

Gambling goes high tech

The spread of video lottery terminals

BY DAVE PLATT (CUP)

GAMBLING HAS ALWAYS BEEN A HABIT some people find hard to resist. Whether in the form of lottery tickets or a bingo game, the promise of easy money is very enticing. In Canada, the licensing of gambling activities falls under the province's jurisdiction. In many cases, the profits from gambling go straight to the provincial government.

VLTs (video lottery terminals) are a part of a larger trend of greater permissiveness toward gambling in Canada. Legal casinos have been established in British Columbia, Alberta and Manitoba. VLTs are legal in New Brunswick, Newfoundland, Nova Scotia, P.E.I., B.C., and Manitoba. In the case of Manitoba, the machines have been available in rural areas for about two years, and have recently been introduced into bars in Winnipeg.

When you first see a VLT, you notice right away how much it looks like a video game. Instead of a joystick, it has a few glowing

buttons. It looks like one of those bar trivia video games.

There are two kinds of VLTs: the slot machine and a draw poker game. The slot machine has a pretty big payoff, but you have little control over what happens: the tumblers line up, and that's it. The poker game has a little room for skill (you choose what to discard, and you can control your bets), but generally a smaller payoff.

With a little luck, you might even make a profit, or at least, break even. More than likely, you'll lose your money. Even if you do manage to break even, you won't get real cash. Unlike other slot machines, the VLT's spit out a little piece of paper which says you won some money. You have to cash it in at the bar to receive your actual winnings.

SAVING RURAL BUSINESS

The Manitoba government operates its own VLTs as a revenue source. The profits

from the machines are split between the government and the bar management.

"The VLTs in rural Manitoba have proven to be very popular as a way of raising revenue for rural economic development and deficit reduction," says Liz Stephenson, communications director for the Manitoba Lotteries Foundation.

They've also been very successful in terms of boosting the rural hotel industry. "Before VLTs were introduced in rural Manitoba in [November] 1991, they were seeing anywhere from 15 to 20 foreclosures on hotel mortgages per year," Stephenson says. "Since the introduction of VLTs that number's fallen to two to three a year."

Once the cost of the machines has been paid for, money from the VLTs will go to deficit reduction, health care and other governmental concerns, according to Stephenson.

GAMBLING "TAXES" POOR

For organizations opposed to VLTs the revenue is beside the point. One of the groups most vocally opposed to VLTs is the United Church of Canada.

"It's not a healthy way to make money," says Dianne Cooper, executive secretary for the United Church of Canada, one of the groups most vocally opposed to VLTs. "Our taxation system should be the way that we're distributing income in our society to meet everybody's needs, not through gambling."

Gambling, Cooper argues, takes revenue disproportionately from the poor.

The Manitoba government replies that the poor do not gamble more than the rich, and that the single largest group of gamblers are in a higher income range. Similar findings have been reported by the Ontario government.

Critics say this is irrelevant. "What needs to be checked is what proportion of earning goes to gambling," writes John Siebert in the United Church's Mandate magazine. "If someone earning \$20,000 a year gambles the same amount as someone who makes \$60,000 a year, the former is taking from essential needs [to play lotteries], while the latter is taking from excess."

Another question mark surrounding VLTs is the issue of gambling addictions. Stephenson points to statistics that show that while gambling addiction may be a problem, it has very little to do with legalized gambling.

"Even if they're not government-controlled or regulated, people who want to gamble will still find a way- bets with friends, sports wagering, illegal card games."

PLAYING DOWN THE DANGERS

The Manitoba government also commissioned its own study. According to Stephenson, the study reveals that about 1.3 per cent of Manitoba residents can be classified

as pathological gamblers. They are more likely to be male, under the age of 30, never married, and most often have graduated from high school and earn more than \$25,000 annually.

Cooper has heard about this study, and notes that the government has only released parts. "I think that they have recognized that it's a problem, because they've changed what was the Alcoholism Foundation of Manitoba into the Addictions Foundation, and included gambling in that," she says. "The director of the Alcoholism Foundation has said that it is clear that there's a correlation between alcoholism and gambling addiction."

Cooper says the province is "playing down the dangers and the problems because they need the revenue."

CREATING JOBS OR ADDICTS?

The perception of a link between gambling and alcohol is no doubt strengthened by the fact that VLTs appear exclusively in licensed establishments. Stephenson says that this is essentially a coincidence, because the government wanted to limit access to minors.

In fact, VLTs may be addictive enough to drive people away from drink.

"The same old regulars are sitting for six hours in front of the machines," one bartender told the *Globe and Mail* recently. "But they only drink four cokes."

VLTs have also put a crimp in the tips collected by waiters and waitresses. Bar staff complain that all the change patrons carry is now going into the machines. As well, the waiters and waitresses are now required to make change for customers wanting to use the machines--without any increase in pay.

In other words, the VLTs can bring people to bars, but they can't make them drink. With negative talk about VLTs getting around, at least one Winnipeg bar now advertises that it doesn't have the machines.

The government argues that if it did not get into the gambling business the money would simply go elsewhere, namely into markets in the U.S. and other provinces. According to Stephenson, about \$100 million was being spent annually by Manitobans gambling out of the province.

"The decision was, do you close your eyes and put your head in the sand and just say 'no, we're not going to get involved in that,' or do you keep that \$100 million in the Manitoba economy, employing people, creating jobs?"

Cooper argues that the government is simply creating more addicts. "They believe they're keeping revenue at home rather than having it go elsewhere--there's some truth in that," she says. "The question is whether or not they, by making it more available, more accessible, more attractive, are creating more gamblers. I don't buy that argument that they would've all gone to the States."

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