

Child Care calculated that as many as 3,700 spaces may be lost at a time when 15,000 children are already waiting for a subsidized space and another 21,000 children of workfare participants have been added to the waiting lists. There is considerable concern that because many of the schools to be closed are in the downtown area, parents may move into the suburbs. The result could be a hollowing out of the city core as has happened in many cities in the United States.

The Ontario government has maintained that the boards have enough money and flexibility to work within the formula without having to close any schools. In a bizarre twist of events the premier has pleaded with Ontarians "to join him in a crusade to fight the school closing." With a provincial election expected in the coming year, the Ontario government is clearly worried about the fall-out of the school closures on its chances for re-election. In a surprise move, the premier announced on Nov. 6, 1998, that his government will make additional money available to the school boards in order to keep the schools from closing. The funding formula is to be amended to take account of the space problems of older schools and schools are no longer expected to have a 100% occupancy rate to receive funding. The Ontario government still insists that school boards can find savings in their non-class room operations. It has support from the provincial auditor, who found in his annual report that school boards lacked "satisfactory systems and procedures for the acquisition and management of school facilities." At the request of school boards, the province will also make available a private sector management team to advise them on finding savings in overhead and administration costs.

The battle over the funding of education is far from over. It will continue in the media. Over the summer and fall, the government spent already \$5.2 million on an advertising campaign to sell its education changes. Further advertising is planned to counter the opposition and other critics, who, according to the premier, insist that the government is cutting funding, when it is spending more in the classroom and improving education quality. If Ontarians are to believe the premier, they first have to accept the new, now amended student funding formula. So far it appears to be yet another unacceptable social cost of the government's Common Sense Revolution.

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## **Manitoba**

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In civic elections across Manitoba in October, video lottery terminals (VLTs) were scarcely an issue. Unlike Alberta, where seven communities voted to remove VLTs and where votes in other centres, including Edmonton, were

extremely close, in Manitoba only one jurisdiction — the southern Manitoba town of Winkler — voted to eliminate VLTs.

Yet VLTs are a public health menace in Manitoba. That is the conclusion of a Canadian Centre for Policy Alternatives-Manitoba (CCPA-Mb.) study by Brandon University Economics Professor Errol Black, which was released during the province's civic election campaigns. Called *The VLT Controversy: Economic Boon or Public Health Menace? A Primer on Video Lottery Terminals*, the CCPA-Mb. study calls for the elimination of VLTs, and urges that VLTs be made an issue in the next provincial election, expected within the year.

Professor Black finds that the economic benefits purported to accrue from the presence in the province of VLTs are much exaggerated. Indeed, when analyzed on a net benefits basis, VLTs produce very little if any net economic benefit to the province. The \$124 million which poured into the provincial government's coffers in 1997 as a result of VLT gambling, and the jobs associated with VLT gambling, would have been created in the absence of VLTs. Says Black:

if there were no VLTs, money now spent on VLTs would be spent on something else, generating a roughly equivalent amount of economic activity. Thus, on a *net* basis, VLTs do *not* generate economic activity and jobs for Manitobans. (p. 6)

Worse, VLT gambling has significant harmful effects. The evidence is strong that the redistributive impact of VLT gambling is akin to a regressive tax — i.e., lower income individuals pay a higher proportion of the costs than higher income individuals. In addition, the presence of VLTs in a community cannibalizes local businesses:

The diversion of spending to VLTs is . . . at the expense of spending on other goods and services provided by businesses in the local economy. The proprietors of VLT establishments gain; other businesses lose. (p. 8)

Most importantly, the ready availability of VLTs in a community appears to increase the incidence of addictions, and the social and economic costs of gambling addictions are high. Black refers to recent studies which suggest that more than 35,000 Manitobans are problem or pathological gamblers. And since the literature on this subject suggests that each problem gambler affects the lives of four others, Black estimates that the lives of as many as one in six Manitobans may be adversely affected by the problems associated with gambling.

These problems are serious. They include financial distress including bankruptcy, job loss, physical and mental health problems, family breakdown, even suicide — there have been at least five suicides linked to VLT gambling since its introduction in Manitoba in 1991. In strict financial terms, it has

been estimated that the annual cost to society per problem gambler ranges from \$18,600 to \$56,000.

The problem with VLTs in particular is their ubiquity. They are easily accessible, located in bars and restaurants throughout the province, and their accessibility contributes significantly to increasing the incidence of problem and pathological gambling. Black quotes L.L. Desjardins, Chairperson of the 1996 Manitoba Lottery Policy Review Working Group, as follows:

I believe that VLTs are responsible for the majority of gambling problems in this province. They are referred to as the "crack cocaine of gambling."  
(p. 10)

This crack cocaine of gambling, Black argues, is no economic boon for Manitoba, despite the claims of the provincial Conservative government. On the contrary, it is a costly public health menace, adversely affecting the lives of tens of thousands of Manitobans—and disproportionately lower-income Manitobans—while producing no net economic benefit for the province as a whole. The CCPA-Mb. study concludes by calling for the elimination of VLT gambling in Manitoba.

#### NOTE

1. The study by Errol Black, *The VLT Controversy: Economic Boon or Public Health Menace? A Primer on Video Lottery Terminals*, is available from the CCPA-Mb. office. Phone: (204) 943-9962; fax (204) 943-9978; e-mail cc-pamb@policyalternatives.ca.



## Alberta

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The most pressing social policy issue in Alberta today is a bill to give the Alberta Minister of Health the power to approve private, for-profit hospitals. Bill 37 was introduced in the Spring session but died on the Order Paper. However, the Klein Government appears set to reintroduce and pass this bill, thereby paving the way for private, for-profit hospitals. This is a *national* issue because, under NAFTA, approving one private, for-profit hospital in Alberta means that private, for-profit hospitals must be approved everywhere in Canada.

Three arguments are made to support private, for-profit hospitals. These arguments appear reasonable and are believed by some on purely ideological grounds, but systematic data do not support them.

1. *It is falsely claimed that private, for-profit hospitals are more efficient and more cost effective.* Two sets of data are relevant to this false claim: