

Legislative Assembly of Alberta

Title: Monday, March 25, 1996 8:00 p.m.
Date: 96/03/25
 [Mr. Tannas in the Chair]

head: **Committee of Supply**

THE CHAIRMAN: I'd like to call the Committee of Supply to order at this time.

head: **Lottery Fund Estimates 1996-97**

THE CHAIRMAN: We have tonight before the Committee of Supply the estimates of the lottery fund, which you'll find in your estimates book filed under Transportation and Utilities, but the separate part is the lottery fund summary of payments. We'll call on the minister responsible for lotteries to open this evening's discussions.

DR. WEST: Mr. Chairman, when I did the estimates of Transportation and Utilities, because of a procedural difference I did give a 20-minute overview of the lottery and gaming commission, but tonight it's just the lottery fund. I'm going to let the hon. members ask questions, because they have the details in *Hansard*. So we're looking at the voted amount of \$123 million on page 385, and I'll await the questions.

Thank you.

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

MR. WICKMAN: Thank you, Mr. Chairman. I'm going to keep my comments relatively short, because I, like the minister, spoke on this when lotteries was originally dealt with when it shouldn't have been, and I do have copies of the *Hansard* here. Anybody that wants to refresh themselves about the debate that went on that night, I have copies of it, to the Member for Fort McMurray, to the Member for St. Albert, and so on.

Just three areas that I want to touch on that I hadn't touched on previously, and of course the Member for Fort McMurray will follow me, and the Member for St. Albert will then follow him. In all cases VLTs will in all likelihood be emphasized, because VLTs are becoming a very, very serious problem.

What's happening in the province of Ontario is worthy of note. Some of them are having real hesitations about using VLTs to raise money. We've seen what's happened in the province of B.C., what's happened in the province of New Brunswick. So there seems to be some reinforcement for the position that this particular caucus has held for a long period of time. There's a tendency now for others to kind of follow this caucus because they see this caucus heading off in the right direction, and that doesn't surprise me.

I'm going to refer to an interview done by Professor Stephen Hawking that I'd tabled in the House, and he shares his feelings on gambling. He says:

. . . it encourages gambling and because it takes money from those who are least able to afford it, but who are desperate to escape their situation. It is pretty shabby of the government to exploit their weakness. I am not impressed by the argument that it raises money for good causes. If we think things are worth supporting then we should be prepared to pay for them out of the tax coffers. Gambling profits are a sleazy way of doing it.

I think that's very, very remarkable insight that this gentleman has.

I also want to table – I won't table it. I'll send it over to the

minister. It's two pieces of correspondence that came from two employees working in Stettler who are expressing their point of view on the change that has occurred on signing a contract with Ontario, and somewhere along the line the minister may want to respond to these two letters. I've taken the names out and that because they've requested that their names not be used publicly, but the minister may want to, I guess, give his point of view on it, because I'm sure he's not going to agree with the content of the letter. The other one that I want to send over to the minister is the correspondence that's gone back and forth between Mark Gibson and employees in the Gaming and Liquor Commission, which talks in terms of the odds that these VLTs pay, as to whether it's 92 percent, 72 percent, or whatever.

So with those few intentionally short remarks I'm going to conclude my debate and turn it over to the next speaker to follow.

Thank you.

MR. BRACKO: It's a privilege to stand up and speak to the lotteries. Mr. Chairman, I had the privilege of traveling to many different municipalities in the province and connecting with various groups in each community, from the chambers of commerce to the municipal councils to the business people to the clergy, to get information on the effects of the video lottery terminals. In every community, without exception, there were horror stories about what is happening to certain people in their community: their friends, sometimes their relatives; sometimes it's others that they just know that are members of their community. I was only in one community where one person strongly supported the slot machines from the many councils I met with. They really have concerns. I'd invite the minister to check with the different council members around the province. In fact I'll go with him if he'd like. I'd encourage him to do so.

They freely expressed what they see happening in their communities. It's a situation where the video lottery terminals are having a very negative effect on their community financially and also, for many of the people, psychologically, emotionally. There's a price to be paid, as I've said before and will continue to say. Even some of the hotel owners who are used to serving liquor to hard-core clients can cut off the client from alcohol, but they're not able to cut off the client from using the video lottery terminals.

So I guess my question – as I go along, I'll ask questions – to the minister is: what is the price to be paid because of the slot machines in our province? Have you done a survey to determine this? Have you done any research at all? I know your department has a budget that can be used for this, and I know that you're one who goes after things that should be done right and you want the information so you can make the best decisions. So my question is: have you done it? If you haven't, why have you not engaged in this to determine what the effects are of these machines in our province?

The municipalities, municipal councillors, businesspeople are concerned with the devastating effect it's having on families. Some end up losing all their money. You can say: "Yes. It's their own fault. They're adults." You could argue the same: "Well, we might as well bring heroin into the province and leave it around. If people pick it up, fine." There are consequences, choices. The same is true with the machines for many people. They cannot control themselves, and people have actually said that it's only through commitment and through a higher source that they're able to overcome their addiction to these machines, have managed to save some marriages, but it has devastated many

families. Instead of being givers, they're takers from society through this.

I also would like to know the effects of this so we can sum it up and so that support programs in communities can be set up. The volunteers are out there who want to help people in this situation. They need to know this, maybe with some guidance, some course work from AADAC. In many parts AADAC can help set up courses so people can help others who are addicted to the VLTs, similar to the crime victims' services, where they go out any time of the day or night to assist those who are having problems, having trouble, so we can assist them, so their quality of life can improve, so we do not need to feel the effects socially and financially in this province.

In some of the research done, they say for every dollar that's taken in from gambling money, \$3 is spent. Now, I challenge the minister and I challenge the other side to come up with research to show that either this is the case or this is not the case. If it isn't, fine; I'll accept it. But I want at least the information so I can honestly go and say to Albertans, to my constituents, to Members of the Legislative Assembly: this is the research done; these are the results of it. Will you undertake that, Mr. Minister, to have this type of research done, this information given? I know you're a man of compassion, a leader, and I know that you want to do the right thing as you address the many issues in our community.

8:10

AN HON. MEMBER: Is that you, Lenny?

MR. BRACKO: Yes, it is me. [interjection] Yes, that's one part. Under that hard exterior is a teddy bear, and I know that. I've gotten through to him, and I know that. He's one of the more respected members of that side, in fact the member I respect the most on the other side. [interjection]

MR. VAN BINSBERGEN: Heather is responding to you.

MR. BRACKO: I didn't realize the hon. Member for Fish Creek was part of this discussion. [interjections] Sorry. Those would not be my words, Mr. Chairman.

I do want to go further into the lottery estimates here. I know that the Member for Red Deer-South, the Member for Cypress-Medicine Hat, and the Member for Red Deer-North probably join me in this, in asking that the lottery funds be transferred into the general revenue funds so that other organizations that do not wish to accept lottery money, the Christian organizations or the Muslim organizations, other groups that don't want to take lottery or gambling dollars, can get it from the general revenues so they can go out and have the same access.

DR. WEST: That would be a placebo.

MR. BRACKO: Well, that may be the case, but I'm asking you this. I asked you this last year. Would you comment on why you wouldn't do this? [interjection] Sorry; I didn't hear what you said.

Will you explain why you won't do this so groups that don't want to use the gambling money can apply for general revenue money instead of lottery money? Many of these groups do tremendous work, and I think of others that have as many as 30, 40 programs in the community, serving. That needs to be addressed so that they can have access to the same funds as any other group or volunteer organization in our communities. Will

you consider that? Will you give us an answer? Will you explain why you would not allow grants going to communities to come from general revenue instead of lottery funds? I'd appreciate that. I can share this with the different groups around the province. They've asked me to bring it forward to you, and I said I would, and I said that you are someone who would listen carefully and you would . . .

DR. WEST: It does now.

MR. BRACKO: It comes now from general revenue?

DR. WEST: Yes.

