

**REPORT OF THE  
YUKON COUNCIL ON THE ECONOMY  
AND THE ENVIRONMENT**

**on**

**YUKON ENERGY, MINES  
& RESOURCES LIBRARY  
PO. Box 2703  
Whitehorse, Yukon Y1A 2C8**

**THE INTRODUCTION OF VIDEO LOTTERY TERMINALS  
AND EXPANDED CASINO GAMBLING  
IN THE YUKON**

ECONOMIC DEVELOPMENT LIBRARY

**JULY 8, 1994**

## **TABLE OF CONTENTS**

**LETTER OF TRANSMITTAL**

**INTRODUCTION**

**HOW THE COUNCIL PROCEEDED**

**BACKGROUND**

**Legislative Framework**  
**Gaming Trends in the Yukon**  
**Current Trends in Canada**

**SUMMARY OF RESPONSES RECEIVED BY THE COUNCIL**

**Reasons Cited for Opposition to Increased Gambling**  
**Reasons Cited for Support of Increased Gambling**

**DISCUSSION**

**CONCLUSIONS**



**YUKON COUNCIL ON THE ECONOMY  
AND THE ENVIRONMENT**

Yukon Government Executive Council Office  
P.O. Box 2703, Whitehorse, Yukon Y1A 2C6

08 July, 1994

Hon. John Ostashek  
Government Leader  
Government of Yukon  
Box 2703  
Whitehorse, Yukon  
Y1A 2C6

Dear Mr. Ostashek:

At your request, the Yukon Council on the Economy and the Environment conducted a broadly based public consultation to determine Yukon people's views on whether the Yukon Government should introduce Video Lottery Terminals and expand casino gambling in the territory.

On behalf of the YCEE, I am pleased to provide to you the Council's report on this matter.

Sincerely,

Tim Preston  
Chair



## INTRODUCTION

The Yukon Lottery Commission submitted a proposal to the Yukon Government in April 1993, to introduce Video Lottery Terminals ("VLTs") into the Yukon on a trial basis. Subsequently, various interested parties, including Yukon business people, approached the government to request further investigation of the possibility of expanding casino gambling in the territory. The Yukon Government believed that more information should be gathered on the topic before making a decision on any proposal to expand gambling opportunities in the Yukon. An inter-departmental committee was formed and directed to review the proposal and any other relevant information, including reports and studies from other jurisdictions.

The Yukon Government cabinet appointed the current Yukon Council on the Economy and the Environment (YCEE) in November, 1993. Shortly after its appointment, the Government Leader instructed the YCEE to undertake a broad based public consultation process to determine Yukoners' views on the desirability of introducing VLTs and expanding casino gambling. The directive to the YCEE noted that the views of First Nations, the R.C.M.P., the Association of Yukon Communities, volunteer organizations, service clubs, religious groups, the Yukon Chamber of Commerce, the Yukon Medical Association and the Tourism Industry Association of the Yukon should be solicited directly. Upon completion of the consultation process, it was expected that the YCEE would review the assembled information and submit its findings in a final report to the Government Leader. Once the report was submitted, Cabinet would be better able to make a decision on whether to authorize VLTs and expanded casino gambling in the territory.

## **HOW THE YCEE PROCEEDED**

In December, 1993, 145 letters were sent to stakeholders throughout the Yukon, including those identified in the government's instructions, to invite them to provide the YCEE with their views in writing. The deadline established by the YCEE for the receipt of written submissions was January 31, 1994. In mid-February, advertisements were placed in the Whitehorse Star and the Yukon News to announce the schedule for public meetings. Two members of the YCEE also appeared on the CBC radio program, "Cross-Talk" to gain the perspective of Yukoners and to raise public awareness of the public meetings scheduled for February and March.

YCEE members hosted public meetings in Whitehorse (February 22), Dawson City (March 14), Faro (March 15), Watson Lake (March 24), and Haines Junction (March 21 and 29). The YCEE also received an oral submission from representatives of the Federation of Saskatchewan Indian Nations (FSIN) and Video Lottery Consultants of Montana.

