

Criminal Code

So governments have here a financial, a monetary problem. And the reporter goes on to say:

—In its report tabled in December 1965, the royal commission on taxation whose chairman was Mr. Marcel Bélanger, roughly estimated the net revenue that would accrue to the State of Quebec at \$10 million per annum. Although the Bélanger Commission considers that amount as a maximum, several proponents of the legalization of lotteries question it and point out that the New Hampshire lottery, established in 1934, even in its first year produced almost twice the amount that had been expected and that the receipts from the New Zealand lottery, created in 1961, exceed by 500 per cent the experts' forecasts.

Anyway, the \$10 million foreseen by the Bélanger Commission would already represent 0.55 per cent of all the revenues the province of Quebec got in 1966. Although comparatively small at first sight, such extra returns are not negligible in a country in full expansion where needs are urgent in all sectors.

I think that document most interesting for whoever wants to know all that a lottery scheme entails.

Mr. Speaker, right now, let us say that we see no immorality in the establishment of a lottery. For my part, I see nothing moral or immoral in it.

A lottery is simply a financial scheme inviting people, according to the definition given, to buy tickets on which they hope to win a very attractive prize.

In my opinion, that financial scheme designed to get money out of the taxpayers' pockets is different from the taxation system. As the hon. member for Abitibi (Mr. Laprise) has said, the taxation system affects all the activities of our daily lives. If one buys some goods, he pays the sales tax, and if he produces something, he pays the production tax; the same thing goes as regards consumption, and so forth. At all times, the presence of the governments is felt. The taxes that are levied reduce our buying power.

• (5:50 p.m.)

This is one form of taxation because, in fact taxes are called by several names: surcharge, social development, and so on.

There is another way of getting money out of the pockets of the taxpayers, it is the income tax.

Minimums and maximums are imposed, tax rates are established and the product of labour is taxed. There are also other kinds of taxes and dues, of course, such as land tax, for instance.

[Mr. Fortin.]

Today we notice that our financial obligations are growing increasingly while our ability to pay back becomes increasingly limited. Thus because our resources are limited we have to realize that our financing and administrative system is inadequate. Within the administration, municipal as well as provincial or federal gaps develop which are difficult to fill. The municipalities are aware of it because they have commitments to meet and they do not have the money to do it.

This is one of the reasons why governments promise from one election to the next a reduction in taxes, and once in office nothing happens. No government has ever reduced taxes because obligations are increasing and economic expansion is conceived only on the basis of taxes. Therefore taxes can only but increase under this system.

Mr. Speaker, faced with this inability of the present financial system to reach its goal, several people interested in economic matters say that a lottery system might help us make ends meet. Lotteries, we are told, could bring in some money. What is the basis for saying that?

Mr. Speaker, those who favour lotteries claim that every year a fantastic, scandalous and unacceptable amount of Canadian capital goes abroad, and that if we had national, provincial or municipal lotteries, that money would stay in Canada.

This argument based on an economic nationalism is used, according to which Canadian capital should stay in Canada to foster its economic expansion. Statistics, ideas are put forth to try to prove that theory.

In the *La Presse* dated January 20, an article signed by André Béliveau was published under the title: *Un exode de 150 millions*, and I quote:

It is therefore not surprising, in those conditions, that Canadians also should have such an inclination to gambling. For there is much gambling in Canada. One of *Maclean's* writers, Alan Phillips, estimated in 1964 the total annual stake—legal and clandestine—of Canadians at close to \$2 billion. As the only form of game under the control of the government is the race track pari-mutuel, it is difficult to get more accurate statistics.

It is estimated that the outflow of Canadian capital to some 70 countries which offer us their sweepstake tickets amounts to roughly \$150 million a year.

Mr. Speaker, I admit that Canada loses fantastic amounts of money every year, money which goes to 70 countries where lotteries are legal. But, while agreeing with this argument, I do not feel that it is necessarily conclusive,