MR. BRACKO: Thank you. I appreciate that. Okay. Thank you for listening, and thank you for bringing this forward, Mr. Minister. I appreciate that when you see something that needs to change, you change it, and I compliment you for listening to us and making sure that happens. I know that there are groups even in my own constituency now that will be able to go after these revenues. I thank you for that, and I thank the government for making that accessible to the different groups.

Again, the municipalities would like to meet with you or your committee to see the impact, how municipalities can be part of the different funding that you've outlined in your review committee report. They want to have input. They want to be able to have direct access and sit down at the table with you. Will you commit yourself to sit down with the municipalities who wish to meet with you and go over it and listen to them and take their suggestions for the deliverance of these funds?

The community facilities enhancement program number 3. Again, this is where it kind of scared me today, Mr. Minister. I know that you've listened to us when we asked you to put the lodge program over the five years, which lodges would be upgraded. It was fairly done, it was an excellent move, and it puts everything above politics. You also did the same: you made a commitment to do a three-year plan for transportation, highways, according to your budget, and of course we thank you for doing as we asked you to do, as municipalities have asked you to do. We also asked you about the grant for community facility enhancement programs – again, I was kind of shaky; my faith wavered up and down – about the allotment to different constituencies. Do all constituencies get the same amount? How is that determined? What is the fairness here?

DR. WEST: They're all marked up more. They're all marked up another \$200,000.

MR. BRACKO: Some of them may have, yes. What are the criteria for this? Just so everyone understands, the lottery slush fund, as it used to be known, can be shown to each person, to each member, to Albertans how it's done, how it's determined. What are the criteria? Do some schools get it? Do some schools not get it? If you applied earlier, you get it; if you applied later, you don't. We need a fair playing field for all. I think it may even have caught you by surprise today, because I know that's not the way you would like to see the lottery funds handled. I know you will make the corrections if there has been favouritism or political expediency here. You won't allow that to happen.

Moving on to the different groups, the lottery foundations. From your review, how are the foundations going to determine who's going to be on the boards? Are you going to come up with

the guidelines, the rules and regulations for these, and when do you expect to have those out? I know it's a concern. I appreciate that the increase went from 3 to 10 percent for the lotteries foundation, and there will be \$51 million going out.

The one that's a concern, too, is the local lottery boards: what is the makeup of that going to be? How is it going to be determined who gets to be on it? Are you going to pick the best people out there to be on this board, or are you going to down-load the selection to the municipalities or constituencies to determine how that is done? What is the basis of the allocation of these funds, \$102 million, which is 20 percent of the lottery fund? If we could have the answer to that.

The same with the provincial component – who's on that board, and who determines where it goes? – so that all Albertans can feel and know it's been done in a fair manner, that the best people get to be on these boards and work with it, and not political patronage positions.

With that I will conclude my questions for now.

THE CHAIRMAN: The hon. Member for Calgary-Egmont.

MR. HERARD: Thank you, Mr. Chairman. I just have one brief question for the minister. As I look through all of these various expenditures, total payments of \$123,300,000: under agricultural initiatives I understand the first three classifications, but the last one says, "Other Agricultural Initiatives," so I wonder if the minister could provide me with what that is.

Thank you.

THE CHAIRMAN: The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you very much, Mr. Chairman. I enjoy rising to speak on the issue of the lottery fund funding expenditures and indeed the lottery fund income. I think it's fair to say that there is no element of the government's involvement in the everyday lives of Albertans that has a greater impact and creates more anxiety and more angst than the issue of lottery funds. I must tell you that when I was running for elected office, skilled researchers on both sides of the House had done an analysis of how much money had come to each riding from various lottery estimate initiatives. There is no gentle or discreet way of expressing this. The astounding reality was that our community of Fort McMurray felt aggrieved by a disproportionate analysis of funds coming back to the community compared to the vast amounts of money that were leaving the community both through the government's share of the 6/49 lottery, which creates a lot of action when the prizes are large, and in the infancy, as it then was, of the VLT machines.

8:20

Whether rightly or wrongly, properly or improperly, moral or immoral, the community of Fort McMurray rather embraced the video lottery machines from a recreation point of view such that I believe today – and perhaps it's not a statistic that the chamber of commerce might put in their brochure but I think the hon. minister can confirm – that our little community in Fort McMurray has one of the highest gambling ratios and is one of the largest contributors to VLT lotteries on a per machine basis of anywhere in Alberta. I think that if we are not at the top, we are very close to the top. So then that begs the question. If so many willing souls in Fort McMurray are prepared to create this involuntary tax structure, the issue then becomes: are they, Mr. Chairman, receiving fair return on their involuntary tax dollars? That's the

topic that I want to drive to tonight.

Before I do that, I want to ask the minister some general questions that I know he will answer. The minister in his budget, first of all, on page 399 of the estimates books, Mr. Chairman, is very sophisticated in pointing out that he receives \$592 million, basically half a billion dollars, a year on a net basis. It appears to me, unless I am not sharp enough to spot it, that there is nowhere anymore any discussion about what the cost of the machines is, the capital costs of the machines, the repair and maintenance of the machines, and those types of underlying figures to get to the net.

Now, most people, when they see the word "net," would say: okay, that's the government's share net only of winnings, net only of what goes to the merchant for display. But there are now between 6,000 and perhaps 8,000 machines in the province of Alberta, some of them perhaps still in boxes but all of them apparently bought, all of them paid for, and it would be interesting to compare the rate of return for the government based on its capital intrusion and capitalization. While many other government departments, including the minister of transportation in his transportation budget, outline underlying costs and depreciation, that doesn't seem to be found here. I would ask the minister of transportation to take that under advisement in terms of generally expanding the knowledge of Albertans.

I think Albertans should know how much the total package here is, how much our capital costs are, because we have a business here that's basically generating half a billion dollars a year. That is considerable. That's about a third of all the money the government pays in interest charges for the year. That is a significant amount of money compared to some of the governmental departments. As a result, it would be useful to have that figure from the minister.

DR. WEST: It's under a billion in interest.

MR. GERMAIN: A billion and a half in interest we're spending. Just check your numbers again, Mr. Minister. Check your numbers again. Mr. Chairman, I'm here to talk about the estimates on the lotteries, not how much we pay in interest every year, because the Provincial Treasurer of course isn't here to confirm my commentary.

Now, out of all of this expense situation, Mr. Chairman, \$123 million of this money is funneled off into special programs, the kind of fuzzy, feel-good special programs that in isolation represent a few thousand dollars to each of the little constituency organizations and each of the little service and community groups but really represent an astoundingly large budget amount, again an amount larger than some of the ministerial department budgets. So it now behooves us to take a look at what these numbers really mean.

If you took the total recovered from lotteries and you divided it by the 83 constituencies, and forget for a moment that some small constituencies that may only have 8,000 or 9,000 people in them would not be gambling the average, we have an annual riding gambling tote here of approximately \$7.1 million a year coming from each of 83 ridings to the provincial government to be spent by the government and as directed by the minister of transportation, who's also in charge of lotteries. That is an astounding amount of money. Now, when you take a riding like Fort McMurray, that I know well, that has 5 percent above the average population base in the community, is also a trading centre for approximately another 10,000 people or thereabouts that live

outside of the community but shop in that community and live often in communities that do not have video lottery machines, and you take and factor that into the equation and you recognize that in our community we have somewhere in excess of 120 VLT machines – and remember, Mr. Chairman, the comment that I made earlier about the enthusiasm of the constituents in Fort McMurray to participate in this involuntary taxation scheme – you then would anticipate that a riding like ours would contribute perhaps \$10 million or more per annum to this one involuntary taxation scheme.

Now let's go down the list and look and analyze where the money all goes. Well, by virtue of our energy base we don't have an agricultural component, so we don't have an agricultural fair to obtain an agricultural society grant. Those agricultural society grants are fair and reasonable for those areas that have agricultural societies, but I ask the minister what steps and what provisions he takes into account to in some fashion top up what would be called our annual fair. We call it the Blueberry Festival, and it has an agricultural component, Mr. Chairman, because we focus on recipes for blueberries. It seems to me that the minister would have an onus to show where those additional funds come from.