The inter-departmental committee gathered a considerable volume of information over the course of their review and this information was assembled and made available to the public. All letters that were received by the YCEE were also available for public viewing.

## BACKGROUND

The YCEE received presentations from Yukon Government officials to gain an understanding of the current legislative framework and the level of gaming activity permitted in the Yukon. Reports in national media were circulated to YCEE members to provide a rough sketch of the activity around casino developments and VLT use elsewhere in Canada. These reports, combined with presentations received from industry representatives, helped to give the YCEE some valuable background information.

### Legislative Framework

No more than 30 years ago it was illegal to sell, purchase or possess an Irish Sweepstakes Lottery Ticket. Lotteries began to be introduced legally in Canada in the 1960's, and today lotteries are viewed by most of the public as an unobjectionable form of gambling. Of course, the lotteries are tightly controlled and regulated and the resulting proceeds are used to support community activities.

Under section 207 of the *Criminal Code*, only a provincial or territorial government can operate video lottery terminals or slot machines. Government licensing or authorizations are required before any charitable organization can operate gambling facilities. Under the *Criminal Code*, all gambling activity in the territory, including bingo games, raffles, lottery tickets, special event casinos, and casino gaming in Diamond Tooth Gerties, must be

licensed by government. The slot machines in Diamond Tooth Gerties are operated by the Klondike Visitors Association on behalf of the Government of Yukon.

The *Yukon Lotteries Licensing Act* provides the Yukon Government with the statutory authority to issue licenses for charitable gaming in the territory. Charitable gaming includes bingos, raffles and special event casinos. Terms and conditions may be attached to a license to prescribe how the proceeds from an event may be distributed. However, the *Act* does limit the use of proceeds from gaming to charitable purposes, including the relief of poverty and disease, education, religion, cultural, recreational or athletic pursuits in which the organization will derive no direct or indirect monetary benefit. The Yukon Government receives revenue from the collection of licensing fees and from the management agreement with the Klondike Visitors Association for the operation of slot machines.

The *Public Lotteries Act* is Yukon legislation that creates the Yukon Lottery Commission (YLC). Under an inter-provincial agreement, the YLC is a member of the Western Canada Lottery Commission, (WCLC) and assumes responsibility in the territory for the distribution of Lotto 6-49, other on-line games (e.g. sports select, and pogo), and the WCLC instant tickets. The YLC distributes lottery revenues that are derived from these games in accordance with the *Act* and Regulations.

## Gaming Trends in the Yukon

The primary factor driving the proposal to increase legalized gambling activity is potential revenues, for both Government and business. Legalized gambling in the Yukon to date has raised considerable revenues for charitable organizations.

The Yukon Department of Justice indicates that in the fiscal year 1992/93, \$12.8 M was wagered in gaming activities in the Yukon. Of the total amount wagered, just over one-half, or \$6.5 M was wagered in Diamond Tooth Gerties, \$3.9 M was spent on lottery tickets, and the remainder, \$2.4 M was wagered on charitable gaming, including bingos, raffles and special event casinos. The Chart below provides a brief history of the levels of gaming activity in the Yukon.

### Levels of Gaming in the Yukon

1989/90 to 1992/93

Fiscal Year	Amount Wagered (millions \$)
1989/90	6.5
1990/91	6.2
1991/92	6.7
1992/93	12.8

Two primary sources can be identified for the significant increase in wagering between 1991/92 and 92/93. First, bingo wagering increased \$.8 M from \$1.1 M in 91/92 to \$1.9 M the following year. Second, Diamond Tooth Gerties began operating slot machines in



1992/93. The amount wagered in the slot machines was approximately \$5.4 M, and this was offset by a reduction in wagering at the traditional table games by approximately \$150,000, or 11%. The slot machines may have attracted new players that would not have otherwise gambled at the traditional gaming tables. It is worth noting that of the \$5.4 M estimated to be wagered in slot machines, a large percentage of this amount includes credits returned to players in winnings.

Of the total amount wagered through charitable gaming in 1992/93, approximately \$899,000 was retained by the organizations for charitable purposes. Lotteries Yukon reported that just over \$1.1 M was distributed in that same year to recreation groups through municipal governments, the Yukon Recreation Advisory Committee and through direct applications to Lotteries Yukon.

### Current Trends in Canada

The YCEE's mandate and available resources did not permit comprehensive review of the state of gaming throughout Canada. Despite this, oral presentations received from those involved in the industry outside of the territory combined with recent news reporting on the industry provided the YCEE with some basic indicators of the trend toward increased gambling throughout the country.

The data available for the Yukon indicate that the level of licensed gambling activity in the territory significantly increased from 1991/92 to 1992/93. The trend toward increased

gaming in the Yukon appears to be reflective of gaming trends in most Canadian jurisdictions. In the past few years, either full time, seasonal, or special event casino gambling has been licensed in seven jurisdictions across Canada. A number of explanations have been cited for the dramatic increase in legalized gambling, including enhanced revenue for Governments and charitable organizations, job creation, regional economic development and tourism stimulation.

In 1991, the Saskatchewan government entered into discussions with the Federation of Saskatchewan Indian Nations (FSIN) on the broad policy issues around casino gambling in the Province. (FSIN is an umbrella organization that represents 71 of Saskatchewan's 74 First Nations). At that time, it was agreed that current gaming groups, Metis and First Nations and the exhibition association, should be involved in discussions on expanded casino gambling in Saskatchewan. A year later, it was determined that a casino in Regina and Saskatoon would proceed. The Saskatchewan Gaming Corporation, (SGC) was founded to act as the owner and operator of the casinos. Three of the seven members of the SGC Board of Directors are FSIN representatives and the SGC Board is actively looking for sites for the casinos. In addition to creating employment opportunities, the Saskatchewan government hopes that the availability of casino gambling in the province will stem the flow of money from Saskatchewan to casinos South of the border.

The Ontario Government authorized the recent opening of a large casino in Windsor, with a stated objective of revitalizing that city's floundering economy. It is estimated that the

new casino could create approximately 1,600 jobs and it is hoped that the casino will attract gamblers from Michigan.

The British Columbia government is examining the development of a waterfront casino project that will see an investment of hundreds of millions of dollars, with an objective of stimulating the tourist industry in the province. The Quebec government has recently opened a multi-million dollar casino in Montreal, with similarly stated objectives.

Governments in Alberta, Saskatchewan, Manitoba and Atlantic Canada have all authorized video lottery gambling throughout their provinces. VLTs were originally available throughout Nova Scotia, including corner stores. The Province later decided to remove those machines and limit access. It is now widely believed, even by VLT distributors, that age-restricted venues such as casinos and licensed beverage rooms provide a necessary restriction to access.

Reports indicate that potential revenues generated from video lottery programs for vendors and Government can be significant. Information available from Nova Scotia indicates that VLT revenue for that Province is currently running at approximately \$1.5 M per week net of prizes. This revenue is split 70%/30% between government and retailer. There are currently 5,200 VLTs in Manitoba, however, this excludes the casino at the Fort Garry Hotel and the 600 VLTs located in two of Winnipeg's "entertainment centres". The VLT revenue in Manitoba is currently running at approximately \$3 M per week, net of prizes and now surpasses liquor revenues in Manitoba. Alberta reports that almost \$100 M has accrued to

government in the first 12 weeks of fiscal year 1994/95 from the nearly 5,000 VLTs located through the Province. VLT revenue in Alberta and Saskatchewan is split 85%/15% between the government and retailers. The average weekly revenue generated by each of Saskatchewan's 3,114 terminals is \$700.

## **SUMMARY OF RESPONSES RECEIVED BY THE YCEE**

All written submissions received by the YCEE were considered in the preparation of this report. The YCEE found that written submissions did not always state an unequivocal position on whether VLTs should be introduced or casino gambling in the Yukon should be expanded. Some submissions gave conditional support for expanded gambling under certain conditions or, in the case of organizations, stated that their membership was split on the issue. In certain cases, the YCEE was required to use some judgement in determining whether or not a submission supported or opposed VLTs and/or casinos.

