

Order Paper Questions

10. Did General Instruments commit itself in the contract to transfer any expertise or technology to Canada to be used in manufacturing the lottery system as a basis for making future sales to other potential customers from this Canadian base?

11. On what date did Loto Canada, the government or any subsidiary in its employ first become aware that the province of Ontario and/or the province of Quebec had asked Canadian computer manufacturers to submit proposals for the manufacture of a computer lottery gaming system for use by them?

12. Prior to the signing of the contract between Loto Canada and General Instruments, was the government or Loto Canada aware that the province of Ontario and/or the province of Quebec had held meetings of all interested and potential suppliers of a similar lottery system for use by the provinces at the conferences held on June 5, 1978 in Toronto and on June 6, 1978 in Montreal?

13. Did Loto Canada, the government or any subsidiary or agency in its employ take into account or know that the provinces of Ontario and Quebec had made requests for proposals on May 12, 1978 to Canadian manufacturers who could potentially produce or might wish to produce a computer lottery gaming system?

14. Did Loto Canada award the Computer Communications Group, a part of the Trans-Canada Telephone System, a contract to provide data transmission facilities for its lottery system and, if so (a) on what date (b) what was the dollar value of the contract (c) was there any invitation to tender for the contract and, if so, was CN-CP Telecommunications contacted?

15. Does Loto Canada appear on the schedule of Crown corporations listed under the *Financial Administration Act* as being exempt from requiring Treasury Board approval for any contracts it might enter into and, if so, on what effective date was it added?

Hon. Steven E. Paproski (Minister of State for Fitness and Amateur Sport and Multiculturalism):

1. Yes, Loto Canada conducted several extensive discussions with General Instruments Corporation during the period mid-April, 1978 to mid-June 1978, with the view to possibly acquiring the equipment and associated servicing for such a game.

2. A contract to this effect was signed June 14, 1978.

3 and 4. Those directly involved were:

- (a) Guy Cousineau, President, Loto Canada Inc.
- (b) J. Fulton, Vice-President, Loto Canada Inc.
- (c) Gilbert Miville-Deschênes, Solicitor, Department of Justice, attached to Loto Canada Inc.
- (d) Jacques Gauthier, Solicitor, Department of Justice, attached to DSS.
- (e) R. P. Manley, Section Head, Data Processing (Procurement) Branch, DSS.
- (f) G. Gauvreau, Program Officer, DSS.
- (g) P. Kelley, Consultant, Peat, Marwick & Associates
- (h) R. Olivier, Consultant, Oliver & Ouellet Inc.
- (i) R. Auger, Consultant, Samson, Bélair & Associés.

The D.S.S. employees were asked to assist by Loto Canada on 15 April, 1978. The consultants had been involved previously in associated tasks.

5. A sole source contract was let with General Instruments of Canada, based on recommendations, judged valid by Loto Canada from outside independent consultants (Peat, Marwick & Associates; Olivier & Ouellet Ltée.; Samson, Bélair & Associés) that the G.I.C. system was the only one capable of

[Mr. Dick.]

meeting Loto Canada's requirements, including the time constraint.

6. (a) The full lease value of the G.I.C. contract, over a period of three years, could not exceed \$47,930,439. (In addition, buy-out provisions were available as discussed in answer 325-1).

(b) No.

7. No direct contacts were made. Loto Canada consultants investigated the capability of all those Canadian firms which could realistically be expected to have a possible capacity of supplying a system which would meet Loto's requirement on the basis of all available literature and personal research on public gaming.

8. Consolidated Computers Inc. indicated in a letter dated June 16, that it had an interest in manufacturing such equipment; however, Loto Canada's consultants were not confident that it could meet the full system requirements—in particular, the time schedule aspects.

9. GIC committed itself to an expenditure within Canada for servicing and maintenance of about \$24,300,000 over the three years of the lease contract which represents 51 per cent of the entire contract value. It also undertook to assemble in Canada an additional 2,000 terminals whose possible order (but under competitive bids) was under active discussion, in which discussion IT&C. officials participated.

10. Not in the contract; but as just noted, this was understood to be a condition for future orders. Moreover, Loto Canada had the option to take over the full servicing and maintenance aspects after the first year of operation.

11. On 12 May, 1978, at the time of the announcement, by those lottery corporations.

12. Yes.

13. Yes.

14. Yes, on 2 June, 1978. The commitment value was \$2,391,695. CN-CP Telecommunications were asked to bid on this contract.

15. Yes, as of 1 August, 1976.

NATIONAL DEFENCE—EXPENDITURES

Question No. 388—Mr. Allard:

What was the total amount spent for military purposes in Canada in each of the past five fiscal years?

Hon. Allan B. McKinnon (Minister of National Defence and Minister of Veterans Affairs):

Department of National Defence Expenditures in Canada for the fiscal years indicated were as follows:

Fiscal Year	Expenditures (thousands of dollars)
1974-75	2,265,732
1975-76	2,664,704
1976-77	2,979,301
1977-78	3,250,087