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**Official Report  
of Debates  
(Hansard)**

**Thursday 31 May 2012**

**Journal  
des débats  
(Hansard)**

**Jeudi 31 mai 2012**

**Standing Committee on  
Finance and Economic Affairs**

Ensuring Local Voices  
in New Casino Gambling  
Development Act, 2012

**Comité permanent des finances  
et des affaires économiques**

Loi de 2012 visant  
à garantir la consultation  
des populations locales  
avant la création  
de nouveaux casinos

Chair: Bob Delaney  
Clerk: Valerie Quioc Lim

Président : Bob Delaney  
Greffière : Valerie Quioc Lim

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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Thursday 31 May 2012

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Jeudi 31 mai 2012

*The committee met at 0900 in room 151.*

## SUBCOMMITTEE REPORT

**The Chair (Mr. Bob Delaney):** Good morning, everybody. We are here to consider Bill 76, An Act to amend the Ontario Lottery and Gaming Corporation Act, 1999, and Bill 77, An Act to amend the Labour Relations Act, 1995 with respect to enhancing fairness for employees. Following that, we have public hearings on Bill 76.

May we first have the subcommittee report? Mr. Shurman.

**Mr. Peter Shurman:** Thank you, Chair.

Your subcommittee met on Thursday, May 17, 2012, to consider the method of proceeding on Bill 76, An Act to amend the Ontario Lottery and Gaming Corporation Act, 1999, and Bill 77, An Act to amend the Labour Relations Act, 1995 with respect to enhancing fairness for employees, and recommends the following:

(1) That the committee meet in Toronto on Thursday, May 31, 2012, to hold public hearings on Bill 76.

(2) That the committee meet in Toronto on Thursday, June 7, 2012, until 5 p.m. to hold public hearings on Bill 77.

(3) That the committee clerk, in consultation with the Chair, post information regarding public hearings on Bill 76 and Bill 77 on the Ontario parliamentary channel and the Legislative Assembly website prior to the adoption of the subcommittee report.

(4) That the committee clerk, in consultation with the Chair, place one advertisement regarding public hearings on both Bill 76 and Bill 77 during the week of May 21, 2012, for one day only, in a Toronto daily newspaper, in *Le Droit* and in the CNW newswire service, prior to the adoption of the subcommittee report.

(5) That interested parties who wish to be considered to make an oral presentation on Bill 76 contact the committee clerk by 5 p.m. on Monday, May 28, 2012.

(6) That interested parties who wish to be considered to make an oral presentation on Bill 77 contact the committee clerk by 5 p.m. on Friday, June 1, 2012.

(7) That the committee clerk be authorized to schedule witness presentations on Bill 76 and Bill 77 as the requests are received, on a first-come, first-served basis prior to the adoption of the subcommittee report.

(8) That groups and individuals be offered 10 minutes for their presentations, followed by up to five minutes for questions by committee members.

(9) That the deadline for written submissions on Bill 76 be 5 p.m. on Thursday, May 31, 2012.

(10) That the deadline for written submissions on Bill 77 be 5 p.m. on Thursday, June 7, 2012.

(11) That the committee clerk, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

That is the report of the subcommittee, and, Chair, I move its adoption.

**The Chair (Mr. Bob Delaney):** Any discussion on the subcommittee report? Shall the subcommittee report be adopted? Carried. Thank you.

ENSURING LOCAL VOICES  
IN NEW CASINO GAMBLING  
DEVELOPMENT ACT, 2012LOI DE 2012 VISANT  
À GARANTIR LA CONSULTATION  
DES POPULATIONS LOCALES  
AVANT LA CRÉATION  
DE NOUVEAUX CASINOS

Consideration of the following bill:

Bill 76, An Act to amend the Ontario Lottery and Gaming Corporation Act, 1999 / *Projet de loi 76, Loi modifiant la Loi de 1999 sur la Société des loteries et des jeux de l'Ontario.*

## CITY OF TORONTO, WARD 19

**The Chair (Mr. Bob Delaney):** Our first deputant this morning is Mike Layton, councillor, ward 19, city of Toronto. Please join us; have a seat. Begin by stating your name for Hansard. You'll have up to 10 minutes to make your presentation, followed by five minutes of questions, which I'll divide among the three parties, as we only have two deputants this morning. I'm going to ask everybody to try to keep it very concise. Please state your name for Hansard and proceed.