By June 30, 1994, the YCEE had received 59 written submissions. Of those, 52 submissions expressed an opinion on the introduction of VLTs and the expansion of casino gambling and seven organizations or individuals either provided information, did not have an opinion or did not reach a consensus.

On the matter of Video Lottery Terminals, 46 (or 88%) of the 52 respondents opposed the introduction of VLTs in the Yukon. Four respondents (or 8%) favoured allowing VLTs in the Yukon and two respondents (or 4%) did not state an opinion on VLTs.

When the issue of expanded casino gambling was addressed, 38 respondents (or 73%) indicated their opposition. Twelve respondents, (or 23%) supported the expansion of casino gambling in the Yukon and two respondents, (or 4%) did not address the issue of expanded casino gambling.

Thirty-six Yukoners provided oral presentations to the YCEE. Of those, 27 submissions (or 75%) opposed VLTs and nine (or 25%) favoured the introduction of VLTs in the Yukon. On the matter of expanded casino gambling, 22 submissions (or 61%) opposed and 13 (or 36%) approved. One individual had no opinion on expanded casino gambling. (Eleven groups or individuals that provided written submissions to the YCEE also made oral presentations at community meetings.)

The expression of Yukoners' views on the matter cannot be fully captured by a simple "head-count" as is described above. Although the "numbers" provide a rough measure of public opinion, the assessment of explanations given by those who oppose or support expanded gambling comprised an essential component of the YCEE's work.

#### Reasons Cited for Opposition to Increased Gaming

Those who opposed the expansion of gambling opportunities in the Yukon believe that an increase in social problems would result. Submissions noted that the increase in social problems will either outweigh the economic benefits or that no level of economic benefit can justify an increase in social problems. In addition, religious groups, those who provide counselling services to Yukon people and First Nations, including individual First Nations, the Elder's Council of Yukon First Nations (the Elder's Council) and a First Nations cultural group oppose the expansion of any gaming in the territory.

Submissions associated a wide variety of social problems with the availability of VLTs. Many argued that increased availability will lead to increased problems such as pathological gambling. (A pathological gambler is described as a person for whom gambling has become a problem which negatively effects the gambler's marriage, family or ability to retain a job or meet financial commitments).

Individuals from the social services counselling field argue that the current levels of funding cannot keep pace with existing problems. Increased opportunities to gamble will simply increase the demand for their limited resources.

Many who presented submissions to the YCEE believe that individuals who may be most attracted to VLTs or other forms of gambling can least afford to lose. In particular, people receiving some form of financial assistance from the government were identified to be in this category. The use of social benefits to gamble was viewed as especially problematic because the money that was gambled and lost was likely money required by the gambler and the gambler's family for rent, food or other non-discretionary type expenditures. Some opponents of the expansion of gambling characterized this as a form of "back-door" taxation, since social benefits lost to gambling circulated back to the government in the form of revenue.

Several studies identify VLTs to be highly addictive. Some studies indicate that those attracted to VLTs belong to groups that comprise a disproportionately high portion of the Yukon's demographic profile, including men between the age of 19-39, individuals in low

income or income assistance categories as well as those who are currently addicted to alcohol or other substances. These statistics have been used to argue that the negative social impacts will be greater in the Yukon than they would be for a similar sized population elsewhere in Canada.

Some who provided the YCEE with their views indicated that expanded gambling opportunities will inevitably lead to negative social impacts. Religious groups, in particular, argued that discussions around the weighing of economic benefits against the social costs losses sight of the fact that, in the end, it will be actual people and their families that will be negatively affected. They oppose government taking any action that it knows in advance will have a negative impact on Yukon people and their families regardless of the economic benefits that may accrue to businesses or government.

Members and representatives of Yukon First Nations and the Elder's Council cited negative social impacts in their opposition to expanded gaming opportunities in the Yukon. Many argued that First Nations people suffer disproportionately from alcohol and substance abuse and comprise a large portion of the population that are on income assistance, the groups which tend to become addicted to VLTs and casino gambling. It was argued by some that First Nation communities are in a period of healing and that this process will be impeded by the distraction or temptation of expanded gambling.

The written submission provided to the YCEE by the Elder's Council is unequivocal in their opposition to gaming. The Elder's Council also recognizes that the exclusive authority to



control gaming on First Nation settlement lands rests with the First Nations. Should a proposal to expand opportunities for gaming proceed over their objections, the Elder's Council believes that the Council for Yukon Indians must have equal involvement in the development of policies, legislation and regulations and that a portion of the proceeds from gaming should be allocated to alleviate social problems experienced by First Nation citizens with respect to gambling.

The YCEE also heard that gambling, as a form of tourist based economic development, fails to capitalize on the Yukon's greatest attraction: its pristine wilderness and natural beauty. Opponents also point to the proliferation of opportunities to gamble elsewhere in North America and question whether people will travel to Whitehorse to play VLTs or casino games when the opportunities are so readily available elsewhere in Canada. It was acknowledged that gambling is a part of the history around Dawson City and "fits in" nicely to their tourist oriented theme. Las Vegas or Reno type economic development does not "fit in" with the vast majority of the Yukon's history and does not promote the natural attractions that lure people to the Yukon. Opponents who questioned the use of casinos and VLTs as a tool of economic development questioned the sustainability in addition to the desirability.

Gaming activity was also referred to as a form of "back-door" taxation since government stands to realize revenues from the gaming activity. The economic question regarding the power of money in circulation was also raised. It was argued that money which is gambled and lost will be redirected from current expenditure patterns and will result in losses to

Yukon businesses that currently rely on those expenditures to sustain current employment levels.

### Reasons Cited for Support of Increased Gaming

The majority of Yukoners who support the expansion of gambling opportunities in the Yukon concede that some negative social effects can be attributed to gambling, however, they also believe that the economic benefits that result from gambling exceed the social costs. As indicated earlier, not all individuals who support expanded casino gambling also support the introduction of VLTs. The primary supporters of both expanded casino and VLT gaming in the Yukon were the British Columbia/Yukon Hoteliers Association (BCYHA) and the Video Lottery Consultants of Montana.

Gambling proponents, particularly members of the BCYHA cite many economic benefits from the introduction of VLTs. In written and oral presentations, the BCYHA indicated that the introduction of VLTs in their licensed premises would increase employment by increasing the number of jobs in hotels and by extending the duration of employment for seasonal employees. It was put forward that concerns regarding access to VLTs by underage gamblers, (as was the case in Nova Scotia last year) could be allayed by permitting the machines in licensed beverage rooms only.

Proponents of VLT and casino gambling largely agree with opponents that a fraction of the population are pathological or problem gamblers. It is argued, however, that they are

already gambling and "suffering" the effects of their addiction. Introducing VLTs or expanding casino gambling will not create an existing problem. Revenue generated for government by this initiative, however, could be used to provide programs to assist addicted gamblers.

Some who opposed the introduction of VLTs could support expanded casino gambling in the Yukon. They stated that a seasonal (May to September) casino would increase employment by encouraging tourists who only stop-over briefly, to increase the amount of time and money they spend in the Yukon. An entertainment attraction geared to the summer tourist traffic would increase the amount of money circulating in the economy and may limit the negative social impacts on Yukoners.

A number of other arguments were made by those who support expanded gambling. It was argued that the decision to gamble or not is a personal choice and the government should not outlaw in Yukon what is permitted elsewhere in Canada. Others stated that Yukoners who want to gamble must do so elsewhere, either in the U.S. or in a province that permits gambling. A year round casino is viewed as a necessity to stop this leakage from the economy.

Proponents also argue that VLT and casino gambling will come eventually, either legally through satellite television or illegally through "grey-machines" or back room casinos. Government management of the introduction and expansion of gambling opportunities simply recognizes the realities of the situation.

Several options were proposed for the distribution of revenue generated for government from increased gambling opportunities. In addition to using government revenue to provide programs for addicted gamblers, the revenue could be channelled into social programs, the health care system, arts groups or unconditional grants to municipalities.