DR. WEST: You have urban parks.

MR. GERMAIN: Now, the minister says, “urban parks.” He says: the member will remember that he got 50 percent of the urban parks funds this year for his constituency. I remember some Conservative members scowling into their desk tops when those figures were revealed. But the minister will also remember that in previous years we did not get our prorated share of those, and that was simply an adjustment to bring us back up to normal. That's the position I'm taking on those.

So I still ask the minister to say where it is that those rural and urban areas that do not have traditional agricultural societies to draw money from: where do they get their particular . . .

DR. WEST: Winter Games.

MR. GERMAIN: Now he's going to talk about the legacy of the Winter Games, that fund-raised in the community more money than the grants ever equaled in that particular community and operated at a profit in the Fort McMurray community irrespective of donations and handouts from the provincial government. So we'll listen for the minister's next commentary.

DR. WEST: Interpretive centre.

MR. GERMAIN: Well, now he's going to talk about the great election gambit to get his man elected in – I can't remember what election it was that they were feeling nervous up there in Fort McMurray, so the interpretive centre sprang out of nowhere so that they could get an incumbent elected. [interjections] Oh, they're all chirping now, Mr. Chairman.

MR. LUND: These notes are going back up there.

MR. GERMAIN: Yeah, well, let him send them up there. The hon. minister wants to send those notes up there. What he will do when he sends them up there is increase my fund-raising for the next election, because people will say, “Here's an MLA that's fighting for his constituency and is laying out all the facts.” The

interpretive centre . . . [interjections] Oh, why don't you stand up and talk at the right time, hon. minister, instead of sitting there in your chair and chirping away at somebody who's trying to do a good job for his constituency?

AN HON. MEMBER: Adam, you're losing your grip.

MR. GERMAIN: I'm losing my grip. Now, some of the hon. female members over there are saying that I'm losing my grip, Mr. Chairman.

Let me continue. We ask the minister: where is Fort McMurray's prorated share of those funds? We invite his response.

Now, let's move on to the cultural initiatives. Buried in those cultural initiatives we do have museums and some multicultural association meetings and the like. I would like to ask the minister again to point out where out of that selection Fort McMurray receives its fair share.

8:30

We now move on to the recreational initiatives. We concede that the Alberta Sport Foundation has been supportive of sports initiatives in the Fort McMurray area, and the minister earlier mentioned the Winter Games. Well, the Winter Games, Mr. Chairman, were before I ever got elected into politics. After a conscientious analysis of all the money coming to Fort McMurray, even with that money, Fort McMurray-ites felt reason to be aggrieved as to how much of this discretionary funding was coming back to their community compared to other communities. So I ask the minister again to assist in the explanation of that.

Now, I come at last to the community facility enhancement grant program. You know, Mr. Chairman, the first time I was here many Members of this Legislative Assembly stood up and spoke, and the hon. Member for Medicine Hat stood and spoke in glowing terms about how excited and how good he felt and what a feel-good approach it was to be able to go to a canoe club in his riding and make a CFEP presentation. That might indeed be an exciting event, to go and make a community facility enhancement program grant, but with the exception of some Calgary MLAs who have invited their opposition counterparts I have no record of any opposition member being asked to present a CFEP grant to any group. If I'm wrong in that, that would be interesting.

MRS. BURGNER: A point of order.

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

**Point of Order
Clarification**

MRS. BURGNER: I'd just like to issue a point of clarification to the hon. member, if he's interested in hearing it.

THE CHAIRMAN: You're asking under *Beauchesne* 482?

MRS. BURGNER: Whatever.

AN HON. MEMBER: *Beauchesne* 459.

MRS. BURGNER: Thank you; 459. Mr. Chairman, I would like to advise this House that I share in the original boundary review, Calgary-Currie and Calgary-Buffalo, and on a number of occasions I have shared in the opportunity to present CFEP cheques with the hon. Member for Calgary-Buffalo, both of us

jointly, together, in the same room. All I can say is that if the hon. member is not aware of what his own colleague does within his community, he should be loath to make such comments.

THE CHAIRMAN: I think that's a point of clarification.

MR. GERMAIN: On the point of order, Mr. Chairman. If the hon. member will go read *Hansard*, she will see that my exact words were: with the exception of some Calgary government members who invite their opposition colleagues along. That's what I said. That is exactly what I said in my debate. [interjections]

THE CHAIRMAN: Order. I don't think we need any more points of order on the point of order.

MRS. BURGNER: A point of clarification here.

THE CHAIRMAN: I thought, hon. member, you'd clarified it.
Hon. member, would you please continue with your discussion on the estimates, otherwise we'll wind up spending 20 minutes on the clarification.

MR. GERMAIN: I was aware that the hon. member did invite the Member for Calgary-Buffalo along, but I was concerned about raising it, so I did not mention her by name. I referred to the very incident. If she will look at *Hansard*, she will see that I referred to the very incident.

THE CHAIRMAN: I think you've made your point.

MR. GERMAIN: So I do not know what it is that I should apologize for, for being exactly factual. [interjections]

THE CHAIRMAN: Hon. members, we have gone on long enough on this point, should it even be a point. Clarification has been made by the hon. Member for Calgary-Currie. Now, Fort McMurray, if you'd continue on the estimates that we have in front of us: lotteries.

Debate Continued

MR. GERMAIN: Thank you. The point I was going to make, Mr. Chairman, is that it's not troublesome to me to not get invited to make CFEP presentations. It's obviously hurtful, and people in the community often wonder why that is. My only suggestion to the minister is that instead of sending somebody up to Fort McMurray by charter aircraft or by plane ticket or on a government plane to make a CFEP presentation, I'd ask him to do us a favour in Fort McMurray, because we need the money. We need the money for community facility enhancements. If he would simply add \$500 to the size of each cheque and send it up by double-registered mail, that would be more appropriate for the community, and I want to move on from that point.

Now, if you take our constituency, Mr. Chairman, which, as I've mentioned, already has a recognized enthusiasm for this voluntary taxation, has a 4 percent or more overage in terms of average population per riding, and if you divide the CFEP money into 83 ridings and forget completely that some ridings have only 10,000 or 12,000 people in them in this province – forget that completely; just divide it by 83 – it indicates that each riding in this province should get about \$421,000 of CFEP money each year. I want to throw out a friendly and benign challenge tonight

to the minister in charge of these funds to see if he can try to achieve that kind of equality in his distribution of CFEP funds so that all ridings would feel that they are properly treated in this particular program that has caused much controversy. Roughly \$421,000 per annum.

What is a better suggestion, Mr. Chairman? The better suggestion would be simply to dismantle the application process, dismantle the inequities, dismantle the need for the types of questions that have been raised in question period the last couple of weeks, where you have one school in one Calgary riding getting \$85,000 and other schools getting nothing, and simply send to the municipal offices \$20 or \$30 or \$40 per citizen per year. Distribute the CFEP money in that way, by grants that can be distributed by the local community.

Now, the health and wellness initiatives, Mr. Chairman, are also interesting. There again some of these projects have many useful objectives. But from a Fort McMurray-ite point of view we always have to ask: what portion of these are coming back to the community in a sense of fairness? I again urge the minister when he is dealing with those lottery issues to make it a policy mandate of those particular organizations that have the power to distribute government funds in this way that there be a consideration for equity and equality around the province.

Now, the last two comments that I want to make deal with two special and new items this year. The minister has \$1.3 million devoted for special events/projects. I am assuming, Mr. Chairman, that that is the assistance to the organization committee of the 2005 exposition planned for the city of Calgary in that particular year, and I would like to ask the minister to confirm that that is in fact that grant that is going to go to Calgary, a wondrous opportunity for us to showcase again the city of Calgary and the province of Alberta to the world. But I would be very grateful if the minister would in the interests of fairness indicate what basis he will use to equalize that one-centre grant so that other parts of the province of Alberta, whether it be Grande Prairie or Fort Chipewyan or Lethbridge or Medicine Hat, will feel likewise that they have received their prorated share of those lottery funds.

