'll take them down to the beach. The integrity of all lottery and gaming activities in Alberta: I would be interested in this. It could be quite factual, really. The rest of it was very philosophical. What is a lottery or gaming activity that has integrity? I really don't understand that. Is that a roulette wheel with a guy's foot off the brake? I see. Uh-huh. The hon. member nods his head. When we get veterinarians telling us how to run a roulette wheel, we are in trouble, Mr. Chairman, but it is interesting. If he can enlarge, maybe he could tell us: in the integrity of the lottery and gaming activities, what payout do you look at? Is that payout established by what free enterprise says will come in and gamble anyhow? Or is that payout established because there is a North American pattern or a world pattern?

DR. WEST: Yes.

MR. N. TAYLOR: He nods his head, says there's a North American pattern.

That's actually amazing. You know, if you handle this right, if you just take a little bit of oats at a time, you get him coming right along, nodding and going along with everything. So I've got answers.

That's interesting. He could maybe tell us what that international pattern is. I've always heard that the payout was different on blackjack than it was on roulette than it was on 6/49. I'd be

very interested because, being a very poor gambler – I think I lose all the time – I would like to know which one has the best odds. So he could maybe tell us that, outside of betting on his own re-election. I don't want him to bring that into it.

8:50

The last item I wanted to cover was: "Administer the Alberta Lottery Fund, the Interprovincial Lottery Act and the Alberta Racing Commission Act." Now I believe that by "administer," he's saying really another word for distribute funds. The minister I thought showed a glimmer – maybe not even a glimmer, Mr. Chairman, more an inkling – of reasonable thought here a while ago when he said he was not going to horde all the gambling eggs under him and just give them out here and there and that he was going to look for a system that removed the politics from the lottery.

I think, to the minister's credit, that probably that time has arrived in Alberta. When the lotteries first got under way, there was a large body that thought that by giving out these lottery winnings – because the public had never seen that before – you would be able to fool the public into thinking that the Tories had actually hatched an egg and were giving it to you and that there was some benefit that had come out of the skies that wouldn't have come if you hadn't had a blue and orange government. But now the public all realize that when you get lottery funds, all it is splitting up what the citizens have gambled, the profits.

Therefore, they're starting to say to themselves – and I think the minister seemed to have captured that thought in one question a while back in question period. There was some thought of a new system of distributing the gambling largess in the province. I've always thought that a lot of it should be done on a per capita basis by a combination of the municipal government and school boards in an area. Maybe now that we've got health boards, we'd want to throw them in. Some kind of a board would set it up. I'd be interested to know – I see a dialogue of the high-priced talent here between Red Deer and Taber-Warner. It'd be very interesting to record that. I'd like to know if even one intelligent thought would pass in the next five minutes, Mr. Chairman.

I'd be interested to know, though, if the minister is interested or if he's working on a system and how the benefits and the profits from Alberta Lotteries, the Racing Commission, and the Alberta Gaming Commission are going to be distributed in the community, rather than the old system that Hans Christian Andersen used to watch and talk about: rolling up in a coach-and-four every two weeks and driving through the slums and throwing out gold coins to the right and to the left. In this case, it would only be to the right, but that's all right, as long as he turns the coach around and comes back again the other way. The fact of the matter is that right now that seems to be the only system, although, in all fairness, I've looked at his distribution, and it doesn't seem to be too bad. I was just wondering if he's going to work out another system that sort of divorces it or moves it one step away from the government.

That, Mr. Chairman, I think accomplishes everything that I set out to do. If indeed he digests and answers all that, I'll have stuff to read long into the night. Thanks.

THE CHAIRMAN: The hon. Member for Leduc.

MR. KIRKLAND: Thanks, Mr. Chairman. I'm pleased to have the opportunity to speak to the lottery estimates tonight, and I'll start off by complimenting the minister for his forthrightness and his directness. I appreciate it. He operates in a very open

fashion, and some of his colleagues could take an example from his particular demeanour. I'd also like to thank the minister. One of my constituents who had extended some funds to renovate his facility in Devon, the West Devon Inn, based on the fact that more VLTs would be delivered to his establishment, was shut down after the renovations were completed. In an appeal to the minister he quickly resolved that particular matter, and he also offers his thanks to the minister. I don't know if he's done that formally, but I've spoken to him on occasion. I appreciate the fact that you acted with great expediency to resolve the matter.