## DISCUSSION

Concerns were raised through public consultations. The concerns were focused on the potential adverse consequences of gambling generally. The YCEE has attempted to weigh the economic opportunity of expanded gambling against the adverse social consequences. In addition, the YCEE considered the issue of establishing a properly funded program to address problem gambling that already exists, or that may arise if gambling activity is expanded.

Of the broad range of opinions, most fall into one of three categories. Some Yukoners morally oppose all gaming and oppose government's authorization for it to continue. Others, at the opposite end of the opinion spectrum, express the view that people should be free to gamble in whatever manner they choose, free of any government regulation. The operation of a gambling enterprise should be considered a normal business activity, without any special regulatory requirements. But the vast majority of the public opinion lies between these two views.

Many Yukoners view gambling as socially tolerable, and perhaps even desirable. Many consider casino gambling to be a form of entertainment and an opportunity for socializing, but with the recognition that government regulation is necessary, to minimize the adverse social effects that gambling can generate. They do not view gambling per se as immoral, but they recognize the potential for social disruption if gambling is not effectively regulated. The issue for people having this latter opinion, is how to maintain enjoyable forms of

gambling, and the attendant social and economic benefit, while at the same time minimizing the social disruption that such an activity can cause.

The majority of Yukoners who expressed a view to the YCEE oppose the expansion of gaming opportunities in the Territory. When opinions on gambling were focused on either expanded casino gambling or the introduction of VLTs, the YCEE detected differences in Yukoners' views. Many of the negative and positive impacts related to VLTs and casino gaming are the same. However, some differences in social costs and economic benefits have been distinguished and are worthy of note.

It became apparent during the consultation process that many of the concerns with respect to adverse social consequences, could be adequately addressed by controls or restrictions placed on the gambling activities: the more controls placed on the activity, then the lower the risk of adverse social consequences, and likewise, the fewer the controls, the more potential for those consequences. At the risk of using an unrealistic or extreme and perhaps obvious example, if a casino was allowed to operate only on Saturday nights, during tourist season, and if only tourists were allowed to gamble in the casino, then the potential for adverse social consequences would be minimal. On the opposite end of the control spectrum, if a casino was allowed to operate 24 hours a day, 365 days of the year, without regard to age or liquor restrictions, and without limits on the types of games or stakes, and without prohibitions applicable to identify problem or pathological gamblers, then the adverse social consequences could be expected to be intolerably high.

The YCEE detected more opposition, in terms of numbers and intensity toward the introduction of VLTs than toward the expansion of casino gambling in the Yukon. VLTs have been identified in research literature, media reports and through anecdotal accounts as being particularly addictive. For reasons relating to the Yukon's demographic composition and considerable in-migration of tourists, the YCEE did not accept that the finding of studies or observations of reports, based on southern populations, necessarily translate to the territory. VLTs have been used in Canada for a relatively short period of time. Although the information to date attributes negative social impacts to their use, the YCEE believes that more time and information is required before the full impacts can be known. The likely social impacts of the introduction of VLTs in the Yukon cannot be reliably assessed until more information has been gathered on the impacts in Southern jurisdictions and the results have been considered in the Yukon context.

The YCEE also determined that the introduction of VLTs into licensed beverage rooms will not draw tourists to the Yukon that otherwise would not come or compel tourists to extend their stay. Also, it is difficult to conclude that the introduction of VLTs in the Yukon would lead to any significant increase in employment opportunities. It is possible that, if marketed as part of an overall tourism package, a casino could result in an increase in tourism.

Some other jurisdictions appear to have placed too much emphasis on the financial gains to be reaped in the expanding gambling industry, (especially as in the introduction of VLTs) and have only seriously examined the adverse social consequences after implementing expansion. Indeed, there is controversy on the nature and extent of adverse consequences,

and much of the related data is only beginning to be gathered and analyzed. With Yukon's small population it should be less difficult to identify social problems, and easier to effectively respond to such problems.