Finally, Mr. Chairman, I want to urge the hon. minister to talk to us a little bit about number 9 in his lottery funding, which is \$9 million for new initiatives. Frankly, \$9 million defined with two words, "new initiatives," strikes me as warranting more attention from this Legislative Assembly, and I would urge the minister to discuss in a broad basis what that's all about and on a more narrow basis what of that is coming back to the riding that I represent, Fort McMurray. Our riding is an aggressive, self-sustaining, self-sufficient riding that already is taxed higher than any other riding in the province of Alberta in terms of the per capita tax. Revenue Canada has indicated that Fort McMurray is on average the highest taxed community in the province of Alberta. We pay those taxes willingly and graciously as our contribution to the province of Alberta's revenue and also in recognition that the corresponding wages are being earned to offset that. We gamble aggressively with the lottery machines and with the 6/49 machines, and it is not unreasonable for the MLA of that riding to ask: can we see hard evidence that we are getting our fair share back to the community of Fort McMurray?

With those challenges and those questions, Mr. Chairman, I will take my place, and because of your previous rulings I will not again mention the issue of Calgary-Currie's misunderstanding of what I had said about her relationship with the Member for Calgary-Buffalo.

Thank you, Mr. Chairman.

8:40

THE CHAIRMAN: The hon. Member for West Yellowhead.

MR. VAN BINSBERGEN: Thank you, Mr. Chairman. [some applause] Thank you for this warm welcome. I shall speak in soothing tones because I think that my predecessor, the previous speaker, has somehow offended the sensibilities of the minister, considering what it moved him to do. Of course I'm not referring to the unspeakable act. I'm hoping that my remarks will eventually reach the ears of the minister.

I'd like to say a few things about the lotteries figures, not much about the figures themselves actually. I don't doubt for one minute that the minister hands out the CFEP grants and other grants with the evenhandedness of Santa Claus, without any regard for the political colour of the recipient or the riding that is the recipient. I'm sure all that works well. So that doesn't bother me as much, although today of course, and I think last Thursday as well, it was alleged that there was some discrepancy between what several ridings were getting in the form of CFEP grants in Calgary, but I'm sure the minister is looking into that and will make sure that any appearance of unevenness, if I can call it that, will be eliminated.

Nevertheless, though, in his reply today, in his response, he referred, I believe – and I would like him to comment on that; that is really a question – to a set amount, a maximum amount in the way of CFEP grants available to each constituency. I would like him to let me know whether that is indeed true, if there is such an amount and, if so, how much it is. I would also like to know in the case of West Yellowhead to what extent that amount has been used up, because I'm not familiar with that at all.

The Member for Fort McMurray has commented already on the way in which these cheques are being delivered. Mr. Chairman, I think two or three years ago I'd already made that generous offer, a most generous offer, that I would gladly deliver any cheques that are destined for any organizations in my constituency and I would do so free of any charge. That offer still stands of course, and that would eliminate the necessity of any government planes having to be wheeled out of the garage and flying at great cost to the taxpayers.

AN HON. MEMBER: It's a hangar.

MR. VAN BINSBERGEN: It's a hangar. I beg your pardon. Nevertheless, Mr. Chairman, again, as the Member for Fort McMurray mentioned or maybe it was the Member for St. Albert – I can't recall. But the whole problem of any appearance of different amounts going to different constituencies and the delivery there of those cheques could be avoided if indeed a per capita amount were made available to all the municipalities and if they were charged with the dispersal of those amounts. I think they could do so very well. So that's still a suggestion that we keep making until it has been accepted.

I'd like to make a few comments, Mr. Chairman, about the larger picture. I think it's fair to say that the government has become addicted to the revenues that the various gaming activities bring in. Particularly, the meteoric rise in the popularity of VLTs has led to a corresponding decrease, it seems, in the revenue that charitable organizations have been able to gather. I've been approached by legions in my area, and they have complained bitterly about the fact that they're taking in far less in the way of, if I can call it, revenue. Consequently, far less is going out from them to a great number of charitable organizations in the towns

and villages. So it has a far-reaching affect. What seemed to be a simple action, namely the introduction of VLTs, has had in fact far-reaching consequences. I haven't even mentioned in fact the effect that it has on individual's lives, and I think that has been documented amply. So this is really the question that I have, because the government apparently is still looking at the possibility of getting into the business of for-profit casinos in some way or another, whether that be on aboriginal lands or not.

In addition to the VLTs and the other gaming activities, I wonder: has the minister or anyone done any study, is such a study possible to try to estimate what the potential amount is that can be siphoned out of people's pockets into all these gaming activities? There's got to be sort of an amount at which it simply doesn't pay anymore. I'm not looking at the moral or the ethical side of this; I'm just looking at the simple financial side. It must be possible to estimate what the point is at which the negative effects of all those gaming activities are going to outweigh the financial benefits, that saturation point or whatever it may be referred to. If the minister has no figures that he can give me on that particular score, I think it's time that he calls in the assistance of all kinds of experts to try to assess that before we get to that point, because then it will be too late.

Mr. Chairman, that's all I have to say. Perhaps slightly philosophical, but one very practical question, namely: are there these maximum amounts that are made available per constituency?

Thank you very much.

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

MR. SAPERS: Thank you, Mr. Chairman. I'm happy to enter the debate on the lottery fund estimates. At this point I have a couple of concerns that I would appreciate the minister's comments on. I note from page 399 of the estimates book that the income statement shows that there's expected to be just shy of \$595 million in revenues with about \$471,000 actually being contributed to the general revenue fund, the remainder, the \$123,000, going into the various program areas. [interjection] Oh, I'm happy to see that, hon. member. I'll just pause for a second, because I don't want the minister to miss any of this.

Now, the reason I point out that little bit of arithmetic is because what we have is a very broad area of discretion that's been exercised on the part of the minister or perhaps on the part of cabinet in terms of how to allocate that considerable amount of money that comes from the gaming and lottery activities sponsored by the government. The vast majority of it is going into general revenue. The minority of it is being allocated for some dedicated expenses. Now, it's hard to take issue with how the \$123 million is being spent, because there are several worthwhile programs and projects that'll be supported. However, I must hasten to add that I have several of the same concerns as my colleagues from West Yellowhead or Fort McMurray or Edmonton-Rutherford, who have already spoken in terms of the way the money has been allocated within the program initiatives.

8:50

I would like to focus some attention at least initially on the health and wellness initiatives, itemized as 7 in the summary of payments. I note that in total we're seeing just shy of \$17 million being allocated for health and wellness initiatives. Mr. Chairman, one of the projects that has been funded in the past has been a onetime grant that was made available to the Calgary Handi-Bus Association. That grant isn't being repeated this year, as it wasn't last. I note as well that the DATS service for the city of Edmon-

ton and other transportation services for individuals with physical disabilities also have not been supported through the lottery fund.

Now, in the city of Edmonton the DATS service is underfunded to the tune of thousands and thousands of trips. With the massive changes taking place in health care and the cutbacks that have forced labs to close, for example, throughout the city of Edmonton, many people who require ongoing testing who used to be able to access a community lab or collection site now are forced to travel relatively long distances, and if they are dependent on DATS to do that, they are finding that their trips have to be booked further and further in advance and that there is a longer and longer delay, because DATS is so overburdened. So what's happened as a result of the across-the-board cuts that have affected health care in the city of Edmonton? One of the outcomes has been that DATS has become overburdened.

I'm curious as to why it was seen appropriate back in '94-95 to support the Calgary Handi-Bus Association through the lottery fund, but in this current year, given truly the crisis that's being faced by many transportation services in the city of Edmonton and other places, why it hasn't been seen as appropriate to allocate some funds from the lottery program towards relieving the problems, towards relieving that crisis. There is, as I said, Mr. Chairman, this huge area of discretion. I mean, there's almost half a billion dollars of discretionary money that the government could choose to direct towards those very worthwhile initiatives.

