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ALC online gambling - Atlantic Lottery Corporation may add online gambling to its services, but is the province willing to go along with it? Anthony puts that question to Finance Minister Tom Marshall.

Anthony Germaine: Profits are flat-lining, Atlantic Lottery says maybe it's time to have another look at online gambling. Three of four Atlantic Provinces have rejected the idea before, but are times a changing? Much of the money raised by Atlantic Lotto ends up in provincial government treasuries. Joining me on the line now is Tom Marshall, the province's finance minister. Good morning.

Hon. Tom Marshall: Good morning Anthony.

Mr. Germaine: So why has this province said no to online gambling in the past, just refresh people's memories.

Mr. Marshall: Well it, you know, every time Atlantic Lotto wants to do something new they have to bring it to us and bring it to the other shareholders as well, and to make a business case for it. And we take a look at it, and sometimes we say yes and sometimes we say no. We've said no in the past to casinos in this province. We've said no to many casinos. We said no to keno and we said no to online gambling. We also said no to ALC, you know, going to other countries and other states and offering the product, and we also said no to them providing management services and consultation services to other states and countries as well.

Mr. Germaine: Ah-um.

Mr. Marshall: And sometimes we say yes.

Mr. Germaine: Okay, Mr. Marshall, when you sort of take a look at Atlantic Lottery's, you know, statistics in terms of where their revenues are, I mean obviously they're not losing money but they're not growing the way, as a corporation they aren't growing the way they were. Is there any chance that Newfoundland and Labrador would reconsider its position on online gambling?

Mr. Marshall: Well, you know, the previous government considered it and we said no, and there's now a new, you know, there's been an election, there's a new government and there will be a new gambling strategy brought forward at some point. And the Cabinet will, can always reconsider but, you know, I can tell you that since the election that hasn't come up, there's been no discussion of this.

Mr. Germaine: Ah-um. I know one thing there was a discussion, certainly Premier Dunderdale made this clear during the campaign, is concern about, you know, the world economy being the way it is and Newfoundland and Labrador has to be very conscious about where it's going to get its revenues for the future. It must be something, it must be tempting given the fact that so much, so much activity when it comes to gambling dollars is moving online.

Mr. Marshall: That's right, and we looked at that and, you know, you know, there's the argument that, you know, the younger person is bored with the product that's presently offered by ALC, and they're moving to online gambling, in particular it's the internet poker, you know Texas hold'em poker, and you know I think there's over eleven hundred sites offering that product now on the web, and there's nothing we can do, there's nothing we can in Canada to stop that. So they're going to gamble anyway, if they've got a credit card and a phone or a computer, they're going to be able to gamble. So the argument was well why doesn't ALC, you know, which has a reputation over the past 35 years of responsible gaming, why don't they do it and offer the product, then at least it's a regulated product and then the money, you know, the money that's lost by the gamblers at least would stay in the region and be used for hospitals and schools and progressive social programs. But all of the Atlantic Provinces said no to that.

Mr. Germaine: Right.

Mr. Marshall: At this point, at this point in time.

Mr. Germaine: But New Brunswick, I guess, is the only one that sort of leans in favor, right?

Mr. Marshall: Right.

Mr. Germaine: But I guess, you know, as the tax man you must be, it must be something that you're somewhat concerned about because if you know for a fact that Newfoundlanders are deciding to use their credit cards, as you just mentioned they're going to be gambling elsewhere, why wouldn't you want them to say well look they're going to gamble anyway, why don't they gamble in way that at least I can take some of their money and build a road or a hospital?

Mr. Marshall: Well there's a counter argument, the counter argument is that, you know, you train people to do this type of gambling, once they learn it on a safe site, they'll migrate to the more exciting sites offered around the world. There's been criticism that a site offered by ALC would be small and that people who like to gamble, like to gamble with people all over the world and therefore they would migrate to these other sites. So I guess when the Cabinet dealt with it, the decision was made that at this point in time we didn't want to go into it until such time as we had more information, more information on the number of people who might be, you know, gambling online.

Mr. Germaine: Ah-um.

Mr. Marshall: I saw a report, some professor at the University of Las Vegas indicated that, you know, a small site, you know, a small operator would not necessarily attract a lot of these gamblers, who, as I said earlier, would be more interested in going to some of the larger sites.

Mr. Germaine: Right. But the money that the province gets from Atlantic Lotto, I mean, it is used for useful things, right?

Mr. Marshall: It is indeed.

Mr. Germaine: And how much do we get, what's our cut?

Mr. Marshall: Well it's about, between, it's around 109 and 106 million dollars. This year a 106 million, last year 109.

Mr. Germaine: Okay, 106, 109, so it's sort of stabilized at that amount right now.

Mr. Marshall: Yeah, since 2005, in 2005 it was about 117 thousand, this is total, right, this is from VLTs and the traditional lottery.

Mr. Germaine: Right.

Mr. Marshall: In '06 it was 105 thousand, same as '07, then it dropped to 98 thousand in '08. In '09 it was 107, last year 109, this year we're projecting 106, so it's pretty flat.

Mr. Germaine: So it's going to go down 3 million?

Mr. Marshall: Pardon me?

Mr. Germaine: It's going to be down 3 million?

Mr. Marshall: Well the number, the number for 106 million is an estimate for this year.

Mr. Germaine: Ah-um. Just one last question, how much do we actually spend on helping people with gambling addictions?

Mr. Marshall: Well I'm going to let the Minister of Health answer that question. I don't have that in front of me right now. But we do, you know, obviously that's something that we do and it's something that the illegal gambling sites don't do.

Mr. Germaine: Ah-um.

Mr. Marshall: So that's another argument that would, you know, back the argument to offer, for ALC to offer here in a responsible way, at least the money comes back to the province each year and some of that money goes to treat addictions. I mean as you know we're opening

two addiction centres in this province, we've just started construction of two additional addiction centres in this province in Grand Falls and another one here on the east coast this year.

Mr. Germaine: Do you ever take a chance on any of these games of chance yourself?

Mr. Marshall: I've never online gambled. I have gone into the casinos in Halifax and Sydney, and I've got to tell you when I looked at people there I didn't see people having a good time, I didn't see anybody smiling, laughing. Now Las Vegas was a different matter.

Mr. Germaine: All right, well listen Tom Marshall good to speak with you, thank you very much.