**Mr. Mike Layton:** Thank you. My name is Mike Layton.

Thank you for allowing me to speak today, and thank you to the MPP from Lambton–Kent–Middlesex for bringing this forward.

I am here as a local Toronto councillor and on behalf of the residents of Trinity–Spadina. I'm here to speak in support of Bill 76, Ensuring Local Voices in New Casino Gambling Development.

In 1997, 72% of Torontonians voted no to a casino in Toronto. Today, poll after poll demonstrate continued widespread opposition to casinos. A referendum was held in 1997 because the Ontario Lottery and Gaming Corporation Act required it. This month, without a vote by elected MPPs, the province quietly changed this act so that a referendum would no longer be required. This is the wrong path. The provincial government is choosing a path without public input, a path that leads to poor and uninformed decisions.

I'm speaking to three things today. First, the province's path unfairly steers clear of real public input. We deserve public debate about the real impacts of casinos on Ontario families and businesses.

Second, politicians should not be pressured by gambling giants such as MGM into making hasty decisions. Casinos have significant social and economic costs that must be considered.

Third, we can do better than casinos. We deserve an Ontario where revenue comes from prosperity, from innovation and from hard work, not from a short-sighted policy to exploit gambling addiction.

To my first point, governments are facing real economic hardship, but it is Ontario's people who are truly facing the challenges. Budget deficits do not justify imposing a decision on people. Local communities must be heard in order to make the right decision, to make a good decision on whether or not to host casinos in our communities. Decisions must be made democratically. Local voices must be included. How we decide and who decides is vital.

I am surprised at this government's attempt to limit the voices of local residents. This government seems desperate to collect revenue from any source, including gambling—so desperate that it will turn its back on democracy and place its bets.

When I was elected in 2010, there was no talk of a casino in Toronto, particularly on the waterfront. There was no talk, because it wasn't an issue. In the provincial election last year, I didn't hear any candidates talk about building casinos in Toronto. I didn't hear the Liberal candidate in Trinity–Spadina talk about this; I didn't hear the NDP or the Progressive Conservative candidates raise this. Just a few short months ago, it was not even a thought. But after the election, after the ballots were cast, after the candidates were democratically elected, the province turned around and announced its true intention and plans for casinos—no debate, no consultation, no referendum.

Instead of listening to the people, the government of Ontario only has time for the gambling industry. This is my second point. Politicians should not be pushed by the

gambling lobby into making hasty decisions. We cannot afford to squander democracy and rush to take people's money at casinos.

I have no doubt the multinational gambling giants are whispering in the ears of our provincial and municipal leaders, telling them to act now. It's, of course, in their interest. International casino operators will profit the most from a Toronto casino. They will, in fact, earn more than the government. I have no doubt they are telling our leaders that a referendum is a waste of time. They are not willing to bet on democracy. It's too risky for them.

While local voices are silenced, casino corporations quietly hold meetings at city hall and at Queen's Park. The only voices being heard are those who stand to make big profits, not Ontario families.

Communities don't want us, their elected officials, to rush. They know a roll of the dice is not a solution. They want ideas. They want plans which are thought out and studied.

This brings me to my third point: We can do better. People want us to do better than casinos. Let's imagine an Ontario where revenue comes from prosperity, not gambling. Residents want better cities, better communities. From us, they want leadership and innovation. Let's imagine building an economy on people's strengths. Let's imagine investing so our cities can compete internationally. Let's imagine an environment where our small businesses not only compete, but succeed.

First, let's not ignore that gambling is a serious addiction. It's a real problem, and we should not add to it. The research is in and is well documented by the Centre for Addiction and Mental Health: 449,000 people in Ontario have moderate to severe gambling problems, while 860,000 people are at risk of becoming problem gamblers. Studies show that as much as 30% of revenue at casinos comes from the pockets of those gambling with addiction. Think of it: A third of casino revenue comes from people willing to risk it all. First they gamble away what they already have—their home, their life savings. Then they gamble away what they don't have—they max out their credit cards. Then they gamble away their children's futures by raiding their education funds. These are not people who lose \$100 at a time. Preying on them is not leadership. It's not a strategy; it's exploitation.