Now, if we look to advanced medical equipment purchases, also itemized under 7, there's \$7.266 million this year, as there was last year, as there was the year before. Now, that's a lot of money. We shouldn't sneeze at \$7.2 million, but on the other hand it's clearly not enough. There is a tremendous uncapitalized depreciation that is causing a real deficit amongst health authorities across the province. The Minister of Health recognized this in fact by allocating in her department's estimates \$15 million for equipment purchases in the budget, but health authorities across the province report to me that they are facing a real problem in terms of having enough operational equipment to go around.

As you tour hospitals around the province, you see some of the most amazing things. You see fetal heart monitors being held together with duct tape. You see crash carts in emergency areas that have been literally baled together with wire. This is not the way modern health care in a technologically advanced province should be delivered, and I would like to request that the minister responsible for the lottery fund account for the lack of appropriate allocations from the fund to health care.

I note that the line item is for advanced medical equipment purchases, and I can anticipate what the answer may be from either the minister responsible for the fund or the minister responsible for Health. But I would say that in giving that answer and in anticipating that these are not items necessarily of advanced medical purchase, let me say that when the basics aren't even being paid attention to, Mr. Chairman, perhaps some of these other purchases that are being contemplated would not be necessarily in the best interests. I'm not saying that we should not fund the advanced purchases. I am saying we should fund the basic necessities as well, and perhaps given this current period of chaotic change, this would be the opportunity to turn to the lottery fund to pay for some of that necessary equipment and upgrade that we need. There can really be little excuse for holding this portion of the fund constant year after year after year as revenues from gaming and VLTs and others continue to increase year after year after year.

I have the same question about special projects. I note that it's a rather hefty \$960,000. I don't know what special projects are

being funded. I'm curious to know. I'm curious to know if that's being allocated for a single project, if it's being allocated across health authorities, if it has anything to do with a central initiative of Alberta Health or what have you. So perhaps the minister can illuminate that.

Services for problem gamblers has quite appropriately been increased, and I would like to commend the minister for recognizing the woefully inadequate allocation back in '94-95 of \$820,000 for services for problem gamblers. I remember speaking on the lottery estimates at that time and lamenting the fact that it was far too little and seemed like an afterthought. The funding is getting to the point where it is probably appropriate. I would like the minister to walk the Assembly through the process of determining what would be an adequate amount. I'd like the minister to let us know. I mean, we've gone in just a few short years from \$800,000 to \$1,800,000. That million dollar variance, while I'm not arguing with it in terms of the allocation, I would like to be satisfied that it in fact is based on a needs assessment that was conducted somewhere in government and that that needs assessment has said that this is about the right amount of money.

I would be very curious to have some more details as to how it will be spent. Is it going to be spent as a large portion of that original allocation was spent: on advertising? Will it actually be spent on street-level or frontline counseling for those who have fallen into the trap of gambling, particularly with VLTs, because we know how truly addictive and destructive that form of gambling is?

[Mr. Clegg in the Chair]

So, Mr. Chairman, I would like to say that I'm pleased to see the detail. Every year it seems that we get just a little bit more information about the lottery fund. It still doesn't give me all of the answers that I need so that I can deal appropriately with inquiries through my constituency office, but it's better than it has been. I do have some qualms about relying to the tune of some half billion dollars on gaming and lotteries into general revenue. I'd like to know why and how it was determined that, while we skim almost \$600 million out of the pockets and after-tax incomes of Albertans, only \$123 million of it actually goes towards dedicated programming and the rest just seems to go wherever the government pleases. Of course, I would like some specific answers to the questions I've raised regarding the health and wellness initiatives.

With that, Mr. Chairman, I will pass the torch along to another member of the loyal opposition.

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

MR. HENRY: Thank you, Mr. Chairman. I have a few questions that I'd like to raise with the minister with regard to the lottery estimates, if I don't get distracted by the members to my left here.

Firstly, I want to acknowledge that in the estimates the minister has allocated money - I'm going to use the words "problem gambling" - in response to the increase in gambling in our province. Other members of our caucus have previously outlined concerns that I share with regard to the proliferation of gambling generally in our province. Specifically with the money that the minister has allocated to deal with those who have a problem with gambling, I understand some of that money goes to AADAC. What I'd like to know is: how do we know that money is doing

any good? What kinds of performance measures are put in place? I come from the perspective that quite often with regard to human issues and human problems things aren't always black and white; there isn't always a direct cause and effect relationship. I'd like to know what effort the minister has taken with regard to tracking, what kinds of interventions we have made with that money with individuals, and what kind of success, or are we throwing good money after bad, so to speak, with regard to gambling.

9:00

The second issue I'd like to raise with the minister has to do with comments the minister made in the House with regard to the Western Canada Lottery Corporation moving the offices out of Stettler, Alberta. The minister indicated that he was concerned about the impact of losing those jobs on the economy of Stettler – I appreciate that – and that he was making some effort to transfer new jobs into that community to help compensate for that. I want to know if the minister was expressing government policy generally, or was he simply doing that because it was a government-held riding.

Mr. Chairman, I don't recall the minister or in fact any of the ministers of the government or the Premier rising when I raised issues with regard to the number of job losses in my constituency as a direct result of government action. In fact, I remember some ministers taking great glee out of being able to cut the jobs of the public service not through attrition, not through early retirements and the like but through slashing people and putting them on the unemployment rolls. I'd like to know: what's the government's policy here? What's good for the goose is good for the gander in the world that I come from. I'm wondering why the minister would rise so fast to the situation in Stettler when he failed repeatedly to rise on the situation in downtown Edmonton when repeatedly employees were laid off.

I want to let the minister know that some of the impact in my riding was felt in the small business community. Particularly I'm thinking of six restaurateurs close to the downtown core, who got a lot of their trade and still do get a lot of their trade through public servants at work and at noon hour and after the afternoon work, who really felt the downsizing. People no longer either had the confidence or the cash or, frankly, were no longer going to work. The minister is hiding his eyes on this one, but I can tell you, Mr. Chairman, that there are small businesspeople in my community who came to me and were saying: "Don't downsize the public service anymore because we're barely breaking even now. Margins are really, really slim. If you take 5 or 10 percent of our lunch trade, we're not going to be able to survive." I know one in particular who had to change his business substantially just in order to survive.

So again I want to know what the government's policy here is. Are we just concerned for those government ridings when they lose jobs? Or do we do something concrete? I'd like to know specifically what the minister has done for my riding with regard to compensating for the negative economic impact on my riding and the people in my riding.

The next issue I'd like to raise with the minister has to do with comments he made earlier today with regard to the community facility enhancement program. The minister indicated in response to a question from the Member for Calgary-West, I believe it was – and I'm paraphrasing – that perhaps that member's constituency has used up their allocation. I wasn't aware until that point, Mr. Chairman, that there was an allocation for constituencies. So my question to the minister is: what is the allocation for Edmonton-Centre? What has been the allocation over the last three years?

What is the allocation for CFEP 3? I'd like to know what the criteria he uses for Edmonton-Centre to approve or not approve projects are. Is it on a first come, first served basis? Is it based on who has the funds in the bank to match? Is it that we want to fund smaller community groups or larger community groups?

I want to pursue this with the minister. Let me express the concern. I don't think it's unreasonable to have an allotment per constituency, whether it be a ballpark figure or an exact figure. But my riding, because it's downtown Edmonton, tends to have a lot of groups that are citywide in nature or provincewide in terms of their mandate, and it would seem to me that if a group that had a citywide or a regional or a provincewide mandate had its office in downtown Edmonton, it would negatively impact on the communities in my riding if the CFEP grants that went to those groups were indeed charged against the constituency allocation. It simply doesn't make sense, again, if they are more than just Edmonton-Centre in nature.

So again, the contrast is if the Alberta blank, blank association has headquarters in downtown Edmonton, as a lot have, and they receive a CFEP grant, is that charged against the Edmonton-Centre allocation as would be that of the Oliver Community League or the Prince Rupert Community League or the Rosedale Community League or other worthwhile groups or the 107th Avenue business revitalization zone, the Avenue of Nations? I'd like to know what the minister's policy is.

