

# GAMBLING POLICY IN CANADA

## HOW DID WE GET HERE?

It is said that income tax was introduced in Canada to a sceptical public as a temporary measure at the time of the first world war.

I guess we accept now that it is not temporary but Canadians have never agreed on who should pay how much and for what. John Raulston Saul point out that, in 1950, taxation of corporate income financed about 50% of the public interest, i.e. government. Today it finances about 10%.

During this time the burden has shifted to the middle class and, for a time, they bore its increasing demand but, eventually, revolted against this burden and threatened to vote out any government who would not lower the burden.

Then the recession of the 1980s hit. Government, already strapped, were further strapped and we, the public, found ourselves being made an offer by governments - a way to create income for the public interest without taxation.

Once quarantined on the Nevada desert, the casino, like a virus, had been spreading across the landscape. Unlike a virus, it could have been stopped at the border, although not its viral effect, as Canadians were already dropping coin in the increasingly nearby American casino venues.

The idea we were sold was this: We will import the Las Vegas model, it's a proven money maker, we can't go wrong. It will provide a new revenue stream into government coffers and, if we don't, we will lose that same money because gamblers will go somewhere else and give them their money.

If you see less than seven logical flaws in this scheme, you work for a casino or a government agency that benefits from the revenue stream.

Canadians see the flaws but they were not really offered any choice. It was this scheme or no scheme and no scheme would mean the revenue would go somewhere else.

Sometimes it is a good thing to do what they do down there, sometimes it is good to follow the lead of our friends to the South. Not always, beef, fish, wood, water and oil come to mind. What we needed was some Canadian ingenuity, but we didn't get it.

Now we are struck with a model, a set of policies and regulations, a revenue stream which hopelessly compromises the duty of the government to their citizens and the predictable huge growth of problem gambling which attends the massively marketed gambling availability,

not just unquarantined but proliferated to the point of saturation.

It is a model which has yet to begin to take seriously duty of care, product safety, honesty in advertising, public health, harm reduction, suicide prevention and treatment of the addiction each government knew in advance would occur.

I represent the citizen, the citizen voice, who have been quite voiceless along with other communities and constituencies. We are not so voiceless on other issues, particular those that pose health risks. Municipalities invoke smoking bans, regulate bars and the sale and consumption of alcohol. The citizen voice is heard on education and public health where there are boards and, my hometown, Kingston, has boards for just about everything.

All authority for gambling rests with provincial governments; all profit goes to them. No one else can regulate anything. No one else matters.

Some in our organization are gambling prohibitionists for moral, religious, or other reasons. I respect their opinion. I am not a prohibitionist. Some say to those of us who are critics that you want to limit our freedoms, take away our right to choose to gamble or not. It is a free country, let me decide. My response is, if this is about choice, let us have more of it. At the moment you can not gamble or gamble as your provincial premier had decided you will gamble. Legally, there are no other choices. Gambling is a TV with one station, a restaurant with one item on the menu. And, for those who choose the meal, it has significant health risks but that's okay because that particular meal maximizes profits for the owners. I ask, where else in society is this a acceptable business model?

Policy in regard to gambling is a disaster primarily because provincial governments are sole regulators and profit takers. Compromised hopelessly by their unwillingness to create policy at arm's length from the revenue stream, both revenue and rates of problem gambling grow in predictable lock step with each other, We knew it all along but it is so evident now you cannot change one without changing the other.

In the three years since the 2001 research reported 340,000 moderate to severe problem gamblers in Ontario, while the government has made countless announcements about initiatives for responsible gambling, the number has grown by 100,000 to about 450,000.

### **WHAT NEEDS TO HAPPEN**

Take the slots and VLTs out. Get them out. Shut them down. They are a hazzard, an unsafe product. If they were a pharmaceutical, they would be off the market.

It is easy for me to say but, with such a high correlation between VLTs/slots and problem gambling, and that is thanks to some excellent, credible research, a strong case can be made that

the VLT/slot is a public health hazard. The more technically inclined in our citizen organization believe the VLT/slot to be inherently fraudulent in the way they operate.

It is ingenuity time, in my view. Poker is poker but the machines do not have to operate this way. They could be designed differently. They could be designed with higher entertainment value and a slower rate of bleeding you dry. They could be designed to help the problem gambler identify that they have spent too much or been there too long. Technically, it's easy. Much easier than getting toxins out of a landfill or Rick Mercer's one tonne challenge. But it would require the industry, the manufacturers and the government to come out of denial. They would have to admit the machines are addictive to be willing to accept a lower revenue stream.

This leads me to another proposal. An arm's length agency. Each province needs to establish a regulatory agency at arm's length from the conduct and management of the gambling venues and at arm's length from the profit. Something like a board of education. There simply has to be some checks and balances, some speed bumps built into this system or nothing will change, nothing good anyway.

One task of this agency would be to review the budget and content of all marketing, advertising and promotion materials for the lottery corporations, including all frequent player programs and incentives. Ontario's lottery corporation spends about \$500 million a year, much of which seems to me blatantly dishonest or misleading. Perhaps this is an area for greater, independent research. What is the effect of massive marketing? What restrictions or counter-advertising is effective in reducing problem gambling?

Over and above that specific question, we need a commitment to reduce problem gambling. Not to throw some money at it or spin a tale of concern bolstered by catch phrases like *We're committed to responsible gaming in our province.* And we need to leave behind the not too subtle attempt to lay all the blame at the feet of the gambler - *Know your limit, play within it.* Governments and their agencies are addicted to the revenue. They too are responsible for the mess we are in.

Picture the casino and its parking lot as a wetland, teeming with life, creatures scurrying all around, coming and going. Except there are toxins leaching their way into the wetland. That is the problem gambling. You can fund a number of studies on toxins in the wetlands. You can set up a booth beside the wetland and hand out pamphlets on toxins in the wetlands. RCGO spent \$1.5 million doing that in March. You could take one litre of every 400 litres in the wetland and put it through some toxin reduction process, phytoremediation, perhaps, then put it back in. That's about the ratio of treated to untreated problem gamblers on Ontario. You could set up a wedding chapel as they've done at Niagara Falls or a \$400 million renovation as they

have done at Windsor to make things more fun. But the answer is to reduce or eliminate the source. No amount of treatment or spin will help unless we get at the source.

To address the issue of problem gambling we need a comprehensive harm reduction program and plan: As is the case with tobacco or toxic waste, an approach is needed which has everybody on board. Government, the industry, the health sector, education, research, problem gambling experts, community and citizen groups. Uncoordinated, going in different directions as we are now, the problems do not get addressed effectively. Addiction, any addiction, is pernicious when the effected person is in denial, those around are defensive or enabling, or angry and withdrawn and the public and its institutions don=t care or don=t take responsibility. An addiction is addressed when everyone joins in on the concerted effort to rectify or ameliorate. That is a community at work, being a community.

One last area of concern is youth who are at higher risk of developing gambling problems than others. When Prof. Jeff Deverensky appeared before the Senate Committee on Legal and Constitutional Affairs, he said, AAdolescents as a group are also at very high risk for developing gambling problems....We now have an entire generation of youth who have grown up in a society in which gambling is not only legal but supported by our provinces....@ He went on to say, AThere is a perceived illusion of control on these (VLT) machines...an entire generation of youth has been engaged in video game playing...Given that, we are perhaps overstating that, as youth mature, they will somehow stop gambling themselves...We will not know the answer to that for another 10 to 15 years.@

I ask, would we put a pharmaceutical on the market under those conditions? The adolescent generation of today may be subject to rates double the adult rates of today which are already disastrous. What government can claim a responsible approach to gambling while doing nothing or next to nothing to protect against that possible outcome?

14 year olds are not supplying the huge revenue stream of today. Going after this problem will cost Ralph, Dalton, Jean and the rest nothing in terms of revenue stream until long after they are gone, if ever. In my province, there is only resistance to a concerted effort aimed at youth. Rather, in the school board district where my 16 year old son plays high school football, you can hand over a fat cheque to the team for him to play or he can work bingos to pay it off. The rich kids play, the poor kinds work bingos.

We need a sophisticated, preventive approach to the looming spectre of high adolescent prevalence for problem gambling.

86% of Canadians believe that governments are addicted to the revenue from gambling. The honeymoon is over. The opportunity for a healthier approach to gambling and gambling policy is upon us. But until we, together in Canada, can begin to see that significant changes

have resulted in significant reductions in the rates of problem gambling, let nobody associate the notion of responsibility with the gambling activity, policy and availability in our communities.