#### 0910

Cities don't earn very much from hosting casinos. According to the OLG annual report, each host city receives only \$3 million a year; that's it. They also get higher policing costs, more traffic and expensive congestion, more infrastructure costs, and more issues to deal with.

Local business suffers. Small businesses are forced to compete for dollars against international corporations. Most casino visitors in a city like Toronto will be locals, not tourists. That's why the casino operators so desperately want a casino here. The only people who win with casinos are the casino operators and their investors. They win by taking hard-earned money from our citizens.

We can do better. We can find more innovative and sustainable solutions to our budgetary problems. We can

find solutions that don't hinge on the addictions of our residents. To do this, let's start a better process.

Politicians are being dazzled by gambling giants into making hasty decisions, while direct public input has been shut out and those who elect us—those who pay our bills—get ignored.

Bill 76 is vital to putting the province on the right path. The current path is undemocratic. The current path dodges genuine public input. The current path will lead to lousy decisions. A better path begins by supporting Bill 76 to ensure local voices are heard. It will be a path where reasoned decisions are made; a path where bets stop being placed with Ontario's future.

We can't afford to gamble on casinos. It's simply not worth the risk. Thank you.

**The Chair (Mr. Bob Delaney):** Our questioning begins with Mr. McNaughton.

**Mr. Monte McNaughton:** Great; thank you very much. Thank you, Mike, for coming this morning and supporting our Bill 76, making referendums mandatory before any new casinos. I can say that the reason why I put the bill forward was because I heard from many communities across the province and hundreds of people who are concerned about the possibility of new casinos and the lack of consultation by the Dalton McGuinty government. I, of course, think that Bill 76 is the right thing to do.

I wondered, I guess, about some of the feedback that you've been hearing from your constituents regarding a possibility of new casinos.

**Mr. Mike Layton:** Like you, I've been hearing the same thing when I've been talking to my residents, going door to door. I hear that people are skeptical about the benefits of casinos. They're rather surprised when I tell them that the city of Niagara Falls and the city of Windsor only get \$3 million a year. When people talk about casinos, and when we certainly hear it out in the media, it sounds like we're going to get this massive windfall; we're going to win the jackpot. It's simply not true. I don't suspect that Toronto will get a terribly better deal than many of the other communities in Ontario. I wouldn't expect that in the political climate in the province of Ontario, and—

**The Chair (Mr. Bob Delaney):** Thank you. Mr. Prue, did you have any questions?

**Mr. Michael Prue:** Yes, a couple of very short ones. We also have a letter here today, jointly signed by the mayor of London and the mayor of Chatham-Kent, in which they raise two issues. They don't think that the province should be telling them how to conduct their business, and they also say that a referendum is too expensive in a time of restraint. Do you have any comment? Their position seems to be somewhat at odds with your own.

**Mr. Mike Layton:** I agree that there can be a significant expense to it. So are elections. Perhaps we should use that as a time where we actually decide the fate of casinos in Ontario and in our communities. I'm not sure that eliminating that from the process altogether is a

worthwhile endeavour. If you look at what we actually haven't had time for, we haven't had time for the public debate during an election. It just wasn't coming up on the doorstep. Without that, not having a casino limits public debate even further.

**Mr. Michael Prue:** In terms of the cost, you're saying that it should be done at the time of the next election to minimize costs?

**Mr. Mike Layton:** I think that's one way that we could look at minimizing costs. If the province is going to benefit so much from this, perhaps they should bear the costs of a referendum on this.

**The Chair (Mr. Bob Delaney):** Thank you. Mr. Colle?

**Mr. Mike Colle:** Thank you, Mr. Layton. I'm just curious: Do you have any idea why the only mayors or councillors to appear before this committee on this bill are two councillors from Toronto? Why don't we have a cross-section of municipal councillor representatives that feel like Toronto does on this or you feel like on this? Is there something unique about Toronto that feels so strongly that you would appear and these other municipalities would not appear?