Next, with regard to the community facility enhancement program, I'd like the minister to advise me in terms of: what is the policy with regard to involvement by MLAs? I have many groups that come to me who ask for letters of support for particular projects, and if from the evidence presented to me those projects look as if they would be a benefit to the community, I'm more than happy to help the process along. But as the minister will appreciate, it has to be clear what my role is. Is my role simply to put a stamp of approval on any project that's nominally worth while in terms of the community good, or would the minister like me to look at those applications on a quarterly, a monthly, or a semi-annual basis and actually rank them with regard to importance in the community? So what is the role of MLAs, and does that differ depending on which side of the House you're on, Mr. Chairman?

Mr. Chairman, I hope the minister takes my comments regarding the gambling treatment money or the gambling problem money seriously – and I see him shaking his head in agreement – with regard to: how do we know if we're really helping people, besides having a telephone line and being sympathetic? Are we really providing any treatment that's worth while or any intervention, or are we just simply guessing and throwing money at that? With regard to the employment practices, could I have an explanation as to why Edmonton-Centre was treated differently than Stettler when the magnitude in Edmonton-Centre was radically different. Lastly, again, with the community facility enhancement program, what is the allocation for my riding? What specifically is the role of the MLA with regard to the processing of community facility enhancement program grants?

The last question, again, with CFEP grants is: are the grants of groups that are citywide or provincewide in mandate, whose headquarters are in Edmonton-Centre, charged against the Edmonton-Centre allocation, or are they treated differently because they are provincewide in nature? If they were charged against the Edmonton-Centre allocation – as the minister indicated, you know, there'd be an allocation per constituency – then I'm not sure that would be fair, and I'm not sure how much that

would leave for local community groups who actually do all of their work or a substantial amount of their work in the downtown core.

Thank you very much, Mr. Chairman.

THE DEPUTY CHAIRMAN: The hon. Member for Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Thank you, Mr. Chairman. When we look at the lottery fund summary of payments in the estimates for '96-97 and we look at one page and you look at the whole integrity of government, nothing could be more pertinent than this page when you get to integrity within government. The significance of that statement, through the Chair to the minister, is that when you're dealing with integrity – and I've heard many of my colleagues ask the same question – one has to look at: what are the policies, and how indeed is there fairness and equity in the distribution when it comes to lottery funds? It would be much more meaningful when it comes to estimates if we could see how through policy and past expenditures that money indeed was shared across the province of Alberta. Was it done with fairness in mind? Was it done based on justification for the applications that came from the different communities? I've certainly heard my colleague from Edmonton-Centre and others identify: what is the role of the MLA?

It's become quite clear in Clover Bar-Fort Saskatchewan that indeed grants are often given on the basis of whether the MLA has supported the project and put a letter of support in. On other occasions you'll be reading in the local newspaper that indeed a community program has got CFEP 2 or CFEP 1 grants, whichever respective year it was, yet the first the MLA ever knew about it was in the newspaper. So there certainly is a very mixed message out there as to indeed does the MLA have a role.

9:10

I can remember a former minister saying: you won't get any consideration unless you have a letter of support from the MLA. Then if you did a letter of support, the finger was pointed at you. I'm not quite sure, quite frankly, what's going to happen in the CFEP 3 program. Do I tell the community leagues in Strathcona county and the different community groups in the city of Fort Saskatchewan that they need to come to the MLA to get a letter of support? Or does it suffice to say, "Put your application in through the government of Alberta, and you'll be treated fairly and equitably within the funding program"? Those have to be addressed, and there should be a full sharing of that information as to what percentage went to what geographic area or how out of the 83 constituencies that all was broken down.

One still has to question the health and wellness initiatives. I mean, why are we dealing with health and wellness initiatives under the lottery fund? Surely when you're dealing with health and wellness, it would be more appropriately placed within your Health budget and your educational budget. I find it ironic that it's all part of the gambling mania or addiction that this government has got. When we look at the moneys clearly stated for problem gambling, I certainly would want to see the programming that that money has gone towards. I'd also want to get a handle on, through problem gambling: what did it cost our health care budget, what did it cost our Justice budget, and how do these dollars in this summary of payments equate to prevention or indeed to treating the problem? You don't know whether you've got value for your dollar if you've got so many dollars in the lottery fund, so many in the justice system, so many in health. If

we don't have a correlation in what we're trying to do, are you being effective?

I don't think we are being effective. I firmly believe that the people who have researched this whole area of gambling – and you're looking at that for every dollar that's raised, we're probably costing society three. I think that's closer to the mark. So there's no reassurance in my mind when you see the moneys designated for problem gambling, that it's a meaningful designation. It's a number. So we've got to go beyond that.

I will acknowledge certainly that there's more disclosure in this document, but it's still a long way to go, Mr. Chairman. It's not an area that I think we should be proud of in the province of Alberta. I think that community groups could do an admirable job with support from this government, getting away from the whole area of supporting meaningful programs in the community through gambling revenues. I think that the day that we don't see a page for lottery funds in this government and lottery fund estimates book, we'll have come a long way in the province of Alberta.

Thank you, Mr. Chairman.

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

MR. WICKMAN: He's going to go, and then I'm going to wrap up for our caucus.

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

MR. CHADI: Thank you, Mr. Chairman. My questions will be brief. I'm going to direct them to of course the minister responsible for lotteries. First of all, the lottery fund revenues in the Agenda '96 document talk about a forecast or an estimate this year of \$594 million of net revenues. That will be transferred to the general revenue fund, I would imagine. It says: the lottery fund revenues of \$594 million. Last year the budget was \$543 million, and the forecast was \$578 million. So here we are prior to the fiscal year-end, and we're talking about we expect it to be \$578 million. How does the minister or the lottery fund department or the people behind figuring out these numbers calculate \$594 million and not \$578 million, as was forecast last year? What is it that is going to increase this by, say, somewhere around \$16 million? What is it? Is it just the balanced budgets, or is there some sort of formula that we could go by? In 1994-95 the actual was \$554 million. I expect maybe we had some increases in VLTs. Either that or the formula of payouts changed, and if that's the case, please have the minister respond and tell us how they picked that magical number of \$594 million.

Another question I have of course is that \$594 million is predicted in the '96-97 estimates book of Agenda '96, but in the income statement of the Alberta Gaming and Liquor Commission it talks about 592 and a half million dollars. So it appears to be a million and a half dollars out somewhere. I know that in the whole scheme of things that doesn't amount to much, but still the numbers just don't jibe, and I'm wondering why he's out \$1.5 million, why there's a differential in there.

DR. WEST: Interest.

MR. CHADI: Okay. The minister, Mr. Chairman, talks about the interest on the money.

The Member for Fort McMurray made some very interesting

comments. I noticed that in the last couple of estimate debates since being elected to this House, we've had an opportunity in this Legislature to see the net revenues that have been transferred over to the general revenue fund. This fiscal year of course we're talking about \$594 million that we expect to transfer over. What are the actual revenues? When I look at the income statement, that's all I see: 592 and a half million dollars. The total expense apparently, according to this income statement in Alberta lotteries, is \$30 million. Now, is that the total expenses? Is that everything, including administration and the repair of the machines, everything all-inclusive? Mr. Chairman, the minister is nodding, acknowledging that that is in fact the case.

I also have a question with respect to the machines themselves. Obviously the video lottery machines are the ones that were the major capital expense in this venture. Were they paid for all at once? We've got 8,000 machines out there, I suspect. At what average cost? Were they paid for, or did we amortize this capital expense? Do we owe any money against this stuff? It doesn't show up on the income statement. If it was, was it capitalized all at once? In what year? The revenues seem rather consistent right throughout 1994 to '95 with the exception of about \$50 million, which would lead me to believe that there were no further expenditures on machines, or very little, and if there were, it doesn't show up in these documents at all.