I want to take a bit of a different approach than some of the comments you've heard here. The minister has certainly won a reputation for the amalgamation of departments and efficiency and downsizing and elimination, and it will bring me to my first question this evening. When we examine the Alberta Sport, Recreation, Parks and Wildlife Foundation and we look at the programs in that particular foundation and also the capital acquisitions as a result of that foundation and we have a look at some of the same sort of expenditures under the Wild Rose Foundation – and I'll just name a couple at random, certainly not to suggest that they're not good projects, not good foundations, and don't provide good community benefits to one and all, because I believe both do. When we look at, for example, the Alberta Sport Council annual report, we see that the Benevolent and Protective Order of the Elks Lodge 175 in Bashaw was able to purchase a new van through money that came from that. We look at the Bow Valley Agricultural Society in Calgary; they were able to complete a new community hall as a result of grants from the Alberta Sport, Recreation, Parks and Wildlife Foundation. The Calgary Native Friendship Society repaired a basketball court.

Then, we go to the Wild Rose Foundation and we look at, for example – and I found this one somewhat ironic – the Alberta Association of Fund Raising Executives receiving a \$17,500 grant to hold a seminar. Moving on down, we see the Calgary Marching Showband Association receiving a grant; the Craignyle ball court, which is a sporting facility; the German Canadian Club, \$50,000 towards a hall upgrade; the Hanna Firemen's Association; the Mahatma Gandhi Canadian Foundation for World Peace. I know that the Wild Rose Foundation falls under the direction of the Health minister, but when we look at the sort of projects that are being undertaken by those two foundations, there is a great deal of duplication. I would ask if the two ministers have collaborated to see if in fact they can't be brought together, because continually here we're searching for efficiency, and I would suggest that there's something to be gained there, probably likewise with some of the other ones as well.

While I'm on that particular aspect, I was looking at the Wild Rose Foundation and the director's salary, and I see that in essence – and it may be a new means of recording it – there appeared to be a salary increase from '93 to '94. I ask the minister whether in fact those two foundations were also expected to take the 5 percent rollback that the members in this House took.

I also had a look, very briefly – and I'll talk in some approximate terms here. When we look at the administration cost compared to the revenues, I look at the Wild Rose Foundation and there's about a 12 percent to 14 percent administration cost; for Alberta Sport, Recreation, Parks and Wildlife Foundation, their administration cost appeared to be about 20 percent. I wonder if the minister could provide an explanation as to why it would seem to be a little high as far as administration is concerned.

I want to move on to a different tangent, and the Member for Redwater touched on it. That is the impending casinos that the

native population seems very close to moving into. Now, the minister is fully aware that there will be a very large implication as a result of casinos set up on native lands, and as we've heard, there does not appear to be much that can be done in defence against it. However, the minister is fully aware that if it comes to be, there will be millions of dollars drawn away from the revenues of the lottery fund, and I would ask the minister if he has a contingency fund to deal with that particular aspect.

Another item that I haven't heard addressed here under lottery reviews - I've heard the minister on many occasions indicate that the number of VLTs in the province would be capped at 6,000. Now, the minister knows full well that there will be a tremendous amount of pressure to exceed that 6,000, and I wonder if the minister has given some thought to or developed a contingency plan perhaps to redeploy or redistribute some of the VLTs that are presently in establishments. I would suggest that if there is proper lead given to those establishments that presently house VLTs, there will be some spirit of co-operation to abide by the minister's wishes.

[Mr. Clegg in the Chair]

The other aspect that I have not heard addressed in the Assembly here this evening or last night, when I reviewed the *Hansard*, is that with the increase of VLTs, I would ask the minister - and I could not find a cost item associated with it - has there been a relative and appropriate increase in the security aspect of managing the gaming machines? It strikes me that we've increased it considerably, and I would think security would be paramount to ensuring that the integrity of the gambling in Alberta remains aboveboard.

9:00

The other comment I would make, as I move away from VLTs and conclude my comments this evening, is that when we look - and I would commend the minister for increasing the dollars allocated to provide services for problem gamblers. We've heard many speakers in the Assembly here over the last few months indicate it is a large problem and very much a growing problem. I am in the process in the Leduc constituency of setting up a self-help group in the next month, because it is obviously a problem that's entering my office on a regular basis. Now, that increase is \$245,000. I would ask the minister to watch that very closely, and I wonder if in fact it is enough. Certainly with any addiction there's always that concern about coming forth and exposing your weakness. I think as more self-help groups pop up throughout the province, we will find more people with the strength and the courage to come forth, and I wonder if that \$245,000 will accommodate them all.

So with those comments, Mr. Chairman, I will conclude my questions tonight, and I look forward to the minister's answers.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Glenora.

MR. SAPERS: Thanks, Mr. Chairman. I want to start off my comments tonight just with a couple of questions about the Wild Rose Foundation. I note that in the Wild Rose Foundation annual report, the 10th annual report - and the foundation should be congratulated for reaching its 10th anniversary and for supporting the projects they do in the manner that they are supported. But I notice a disturbing trend in that annual report. That disturbing trend is that many of the recipients of the quarterly grants, at least

awarded between April of '93 and March of '94, are using their grant money to hire staff. They're using the grant money to hire peer counselors, to hire workers in youth programs, in women's shelters, in community programs. It seems to me that if you read through the list - and it's an impressive list - of programs that have been supported and how staff are being hired to do important community-based work, you can't help but be struck by the notion that when these grants run out, the programs will be stranded, that so many of the good works now being undertaken won't continue, that those community needs that have been identified by those hard-working volunteer groups and the programs that have been developed will go unmet as soon as these grants expire.

It seems to me that this is a real shame, and it seems that the government really is abandoning these community groups to a life of constantly having their hand out and having to rejustify and rejustify the services and the needs they're meeting. It seems that there could be a better way for the government to provide the support that I believe it has an obligation to provide to community groups, particularly if the government wants to continue to pretend that it is a partner with these community groups, that somehow the government walks hand in hand with organizations throughout the province providing these important resources in communities for the benefit of all Albertans.

Mr. Chairman, there's another program in particular that I want the minister to comment on, and that's the Alberta Adolescent Recovery Centre Society, better known as the AARC Society, in Calgary. The AARC Society offers a peer support, peer counseling program for very, very troubled teens. It's a program that deals with some of the most seriously troubled young people in the city of Calgary, often young people who have not been adequately dealt with in other programs, often young people who have gone through the young offenders justice system, or some who in fact may be at AARC as a result of coming into conflict with the law. Now, whether or not you're in complete agreement with the methods used at AARC isn't really important. The fact is that this program is showing some considerable success with the children, the teens that come into contact with the program. The program was lucky enough to receive a \$50,000 grant in the last quarter. They're going to hire a couple of peer counselors for a couple of years.

Mr. Chairman, this is a concrete example of a program that deserves to be funded. It deserves to find a permanent sponsor within the government. It shouldn't be dependent on having to return to organizations like the Wild Rose Foundation every two or three years. I believe they are restricted to only applying for a grant every three years once they receive a grant. Now, if they can only use the money for one or two years to carry on their program, then there's going to be a year or two when they're going to be left high and dry. I don't know how that's consistent with certainly the government's commitment to do something meaningful about young offenders.

I also want to talk for a minute about VLTs. Certainly these video slot machines have been the topic of some debate already, and we've already heard that we have to wait for a report that's coming. But people across the province, it seems to me, don't really want to wait for another report. They're very upset right now with how this government seems to be increasingly dependent on gaming revenue and specifically revenue that comes out of these VLTs. These video slot machines have been branded as very destructive. I personally see very little redeeming value in them, of course, except that they are a cash cow. This is a particularly sinister form of taxation, I think, on a population, Mr.

Chairman. I would encourage the government to kick its habit, get rid of its addiction to these VLTs, and pay attention to the communities that are troubled by their presence.

Now, I've talked to many proprietors of licensed establishments that have VLTs, and they tell me that if everybody got rid of VLTs at the same time, things would be okay. They're afraid that whatever decisions are being made now though – if the VLTs are capped at some artificial number, if current proprietors are allowed to maintain them and others aren't allowed to get into VLTs, that would be somehow unfair. I think they're right, and I think the government needs to pay serious attention to that concern.

Also, a specific concern has been brought to my attention, and that's got to do with how the government rakes off its take, how the government accesses its portion of the VLT profits. I understand that a read is done on a regular basis, and it's an electronic sweep of the accounts. All the action in the VLTs is monitored, and the expectation is that the money will be automatically and electronically transferred from the VLT proprietor's account into the government's account. The government shows very little mercy if that money's not available and not there when it's supposed to be. The problem is with the computer program that supports all of that revenue collection. I'm told that it's just rife with problems, that there have been all kinds of government delays, that there have been mistakes made. It seems that because the whole province is done all at one time, the system tends to crash. There aren't enough support staff to deal with the problems. I've had operators from throughout the province, but particularly in northern Alberta, complain about this to me. So I would encourage the minister responsible to look into this situation and fix it.

