

million net—not the \$85 million net which is going to be acquired from the provinces through this plan, because \$15 million of surplus in the federal Loto Canada fund is going to revert to the provinces.

Last year, we negotiated \$100 million with no \$15 million to revert to the provinces; no amendment to the Criminal Code to exclude forever federally-sponsored lotteries and/or sports pools for good causes—well, that is some deal.

We have retreated some way from the provincial offer made to me when I was Minister of State for Fitness and Amateur Sport. At that time the leading spokesman for provincial lotteries said, “We are making a lot of money from lotteries and if you do not get into pools, we will give you the whole \$200 million for the Calgary Winter Olympics.” This deal offered today by the new Minister of Sports is not the kind of deal that should send him to the victory podium in glory. If so, he should only wear a barrel.

● (1510)

Senator Sinclair: What is his name?

Senator Perrault: The proposal was that the provinces would provide the entire federal commitment if we would exclude the federal government from sports pools and lotteries.

As pleased as all of us must be to have the federal government involved in helping to fund the Calgary Olympics, I say there was a far better deal available.

Senator Murray: Could the honourable senator tell us who the provincial minister was?

Senator Perrault: An official representative of the provincial lottery organization in a personal conversation with me made that offer. He said very frankly that of course he would have to bring most of his colleagues along with him but he thought he could do so. I am just setting forth the facts.

Senator Murray: These are almost the facts.

Senator Perrault: I did not say they are almost the facts because they are the facts and verifiably so. All I can say is, the Lord help Canada if this agreement represents the shrewdest, canniest bargaining skills of members of this government.

Senator Sinclair: Who is the minister?

Senator Perrault: As I say, we are not going to impede the progress of this deal in the Senate but it represents the largest single transfer and, indeed, abandonment of revenue rights and revenue potential in the history of Canada. With not one single commitment from the provinces with respect to the vast revenue potential which we have delivered to them, no commitment to ensure that the smaller communities in this nation get the kind of support they need to develop sports skills and to host national and international sports events, no commitment to the medical research people, no deal with the proviso that there had to be some support for culture. All this profligate action in the name of federal-provincial co-operation!

We should have learned our lesson a long time ago about these so-called “good faith” transfers, including block funding that I referred to earlier. At a time when the federal govern-

ment needs every cent available, when the federal per capita debt is higher than provincial debt, when human needs are all around us, this government chooses to abandon on a vast scale a popular voluntary form of taxation. Inevitably, those lost revenues must be replaced with involuntary taxation in many painful forms as the government is going to discover. It is not even a good political deal, and we are all in politics. There will be very few credits given to federal government politicians for this deal with the provinces.

I am certain that honourable senators will support—perhaps with regret and reluctance—this measure because it could have been so much better. Certain alternatives, I think, were much more attractive.

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators—

The Hon. the Acting Speaker: I wish to inform honourable senators that if the Honourable Senator Doody, on behalf of the Honourable Senator Phillips, speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

Senator Doody: Honourable senators, I should like to thank Senator Perrault for his ringing endorsement of this measure. I took great heart from the fact that he announced earlier that he was supporting this bill, and I listened with great relish to the words of congratulations and goodwill that he expressed toward it and to its sponsors.

I have participated over a number of years in negotiations with the federal government on behalf of my province in trying to capture a share of what we felt was a legitimate tax field, namely, the lottery returns. I agree completely that the money was, by Senator Perrault's standards, misdirected. We did not build sports facilities with most of the money that we got from our share of the lottery. Every time I drive around the city of Nepean where my house is now, I look in awe, wonder admiration and jealousy at the multi-use sports facilities that are in that city. There are more stadiums and related facilities in Nepean than we have in the whole province of Newfoundland. I feel bad about that, but the money had to be spent for a TransCanada Highway, for welfare, for health care purposes and for education purposes. We hear in this place time and time again that there is not enough money spent on education by the provinces and that they are not using the money properly. If the provinces had the money, they would use it to the best possible advantage. It would be directed toward their objectives. The fact that their objectives are not necessarily the same as the federal government's objectives does not mean that they are poor managers. I am delighted to see this deal. I think it is a big help for those provinces that desperately need the revenue. I hope the day comes when they can spend excess funds on sports facilities and other such things which right now, unfortunately, are a luxury in these provinces. I am pleased to see this bill supported, and I am delighted to sponsor it.

Motion agreed to and bill read second time.