**Mr. Mike Layton:** I think hosting the committee in Toronto is probably one reason. Councillors, as you know, are rather busy within their communities doing constituency work and council work that's so needed. I just so happen to be a couple of blocks down the street and actually not live too far, so it made quite a bit of sense to me.

What I actually think, though—I don't think a lot of people know about this. I truly think that when the regulation change was posted, it wasn't done in a very public manner. I don't think that the necessary attention was raised to it, and that's why I thanked Mr. McNaughton for raising this issue, because I think it's largely gone under the radar because of other things—

**Mr. Mike Colle:** The next question I have, because we've got such short time—sorry, Michael, to interrupt.

You, under the City of Toronto Act, can still have a referendum, no matter whether this bill passes or not. Is there anything prohibiting you from having a referendum?

**Mr. Mike Layton:** I don't believe that there is, and we'll hopefully be having one regardless of the province's stance on it. We've been manoeuvring to that as well.

**Mr. Mike Colle:** And where is that at right now?

**Mr. Mike Layton:** I believe we're waiting for a report from committee.

**The Chair (Mr. Bob Delaney):** Thank you very much, Mr. Layton, for having come in today and for providing us with your insights on Bill 76.

**Mr. Mike Layton:** Thank you.

#### CITY OF TORONTO, WARD 20

**The Chair (Mr. Bob Delaney):** Our next deputant is ward 20 Toronto councillor Adam Vaughan. Good morning and welcome.

**Mr. Adam Vaughan:** Good morning. Thank you for this opportunity.

**The Chair (Mr. Bob Delaney):** You've got 10 minutes to provide your thoughts and your remarks, followed by about five minutes of questioning. Please state your name for Hansard and begin.

**Mr. Adam Vaughan:** Sure. My name is City Councillor Adam Vaughan. I represent ward 20 in the city of Toronto.

Just to quickly clear up a couple of misconceptions that might flow from the previous question, the City of Toronto Act only allows referendums held by the city in areas of exclusive civic jurisdiction. In areas where there is provincial authority or jurisdiction, we require provincial consent to hold a referendum. The city of Toronto would have to petition the Legislature to get permission to hold a referendum on a casino.

As for why other mayors and councillors may not be here, the Federation of Canadian Municipalities' convention starts tonight in Saskatoon and both—while Councillor Layton is not attending, I have held back my flight to be present here.

I think the last time I was in this room was on another referendum issue, the amalgamation issue.

**Mr. Mike Colle:** I remember it well.

**Mr. Adam Vaughan:** I'll bet you do.

Back then, the province didn't want us to hold a referendum—we did anyway—and then chose to ignore us. The government at that time has yet to elect a member of the provincial Legislature as, I think, punishment for defying the will of the people of the city of Toronto. I just put that on the table for your consideration.

*Interjection.*

**Mr. Adam Vaughan:** The casino issue will probably work out as well, too.

Amalgamation has led to a restructuring of the city, as we all know, and that restructuring of the city was done for economic reasons. At the time of that amalgamation, the province failed to present until the last minute the economic arguments in support of amalgamation. That proved to be a very interesting report when it finally came out, because, in fact, the report didn't support amalgamation in terms of the findings that would be there. In fact, it was wrong on several counts, suggesting that we could amalgamate our police departments and save money as one of the recommendations that came from the famous KPMG report.

But as OLG pursues this, I think we need to understand why OLG is moving the way they are, and they haven't released their background documents that make the argument. In fact, my understanding is that the reports that went to the board of OLG actually didn't recommend a single casino in Toronto. It recommended several casinos in the GTA. Why is that report not in front of you? Why is that report not public? And where is the business case that supports all the assumptions that are in that report?

My understanding, as well, is that what OLG is attempting to try to do is restructure its revenue stream,

and, in doing so, restructure the gaming industry in Ontario and move from running it to simply taxing it. That may be a good argument and there may be good reasons why you might want to pursue that, but I think that without those documents in front of this committee, in front of the committees at city council that are dealing with this issue, we're kind of feeling around in the blind for why this change is being forecast upon us and, as well, why this change is being pushed on us the way it is, with literally a gun to our head: Approve it now or else. That's not a way to negotiate relations between different orders of government.