Now turning to the lottery fund votes for a minute. I notice that under program 4, tourism initiatives, they've been eliminated, down from the actual expenditures of \$10 million in '93-94 to zero in '95-96. I know that we've got a whole new process in dealing with tourism support in the province. I'm familiar with that, but I wonder if that process is up and running and tried and true. I mean, is it appropriate to abandon tourism programs in the way they've been abandoned in terms of lottery funding and at the same time that you make this transition or this switch to this new program?

It seems to me that we may be headed for some problems here, and I can give you an example. The information I have, Mr. Chairman, is that for every dollar spent on promoting tourism and the development of tourism products in northern Alberta, or north of Red Deer, about \$7 are spent in southern Alberta. Now, if that's true, then I suggest that we have an imbalance in this province, and something needs to be done to address that imbalance. It seems to me that as you're going to this new private or quasi-private way of supporting tourism with whatever it is that's been created – and we're not exactly sure what this animal is going to look like when it's all done. It seems to me that while you're in that transition, you could pay serious attention to the inequities in the support for tourism and tourism products and perhaps allocate some lottery revenues to support the development of tourism and tourism products in northern Alberta. I know the northern Alberta mayors would appreciate that. I wonder if the minister now responsible for lotteries can recall those days when he was minister of municipal affairs and maybe comment on that and just bring us up to date on how that imbalance in how tourism is supported is being addressed and why lottery funds in this transition year couldn't be used to help address that imbalance.

9:10

The education initiative has been eliminated as well. That's program 6 in the lottery fund. Zero dollars are being spent out of the lottery fund to support education. Now, there was about \$12 million spent last year to support education initiatives, which is about half the amount of money that was cut out of ECS, early childhood schooling support, around the province. While we're in this transition year, while there are court cases being decided, while local boards are being forced into shotgun marriages, while school boards across the province are struggling with how much, if any, or what kinds of fees they should attach to early childhood schooling, and while there's a chance that the government may actually open up its eyes and properly fund kindergarten programs again across this province, I just wonder why an argument wasn't made somewhere around the cabinet table that we could perhaps use some lottery funds again this transition year to help properly fund ECS to the level that Albertans are demanding it be funded.

Mr. Chairman, turning to program 7, health and wellness initiatives, I have a few questions about the nearly \$7.3 million that is going to be spent on advanced medical equipment purchases. I'm curious to know how this money is going to be allocated. What will the priorities be? We've got 17 regional authorities. We've got the situation where hospitals are being closed and programs are being shifted. The capital funds aren't clear. Coming from the discussion of public works estimates, we don't know how the \$70 million allocated through public works is going to be spent to support the provision of health care in this province, and now we've got another \$7.3 million. I'm sure every penny of that can be well spent on necessary equipment, but I'd just like to know how. Who's going to make the decision? How will the priorities be determined? What will the role of the 17 regional authorities be in making those decisions? What about the community health councils? You know, where will the community input be heard as that \$7.3 million is allocated?

This particularly comes to mind because I think of what's going on in Calgary right now, where hospitals are closing down surgical suites, operating rooms, not because of a lack of demand, not because of a lack of staff, but because the equipment on site in those operating rooms is obsolete and almost unworkable or it's worn out and they don't have the capital funding to maintain or replace that equipment. We've certainly got a problem, Mr. Chairman, when we have surgical suites being closed down because necessary equipment can't be replaced or upgraded to help meet the demand and to help provide the kind of health care that Albertans deserve and certainly have paid for through their health care taxes. So I'd like to have some assurances that these difficulties will be addressed and that perhaps the kinds of situations that hospitals in Calgary are facing will receive the first priority when it comes to that \$7.3 million and that the regional health authorities will also play a significant role in terms of how that money will be spent.

Mr. Chairman, I hope that as the minister responds tonight, he'll be able to provide some information on the issues that I've raised, and then in the near future I hope that the minister will, upon reflection, be able to shed even more light, perhaps in writing, to the questions that he's been unable to address tonight.

Thank you.

THE DEPUTY CHAIRMAN: The hon. Minister of Transportation and Utilities, responsible for lotteries.