Mr. Chairman, I've heard a lot about problem gambling in Alberta over the last couple of years. In fact, in my own constituency people have come forward and talked about the problems they had. Indeed I've had a situation where one of my tenants could not pay the rent the other day. When I had a chance to meet with her, I asked what the problem was that she was two months behind in her rent. She broke down, started to cry, and advised me that she had this problem with gambling and VLTs. I never thought that VLTs would be so highly addictive, but apparently they really are, and those people that do play them find themselves unable to let go so easily. They always think they're going to make a little extra, just one more spin, one more try. I can understand that.

In 1994-95, Mr. Chairman, in the actual estimates of services for problem gamblers we were expending \$820,000 that year. I'm not sure what the revenues were for that year from gambling, but if I were to assume that they were somewhere in the range of about \$250 million, that would amount to somewhere in the range of about a half a percent that would be allotted for problem gamblers. Now, we've increased our revenues if not double, perhaps even higher than that, and I would really like the minister to respond to this. How do they calculate going up to \$1.871 million in estimates for services for problem gamblers when, if you take the amount of revenue that accrues to the province this year alone, that would put it at somewhere around .3 percent that would be allocated? In fact, it's less now. With more gambling we're allocating less money percentagewise than we did in 1994-95, and I'm wondering if the minister can give us an explanation as to why that's happening, why it's not corresponding to the amount of money we've generated this year. Those are my comments with respect to services for problem gamblers.

9:20

With respect to the community facility enhancement program I note that in 1994-95 the actual was \$15 million. Of course, last year it was \$35 million, and this year again we expect a further expenditure of \$35 million. I'm wondering why the increase in this program. Did we amalgamate a couple of programs and cut some out that we increased it to \$35 million? That's a whole \$20

million more that went to the community facility enhancement program that wasn't expended in '94-95. I think I need an explanation with respect to that, and I'm hoping that when the minister does respond, perhaps if he responds in writing or at the end of the estimates tonight, he can actually answer that for us.

With those comments, Mr. Chairman, I'll take my seat and allow others to speak.

THE DEPUTY CHAIRMAN: The hon. Member for Calgary-West.

MR. DALLA-LONGA: You've got a good memory there, a very good memory. Thank you, Mr. Chairman. I just have few comments to make. I'd like to focus my comments primarily on CFEP grants, a favourite issue of mine. It seems that this government hasn't learned anything from previous mistakes, and we're just sort of starting all over again.

My colleague here from Edmonton-Roper asked the question: why are CFEP grants going up? Well, the answer is very simple: we're getting closer to an election year. That's why they're going up. As we get closer, the amount increases, and we see these Tory MLAs creeping through our constituencies – I use the word “creeping” very loosely – with cheques in hand, handing out these amounts. That's after their own constituencies have been amply fed. I find this practice actually, Mr. Chairman, quite appalling. I'll use a polite word. I don't know how we can continue to go ahead with this, but I guess somehow they're managing to do that.

I see my colleague – I guess he's a colleague – from Cypress-Medicine Hat is chirping away. I'm going to have to go burp him again here pretty soon so he goes back to sleep.

DR. TAYLOR: Nick said it better, Dan. Nick said it better.

MR. DALLA-LONGA: No, I don't care to imitate our former colleague from Redwater.

Mr. Chairman, we have to do something about this. There has to be a more equitable way of distributing these grants. You know, if we stop and think of where this money came from – I mean, my colleague here from Edmonton-Roper says he has a tenant who can't pay her rent because she's put it into these VLTs. Well, if we follow the trail of this money, it goes into the VLTs, and then it shows up in some cheque that's being handed out to some school.

MR. CHADI: That's my money.

MR. DALLA-LONGA: That's actually his rent money, when you think about it, Mr. Chairman.

You know, the fact is that on the backs of some people's hardship, albeit maybe through their own lack of foresight, they've lost this money. This money shows up almost in the form of an inducement, should I say, for the next election. We've had these schools which have been slashed back, and they're falling apart at the seams. In fact we hear stories about some of the schools actually being in a serious state of disrepair, they don't have enough computer equipment, and on the scene like a white knight with flowing mane and cheque in hand, this Tory MLA shows up with this gift. It says: “Vote for me and everything will be okay. I'm here to help. I'm from the government. I slashed your budget before; now I'm coming back with this money.” If you think about where this money came from, the practice is the very lowest of low in terms of behaviour and morals.

You know, Mr. Chairman, a society that relies on gambling is truly a society in trouble. This is what we're gravitating towards. We're not going to increase taxes. [interjection] I see the minister responsible is starting to come alive, and that's very good. He's entering the debate, albeit in an illicit manner. We should keep track of how many times he gets interjections in here.

Mr. Chairman, I think we have to be careful about where we are headed with this behaviour. I think the government should stop and rethink this whole CFEP, this whole lottery mechanism that they've got in place, generating funds off the backs of poor people, the backs of people who are less fortunate than many of us and who've lost substantial amounts of money, turning around and throwing that money out like it's gifts, making themselves look like they're some sort of hero.

Anyway, with that, Mr. Chairman, I'll conclude my comments and let my colleague for Edmonton-Rutherford conclude.

MR. WICKMAN: Just to wrap up amongst our caucus, they've all had a good opportunity for some very, very valuable input. Mr. Minister, that will help you tremendously in setting out on the right direction for lottery dollars and so on. I'm sure you appreciate the contribution made by every member on this side.

I have just one question, to follow on Edmonton-Centre, Calgary-West, and so on and so forth. If you could listen to this one very carefully. Is there an allocation per riding? I realize that when the Member for Barrhead-Westlock formerly held the portfolio, we had strong indications that there were allocations made to particular ridings, and that the government members participated in the decision-making process. They could actually veto applications at that time. One of the members there is shaking her head yes. Does that mean you're still doing it?

DR. WEST: Mr. Chairman, is he asking the question of you or of me?

MR. WICKMAN: Mr. Chairman, my question is through you to the minister. So in responding to the questions, can the minister clear up that point specifically as to whether there are allocations for particular ridings, what those allocations are, and what input we have in that whole decision-making process?

On that note, I'll conclude.

SOME HON. MEMBERS: Question.

MR. HENRY: I see the minister calling for the question, and quite frankly I'm quite dismayed. I asked him very specific questions about how he manages his department with regard . . . [interjections] I hear people saying, "Tough bananas." Well, as long as it's on record.

These are legitimate questions I've been asked to raise by my constituents. This government, again, thinks that because they have a majority, they can just run right through and not be accountable. They're legitimate questions. The minister didn't offer to perhaps get back to me later with some more specific details. The questions I asked were policy questions about how the money is spent in his department, that the minister should know. If he wants to sit there and not answer those questions, well, then, he leaves absolutely no alternative but for the opposition then to convey to our constituents what we suspect is happening, which is that if you are in a Tory-held riding, if you're in a government-held riding, there is a different process for approving CFEP grants than there is if you are in a non Tory-held

riding, and that in fact there is an allocation that is secretly held by this government for each riding that is told to each member of the governing party but is not told to the constituents of the opposition party in this House. That allocation is doled out on the basis of approval or vetoing by the government member, yet there is no advice sought from the opposition member for the riding. One can only conclude that the funds are used for the best political interests of the governing party of this province.

9:30

I challenge the minister to come to my riding, to any forum in my riding and have a discussion, come to any community league general meeting, and we can match item for item, and we can let the people judge who knows better the conditions, the desires, and aspirations of the constituents of Edmonton-Centre. Because the minister chooses not to answer, we can have no option but to assume and conclude that there are two standards in this province: one for those ridings who vote for the governing party and one for those who don't vote for the governing party. This, in my view, Mr. Chairman, is a fascist policy, where we have centralized control, and we don't have democracy operating the way it should in our province. Only if you're within the inner circle with the governing party do you have that kind of treatment.