One of the things we constantly hear about is the billion-dollar investment that'll come with 10,000 jobs and the golden mile. It seems that anybody who can say a billion dollars and can say 10,000 jobs, who can show you a snapshot of a resort somewhere, gets a headline in the newspaper. That is not economic development. That's not a business case for a casino; that's a publicity stunt. We've seen the troubles that politicians all over the world get into when publicity stunts and slogans lead the campaign instead of facts and evidence.

**0920**

The facts and evidence on this are what make us so nervous in Toronto. If you start doing the research on economic impact, what you find is that casinos are one-for-one job replacement propositions. When you put a casino in a major urban area—not on a border and not as a resort designation—there's a simple transfer of jobs from the city to the casino.

What's interesting about these studies is that none of them involve the impact this is going to have on the horse racing industry and the impact on Woodbine. We're already seeing a one-for-one replacement based on the publicity stunt statistics, and the very real predictions that the horse racing industry is making at Woodbine. When you add the economic impact of the one-for-one transfer inside the service sector close to a casino, what you get in a major urban centre like Toronto is you actually start taking jobs away from Torontonians—but it's not really jobs you're taking away; it's actually small businesses.

The biggest impact that casinos have in major urban areas is on the small business sector within a vicinity. It differs from study to study, but in Montreal, 93% of the dollars that went into the local casino came out of the local economy. In Atlantic City, 40% of the restaurants in the entire city closed within five years. In St. Louis, 89% of the restaurants in the vicinity of a five-minute walk of the casino went bankrupt within two years of the casino opening. This is the impact you're bringing to downtown Toronto, and you want to do it without a referendum, you want to do it with a quick decision, and you want to do it without a business case being presented to council or the Legislature. It's a bad idea.

Recently, New York state looked at restructuring its casino revenue streams, because casinos and gaming right across the continent are in a free fall and they're all going bankrupt. Mayor Bloomberg and Governor Cuomo came to the conclusion that Manhattan in New York City

was the absolute last place you'd put a casino if economic development was the goal. So they have forbidden a casino in the major city there.

What's really interesting, though, is when you Google "casino debt": You'd expect to get the social impacts; you don't. What you get is the reason why this conversation is happening. Do it; what you find is that every major casino player—especially the ones who have been up here promising \$1 billion and 10,000 jobs—is in a free fall. If you're about to remodel your business structure on taxing the bets instead of running the casinos, which is a good idea considering casinos are going bankrupt, what happens when those casinos go bankrupt? Do the 10,000 jobs stay, if there are 10,000 jobs? No, they disappear. So you'll have gutted the restaurant and bar industry in Toronto; you'll have gutted the horse racing industry in Toronto; then, within about five or six years, which is the typical lifespan of a casino, the casino will disappear as well. Then where are you? Then what have you got left on your hands? It's not a good bet.

The other thing you can do for fun is Google "no casino." What you'll find is that municipality after municipality across the continent are currently holding referendums on casinos, and casinos are losing every single time. They lose because of the traffic impact, the business impact, the social impact, the crime stats, you name it. The arguments just flood into the cities, and the casino industry loses. It's why the casino industry has pushed the OLG and pushed the provincial government to have no referendum. They don't win referendums.

Finally, there is residual evidence, and it's contained in the letter that I sent to my residents—there is a great deal of evidence about what happens to crime in cities where casinos arrive. It's not the usual talk about prostitution and street crime, although those go up. Atlantic City rarely got into the top 40 or top 50 high-crime cities in the United States before the casino; it hasn't been out of the top five since it arrived. You only have to look at the tragedy that recently unfolded with two Scarborough women who were stabbed outside the casino, robbed. While a lot of emphasis has been placed on the mental health condition of the patient involved, his previous address was Las Vegas. What was really interesting was reading the articles in the Atlantic City papers that said, "Why would anybody be on that street outside the casino? There are no shops or restaurants; there's nothing there but parking garages." MGM has confirmed that that actually is the principal physical characteristic of a casino: one parking spot for every slot machine.