DR. WEST: Thanks, Mr. Chairman. There have been a lot of good questions. There's been, I guess, kind of a discussion that has been going on throughout the province of Alberta with the review committee. The review committee has seen some 7,000 written presentations at the present time, 3,000 people attending the meetings, and over 400 to 500 verbal submissions, and it's not over yet. They're still coming in. Of course, the members of the opposition have been out themselves and held a day conference in Calgary and have heard many of the types of responses that we've heard also and tonight and yesterday summarized some of those in their debate.

I just wanted to come back to the Member for Redwater and emphasize one thing. He pointed out that we're promoting gambling in our advertising and marketing, and I just wanted to emphasize – and I didn't give this in my opening remarks, but I'll do it now – what some of the changes have been in the last while as they relate to that. Marketing activities were reduced \$351,365, or 60 percent, in this year's budget, from \$587,000 to \$236,000. Beneficiary recognition was reduced 60 percent by \$123,000. Lottery fund awareness was reduced by \$636,800 – that's 81 and a half percent – as a result of reduced emphasis on increasing public awareness of how lottery revenues are developed and marketed.

The reason for this is because there was a recognition, as I went around and found three warehouses full of promotional activities as well as all of the great promotions that were put on at all the events, that we were indeed, I thought, marketing something that was marketing itself. Since we've dropped this, we haven't noticed one dollar drop in income, and therefore this marketing money was obviously being spent at our expense.

Retailer development was reduced by another 35 percent. This is reflecting a reduced emphasis on helping retailers promote lottery product sales. I mean, everybody knows that when you walk into a confectionery store with lotteries, the tickets are there. I mean, why would you have to advertise it? [interjection] That's my trick.

There are a lot of good questions here, and what I'm going to do is try to get back in written form as I go through *Hansard*. For the two nights – I haven't summarized last night and partially tonight – I will have to recapture some of those questions and then get you answers back that address some of them.

Again the recognition of the programs that are so important to so many volunteer and charity groups out there was also brought forward in spades from Wild Rose to some of the others. Edmonton-Glenora emphasized the dependence that people have on these funds. I hope it wasn't a dependence for the subculture bureaucracy that needs these dollars in order to keep their jobs for volunteer groups and charities. I hope the majority of the money was going to help individuals rather than to create jobs. I get a cold chill when I hear emphasis being put on the dependence of directors and offices that have been created by grants coming from lotteries that indeed create the fourth level of government, the subculture of social bureaucracy. At any rate, we could get into that debate at another time. It makes a great speech, but I'm not going to do it tonight.

Mr. Chairman, I'd like to call for the question.

Agreed to:
Operating Expenditure \$125,075,000

MR. DAY: Mr. Chairman, I move that this vote be reported.

[Motion carried]

9:20

MR. DAY: Mr. Chairman, I move that the committee rise and report.

[Motion carried]

[Mr. Tannas in the Chair]

THE DEPUTY SPEAKER: The hon. Member for Dunvegan.

MR. CLEGG: Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions of the lottery fund estimates for the fiscal year ending March 31, 1996, reports the approval of the following estimates, and requests leave to sit again.

Minister responsible for lotteries and gaming: \$125,075,000.

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 the report?

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered.

head:

Government Motions

Adjournment for Easter Recess

20. Moved by Mr. Day:

Be it resolved that when the Assembly adjourns on Wednesday, April 12, 1995, at the regular hour of adjournment, it shall stand adjourned for five sitting days, until Monday, April 24, 1995, at 1:30 p.m.

MR. DAY: Mr. Speaker, just to note a grammatical correction there, since according to Standing Orders Easter Monday is not a sitting day, therefore this should actually read: "shall stand adjourned for four sitting days, until Monday, April 24, 1995, at 1:30 p.m."

[Motion carried]

MR. DAY: Mr. Speaker, I move that we revert to Introduction of Bills.

THE DEPUTY SPEAKER: The hon. Government House Leader has moved that we now revert to Introduction of Bills. All those in favour, please say aye.

HON. MEMBERS: Aye.

THE DEPUTY SPEAKER: Opposed, please say no. Carried

head:

Introduction of Bills

Bill 29

Appropriation Act, 1995

MR. DINNING: Mr. Speaker, I request leave to introduce Bill 29, the Appropriation Act, 1995. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been

informed of the contents of this Bill, recommends the same to the Assembly.

[Leave granted; Bill 29 read a first time]

Bill 30
Appropriation (Lottery Fund) Act, 1995

MR. DINNING: Mr. Speaker, I beg leave to introduce Bill 30, the Appropriation (Lottery Fund) Act, 1995. This being a money

Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

[Leave granted; Bill 30 read a first time]

[At 9:26 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]