The regulation or control of VLTs is more problematic than casinos. If VLTs are located in numerous licensed premises throughout the Yukon, it becomes more difficult to identify and control problem gamblers, and hence monitor adverse social consequences. There simply is not the same opportunity to scrutinize the gambling activity because of the fact that it would occur in so many places. VLTs have no requirement for human contact, unlike casino games. They do not have trained dealers or supervisors who can assist in identifying and reporting problems.



## CONCLUSIONS

The YCEE has come to the following conclusions:

### On the introduction of VLT gambling in the Yukon

1. The YCEE has reached consensus that the Yukon Government should not introduce VLTs in the Yukon at this time. The Government may choose to revisit the matter at some time in the future when more information is available, particularly in regard to the addictive nature of the VLTs and the effectiveness that controls on their use in other jurisdictions have in limiting negative social impacts.

### On the expansion of casino gambling in the Yukon

2. The YCEE was unable to reach a consensus on the expansion of casino gambling in the Yukon.

Submissions that were received from First Nations representatives, especially the Elder's Council, expressed concerns relating to increased social problems and these views were reflected by First Nation representatives on the YCEE. The Yukon Federation of Labour's (YFL's) opposition to expanded gaming in the Yukon was also raised.

The YCEE considered the Elder's Council view that First Nations may proceed with gaming on settlement lands, especially if the Yukon Government approves expanded casino gambling in the Yukon. If expanded casino gambling does proceed in the Yukon, the YCEE stresses the importance that it do so in a controlled fashion. There is considerable potential for a loss of control over gaming in the territory if the government pursues options to the exclusion of First Nation involvement.

The YFL also opposes casino expansion. They expressed the view that the Yukon is suffering from very high unemployment. The main focus for the government should be to attract large business and industry to the territory, especially to open new mines or assist in the reopening of existing mines, such as Faro. Once the Yukon's unemployment situation has been addressed through the provision of firmly entrenched industry-based jobs, the government may decide to revisit the issue of expanding gambling opportunities.

Other YCEE members supported expanded casino gambling in the territory. In particular, Council members acknowledged that a considerable amount of gaming is conducted that is not licensed by government. While some of this activity is within the realm of what is widely considered to be a sociable activity, it is also the case that other activity could be deemed to be more serious gambling in which participants may lose more than they can comfortably afford, i.e. problem gambling. Given the opportunity to gamble in a more controlled setting, organized non-licensed gaming may be reduced and the proceeds that accrue to government from expanded casino gambling in the Yukon could be earmarked to provide counselling services.

Based on the consultation process and information gathered to date, it is the YCEE's view that, if the Yukon Government proceeds with expanded casino gambling, then it should do so in a closely regulated manner, with the objectives of minimizing adverse social consequences while realizing enhanced economic development, job creation opportunities, and revenue generation for community purposes.

It was also pointed out that expanded casino gambling would result in increased employment opportunities and assist in developing Yukon's economy. The success in contributing to economic development rests in part in the ability to attract tourists and should therefore be a part of a larger tourism strategy.

3. The YCEE was able to reach a consensus that if the Yukon Government decides to proceed with expanded casino gambling, then it should do so with consideration of the following:

3.1. Yukon First Nations should have equal involvement regarding the policies, legislation, and regulations which give effect to this gambling activity;

3.2. a percentage of revenues generated through the operation of a casino be earmarked to assist in the alleviation of any problems that may occur due to any addictive behaviour with respect to gambling activities;



- 3.3. A policy be established on the objectives to be accomplished with respect to all aspects of gambling in conjunction with its Yukon Tourism Policy and economic development policy;
- 3.4. A policy should be developed and implemented with respect to the expansion of casino gambling, including ownership, management, operation, and profits distribution;
- 3.5. Over the course of its public consultation, the YCEE received and reviewed a considerable amount of information that relates to potential operational problems that could result from a casino. This information took the form of written submissions provided by concerned Yukon people, organizations, Municipal Governments and First Nations and background reports on the impact of casino operations in other jurisdictions. If the Yukon Government proceeds with expanded casino gambling in the Yukon, then these available resource materials should be thoroughly reviewed.

Dated at the City of Whitehorse, this 8th day of July, 1994.