In conclusion, the planning arguments and the economic impact arguments alone should tell you to go very slow on this and to make sure that municipalities have the time and the space they need to consult with their residents and their businesses and their tourism industry before any quick decision is made. There has been a referendum in Toronto. To overturn a referendum, I think you need a referendum. I don't think referendums are a great idea for government, but I think in this case it's one of those issues that lends itself to it.

I can't emphasize enough, in conclusion, full disclosure. Where are the background studies from OLG? Why are they not in front of you? Why did the board change the findings and the recommendations in the background studies and is pursuing the resort and single-destination model in the GTA instead of the strategy outlined in the report that started the restructuring of the revenue stream?

As well, another motion got on to the floor of a committee at council recently about bingo parlours in Toronto and the talk of electronic bingo machines at bingo parlours. Do yourself another favour with Google: Google "bingo machine" and "image" and tell me if you don't come up with a slot machine. The OLG is not talking about a single destination in Toronto; they are talking about displacing the slot machines at Woodbine, putting them in bingo parlours right across the city, putting a major gambling facility probably on the waterfront on the most expensive real estate in Canada, and are doing it with a gun to the head of the city council. It's wrong.

There's one other thing that's starting to happen. As the industry starts to roll through town—and there have been some job increases with lobbyists getting extra contracts—one of the things that Paul Godfrey, the chair of the OLG, has been telling the hotel and restaurant association is, "If you support the major casino, I'll get you slot machines in hotels." Where is that in the OLG business plan?

Please, please slow this down and get the facts.

**The Chair (Mr. Bob Delaney):** Mr. McNaughton.

**Mr. Monte McNaughton:** Thank you very much for your presentation today and coming in support of Bill 76. Just a quick history: It passed second reading in the Legislature 57 to 19, supported by the PCs and the NDP; seven Liberals, as well, supported it, including a cabinet minister, Jim Bradley; the whip, Jeff Leal, and five other high-profile Liberals, including Donna Cansfield.

I just wondered, in your opinion, why—

**The Chair (Mr. Bob Delaney):** I'm just going to have to remind you, you can refer to members by their riding name but not by name.

**Mr. Monte McNaughton:** Okay; thank you very much. Why the sneaky regulation change, do you think, a couple of weeks ago by the Minister of Finance and the Premier trying to stop referendums? What do you think the thinking is?

**Mr. Adam Vaughan:** I think casinos are in a free fall. I think border casinos have faced competition from other border casinos. I think that the resort casinos are starting to see their numbers dwindle. Casinos tend to bankrupt a demographic and then fall into this economic downward spiral very quickly. I think there's a need at the provincial, federal and city level to get restructured finances in place quickly, so slowing it down is a bad idea. Speeding it up is a good idea when you've got the facts and you're confident that the economic impact is going to be a good one. When you're gambling with the province's future, it's a bad idea.

Not being a member of any of your political parties—which has probably left me in enemy status with all and friendship with all—what I am happy to see is that a minority Parliament is seized with this issue. I ask you to go back to your communities, stand with your communities, ask them whether or not they think it's a good or a bad idea, and then cast your ballot on conscience. This is one of those issues. It's like the smoking issue. It's not an issue of economics alone or social impact alone or crime stats alone, or even revenue to the government alone. It's a very complex issue, and to do it quickly without consultation and to do it with billion-dollar dreams and golden miles dancing in your eyes is just the wrong way to pursue public policy. The impacts are too devastating to do it quickly.

**The Chair (Mr. Bob Delaney):** Thank you. Mr. Prue?

**Mr. Michael Prue:** The government of Ontario, the Liberals, have pre-empted much of this discussion by, first of all, attacking the horse industry, by removing the monies that they shared from the slot machines. We've already seen some of them shut down. I'm particularly worried about Woodbine, which is the largest facility in Ontario, and what impact a casino would have—if you could expand a little on your thoughts on that.

**Mr. Adam Vaughan:** There are often these parallel arguments that crop up when you talk about casinos: "If casinos are bad, why is horse racing good?" I'm not going to get into that. My grandmother raised my mother at a racetrack, and I'm named after a horse owner. Our family has had its share of bets placed at a racetrack. But there are different things about racetracks that I think need to be taken into consideration, and I don't think they've been sensitively addressed in the speed to approve.

0930

One is that they close. There's often a reference made to alcohol being a dangerous substance and "Why aren't you as puritan about that?" It's against the law to serve a drunk; it's not against the law to take a bet from an addicted gambler. One of the things that the racetrack industry does much better than casinos is manage its addicted gamblers, and that's an interesting difference.

But you can also work at the race industry, and there are industries tied to it. The agricultural industry and others are tied to it. That is a very different model than simply casinos, and it flows from a different culture than casinos flow from.

But I don't think that the impact on the racetracks was properly measured so much as getting slot machines closer to gamblers was seen as a priority. I think the government is probably trying to figure out how to do a rethink on Woodbine, and perhaps that's why Mr. Godfrey is running around and saying, "Other slot machines will be handed out." Wink, wink, nudge, nudge. "Get the casino in place first."

But I think that there just hasn't been a real think-through on this.

**The Chair (Mr. Bob Delaney):** I'm going to have to stop you there and move to the government. Mr. Colle.

**Mr. Mike Colle:** Thank you, Mr. Vaughan. I remember you being here during that attempt to stop the forced amalgamations of Chatham-Kent, Toronto, Ottawa—

**Mr. Adam Vaughan:** It goes on and on.

**Mr. Mike Colle:** —but they did it anyway, no matter whether there was a referendum or not.

**Mr. Adam Vaughan:** I think we all thought that was unprincipled.

**Mr. Mike Colle:** No, it certainly was. It certainly was. The question I have—I wasn't going to bite on—

**Mr. Michael Prue:** Isn't this?

**Mr. Mike Colle:** I wasn't going to bite on Woodbine, but Woodbine is a casino. How many slots have you got in there? I mean, 2,500 slots, and you've got people betting on races. I don't understand how you can say, "Well, Woodbine, we're pure because horses run around and chase each other."

**Mr. Adam Vaughan:** I don't think Woodbine is pure. I don't think that the slot machine industry and the electronic gaming industry is one that has a great deal of social value. That being said, it's been legalized, it's there, it's being used to support a vulnerable industry, and in that case it has gone through a process and it's established. That being said, the way in which this process is being changed, the way in which this industry is being reformed, recast and forecast for large urban areas, there has been little consultation with the urban areas and there has been little consultation with the horse racing industry. There is no rush to make these changes.

**Mr. Mike Colle:** I don't disagree. I guess, in terms of a comprehensive process, you talk about the referendum. We know what the outcome of most referendums would be. If we had a referendum on casinos, people are going to say no—

**The Chair (Mr. Bob Delaney):** Mr. Colle, I'm going to have to shut you down there. Mr. Vaughan, do you want to sum up in a few seconds?

**Mr. Mike Colle:** Arbitrary Chair here.

**Mr. Adam Vaughan:** I think I know where he was going with that question. I'll look for a nod if I'm on the right track. I understand that the provincial government has the ability to either ignore, enact or follow the results of a referendum. That's your prerogative as an elected official. We delegate authority to you through the electoral process. What we're asking is to not delegate this particular issue.

**Mr. Mike Colle:** That's not where I was going. I was saying, if—

**The Chair (Mr. Bob Delaney):** Okay, that's enough.

*Interjections.*

**The Chair (Mr. Bob Delaney):** Order.

**Mr. Adam Vaughan:** Fair enough. If there is a willing host—

*Interjections.*

**The Chair (Mr. Bob Delaney):** Ladies and gentlemen, order.

*Interjection.*



**The Chair (Mr. Bob Delaney):** Mr. Colle, you're out of order. Mr. Vaughan, thank you very much for having come in and providing your insight—

*Interjection.*

**The Chair (Mr. Bob Delaney):** Mr. Colle.

Thank you very much for having come to provide your insight.

Our business here is concluded. This committee is adjourned.

*The committee adjourned at 0935.*





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