Secondly, I must point out and the minister is by his absence in the debate saying that there are two standards with regard to compensating communities for withdrawal of government employment in their communities. Obviously, if you're from a government-held riding and there's downsizing – and there's been downsizing at all three levels of government in this country – this government will move in and shift jobs away from Liberal-held ridings and put them into Conservative-held ridings. There's only one word for that, and that is pork-barreling, Mr. Chairman. Let's be really, really clear that the minister of transportation endorses that kind of pork-barreling, not only endorses it but practises that kind of pork-barreling.

Again, I challenge the minister to show me one instance where this government has expressed any concern or done anything to respond to the job losses in my constituency, not only for the individuals who have lost their jobs but the countless numbers of small businessmen and small businesswomen in my province who have had their margins cut to nothing, some who've gone under because they've not been able to continue, especially in the retail and the restaurant service sector, because of the number of provincial government jobs. Yet this government has shown absolutely no concern, has shown absolutely no steps to try to cushion that, no steps to try to lay out a plan so it can be phased in over a number of years so people can address it in a responsible way and develop new markets and develop new ways of entering new market niches. So let's be clear that the record is very clear on that, Mr. Chairman. I can assure the minister of transportation and every other government member that this debate and the minister's absence in debate and the information that we're not getting will be conveyed to every organized group in my riding as well as to as many constituents as I can talk to personally.

Thank you.

DR. WEST: Just so the hon. member who just spoke can relate the whole *Hansard*, I'm going to interject here at this time from the minister's position. That is the most ludicrous, irresponsible piece of dissertation I've heard in this Assembly for a long time. He used words like "fascist." You know, I'm a member of the Legion, and in the Legion's bylaws and in the legislation that's in

the Assembly, the Legions do not allow fascists or communists within their organizations. I resent the comment that this is a fascist type of policy that we're administering here.

First of all: is there a distribution? Yes, we try to equitably distribute it throughout the province. These are two of the highest paid-out constituencies in the province: Edmonton-Gold Bar is one, over a million dollars; Calgary-Buffalo is another. These are well over a million, both of them. I was looking at Wainwright; the Wainwright constituency was about \$813,000. One of the things that they should know in the city – I suppose they'd like to break the city up so that they'd each have a certain allocation, and then for this multicultural centre over here that's served by five constituencies, it would only get this much. Well, they gave it over here to some miscellaneous structure just to keep equity. Well, in a city, we have multicultural centres, the Chinese multicultural centre, the German society, this society, that society, and they serve the whole city, some of them. Of course, when they apply for CFEP grants, they are allocated to the constituencies they're in. You try to keep equity, but if you looked at Calgary and Edmonton, there are millions that go in there compared to what goes into Vermilion or Lloydminster or Wainwright or Hanna.

Somebody stands up and says, "I'm going to go back to my constituency and show how a Conservative riding gets more than a Liberal riding." Ludicrous. I hope that you pick out the constituencies that are Liberal held, if you want optics, that have more money in them than somebody else because they happen to have maybe a multicultural centre or some other thing. That is the most irresponsible dissertation I've heard here. To lay that accusation, especially against this minister – these funds are distributed. I said to the hon. Member for Fort McMurray tonight: "Go ahead; tell your people to apply. We'll honour their applications, and if they're processed and it's within the \$75 million, they will be given due acknowledgment just as any other area in the province."

Certainly you have to distribute funds. Somebody has to be responsible for a policy that shows equity throughout the province. I really don't care what denomination you are politically, because I do what I think is right and this government does what it thinks is right, not what's politically correct.

I've heard them talk not just on the lotteries but about roads and otherwise. I can go through their constituencies and show you where they got seven of the constituencies. The government side got nothing this year compared to some like West Yellowhead with Highway 40. Then I come back and hear this nonsense. Well, I hope you take the *Hansard* when you're going out there to play your petty politics and point out what just was said by this minister.

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

Point of Order Imputing Motives

MR. WICKMAN: Yes, Mr. Chairman. A point of order under Standing Order 23(i) and (j). The minister made some remarks that could border on being very, very inappropriate and casting negativity on another member of the House. Clearly, Mr. Chairman, the Member for Edmonton-Centre was simply reacting to silence. Because the minister was not responding to the questions that had been asked, the Member for Edmonton-Centre had no choice but to provoke him a bit to try and get some answers.

It now appears that there is no set distribution, but I'm still not sure. Is the minister going to respond to the questions that are asked tonight?

THE DEPUTY CHAIRMAN: Well, before I call Edmonton-Centre, I really didn't know there was – and you mention, hon. Member for Edmonton-Rutherford, a point of order. I seem to be missing something here, but thanks for the remarks anyway.

The hon. Member for Edmonton-Centre.

9:40

Debate Continued

MR. HENRY: Thank you, Mr. Chairman. I'm glad I provoked the minister to finally stand up and give some response, to say something. The record will be very clear. The information we're after – the minister in his tirade gave some information to us, and I want to make sure that I've assumed it correctly. The minister did refer to the hon. Member for Lethbridge-West's allocation earlier today in the Assembly. I want to make it clear. When the minister talks about an allocation, say an allocation for the city of Edmonton, I do accept his point that when the minister arranges for a CFEP grant to go to a group that is broader than one constituency, more than one constituency benefits from that. Again the question is: is the CFEP allocation on a municipal basis when it comes to the two cities rather than just on a constituency basis? We still don't know that. We're going to be guessing that. We still don't know what the amount is, and we still don't know what the process is relative to government MLAs as opposed to opposition MLAs.

So, Mr. Chairman, I want to just make it clear that the minister has given us a bit of information, and I'm glad I was able to rouse him out of his slumber to be able to provide us with some information, albeit very little. That information I will indeed pass on to my constituents, and I will still await an answer as to whether groups that are provincewide in nature in terms of their scope that have their headquarters in my constituency – are those allocations taken out of the local constituency allocation of Edmonton-Centre, or are they citywide, or are they apportioned throughout the whole province?

Thank you.

THE DEPUTY CHAIRMAN: Are you ready for the vote?

Agreed to:

Program 1 – Agricultural Initiatives	\$22,530,000
Program 2 – Cultural Initiatives	\$23,079,000
Program 3 – Recreation Initiatives	\$16,244,000
Program 4 – Tourism Initiatives	-
Program 5 – Community Facility Enhancement Program	\$35,000,000
Program 6 – Education Initiative	-
Program 7 – Health and Wellness Initiatives	\$16,697,000
Program 8 – Science and Environmental Initiatives	\$750,000
Program 9 – New Initiatives	\$9,000,000

DR. WEST: Mr. Chairman, I would like to move that we rise and report.

[Motion carried]

[The Deputy Speaker 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, 1997, reports approval of the following estimates, and requests leave to sit again.

Agriculture, \$22,530,000; culture, \$23,079,000; recreation, \$16,244,000; community facility enhancement program, \$35 million; health and wellness, \$16,697,000; science and environmental, \$750,000; new initiatives, \$9 million. Total lottery fund payments, \$123,300,000.

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

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered.

MR. EVANS: Mr. Speaker, I wonder if we could have unanimous consent to revert to Introduction of Bills?

THE DEPUTY SPEAKER: The hon. Deputy Government House Leader has requested unanimous consent to revert to Introduction of Bills. All those in favour of granting unanimous consent, please say aye.

HON. MEMBERS: Aye.

THE DEPUTY SPEAKER: Those opposed, please say no.

You have your consent, hon. Deputy Government House Leader.

head: **Introduction of Bills**
 Bill 22
 Appropriation Act, 1996

MR. EVANS: Thank you very much, Mr. Speaker. On behalf of the Provincial Treasurer I request leave to introduce Bill 22, the Appropriation Act, 1996. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of the Bill, recommends the same to the Assembly.

[Leave granted; Bill 22 read a first time]

THE DEPUTY SPEAKER: The hon. Deputy Government House Leader.

MR. EVANS: There's a snowstorm out there this evening, Mr. Speaker, and it's almost 10 to 10 right now, so I would ask for the indulgence of members who would like to stay here and work on Bills for a considerably longer period of time. Accordingly, I will move that the Assembly adjourn and reconvene tomorrow at 1:30 o'clock in the afternoon.

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

