

EASY MONEY

By LANCER

The placement of video gambling machines on P.E.I. last August raises questions about the ethical propriety of the machines, and the moral prudence of provincial governments in promoting gambling. Although the installation of the machines on P.E.I. went unopposed, anti-poverty groups elsewhere in the country have expressed their concern over the decision of other provinces to install the machines, denouncing the devices as a crass method of taxation. Their assertion that the machines are a "tax on the poor" has been rebuked by the government, citing statistics which indicate most money made from the machines would be from middle-income players.

The machines are indeed a temptation -- especially for cash-strapped provincial governments who have witnessed a recent decline in provincial lottery revenues, due in large part to the recession. Governments are banking on the popularity of the new machines to help alleviate the losses incurred by declining lottery ticket sales. Profits from the lotteries generally account for about 1-2% of provincial revenue. Video gambling units have on P.E.I. have turned over about \$50,000 a day since last August.

Under the terms of the installation contract, the government gets 1/3 of the profits from the gambling units, with the other 2/3 going to the small business which houses the unit and the vending company which

maintains the machines.

In an economically depressed area such as the Maritimes, the installment of video gambling machines does appear to be a opportunistic attempt to prey on the financial frustration of a populace. By appealing to the "easy money" animus found in an economically depressed region, the government is setting itself up for criticism; not to mention the incongruity of government promoting what is traditionally regarded as a societal vice. On the latter point, however, one can argue that the regulation of such "deviant" aspects of society can reduce the allure of underground enterprises. Legitimizing the activity makes the attraction of illegitimate operations less tempting.

Unlike a lottery, video gambling holds a more personalized appeal. The games provide an illusory feeling of control that is lost in the collective character of lotteries. The interaction between the individual and the machine creates a different psychological effect on the player, making the gambling process more absorbing than the random selection of numbers on a ticket. It is this appeal which singles the machines out for criticism over the more mundane government-franchised lotteries.

Perhaps the final irony in the video gambling issue is the fact that the ones who have truly succumbed to the allure of video gambling are the governments who install the machines. So far, they are the only ones getting rich quick.

