

Criminal Code

Mr. Smith: Mr. Speaker, I rise on a point of order. I think it should be noted that while there is no agreement between the parties as to the number of speakers, there is agreement, I believe, and this can be confirmed, that this bill will be completed through all stages today and accordingly will go to Committee of the Whole.

Madam Speaker: If that is the agreement of the House, I am sure the House will conform to it.

Hon. E. F. Whelan (for the Minister of Justice) moved that Bill C-117, to amend the Criminal Code, be read the second time and deferred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, yesterday we gave first reading to this bill to amend the Criminal Code. We are asking hon. members to consider legislative changes which will strengthen the horseracing industry. Without these changes, the industry will suffer continued decline. Some tracks will be forced to close down. Some horse breeders will be put out of business, and some communities will be deprived of a pleasurable sporting event.

Before I discuss the specific changes which we are seeking, I would like to express my appreciation for the co-operation of the Minister of Justice (Mr. Chrétien) and of parties on all sides of the House.

I want to outline first the over-all size and importance of the Canadian horse racing industry. Despite stiff competition from the lotteries, pari-mutuel betting at horse races is still the number one area of betting in Canada. I should explain that "pari-mutuel" means "among ourselves". It is an apt phrase when you consider that 80 per cent of the total bet is returned to the bettors.

In 1981, Canadians bet about \$1.7 billion on horse races, which was up about 8 per cent from the previous year. Attendance held steady at about 14 million people. Gross purse money rose by 11 per cent to about \$108 million, and the provincial tax revenue rose by nearly 10 per cent to \$129 million. Of the \$1.7 billion bet, tracks and horsemen received only 10 per cent, about \$173 million. That amount is insufficient when so many people, businesses and communities depend on racing. There are more than 100 horse racetracks across the country. More than 40,000 people are employed in the industry and more than \$2 billion is invested in land, buildings, equipment and breeding stock. It is big business.

Track operators' expenses and the cost of maintaining the horses have risen year after year, and yet the percentage which tracks are permitted to retain from pari-mutuel betting has not been increased for more than a decade.

If I may repeat some of the key figures, \$1.7 billion was placed on bets; \$173 million was retained by tracks and horsemen, split about 50-50; provincial tax revenues amounted to \$129 million, which was a substantial amount; and the industry employs about 40,000 Canadians.

My responsibility as Minister of Agriculture with regard to horse racing is twofold: to provide protection for the betting public, and to ensure a viable Canadian horse-racing industry.

My department's race track division, in co-operation with provincial racing commissions, supervises betting at race tracks to ensure that a fair race is run. The division staff takes blood samples of the horses to make sure they have not received drugs; we provide photo-finish service and video tape monitoring; and we make sure that the tracks abide by the terms of the Criminal Code with respect to commission rates, betting procedures, racing dates and so on.

How do we do this? We do it strictly on a cost recovery basis. The federal levy on bets is six tenths of 1 per cent. It has been said by some that the federal government makes a lot of money. The federal government does not. Ours is strictly a cost recovery program. This federal levy on bets of six tenths of 1 per cent generates about \$10 million per year. That just covers the department's expenses, including the cost of running the new equine drug evaluation centre in Jerseyville, Ontario that we have just established.

As an aside, I would like to mention that many of the top people in the race track division came to us from the RCMP. They used to be permanent members of the force but most of them are now those who have retired from the force. They have experience and an understanding of the Criminal Code. They have maintained the public's confidence in seeing a fair race, and that is very good for the industry.

• (1210)

The changes in betting practices which I have introduced in the past year and the additional changes which will come into effect when Parliament passes the amendments we are considering today will not only improve the marketing power of racetracks but will also discourage the use of illegal bookmaking by making legal gambling more convenient and, if I may say so, probably more appealing.

The four programs which I have introduced through regulations are: more pools per race; new betting pools, such as Win 6 and Big 6; advanced betting; and telephone account betting. These programs are all optional and individual tracks will make their own decisions about whether or not to pursue these new marketing possibilities. Basically these programs have been well received by the industry and are slowly resulting in improvements in revenue earned by the industry.

I should add that there is some reservation on the part of small tracks. I have made it very clear that it is my intention to make the total racing industry healthy, not to hurt it. In no way will I allow that to happen.

The changes at which we are looking today will build on to the reforms I am talking about. First, we are seeking approval for inter-track betting. In simple terms, inter-track betting will allow a person at one track, or a person who has a telephone account with that track, to bet on horse races at another track. Inter-track betting will be optional, and before any track can use it, it must have the agreement of the other participating track.

Let us take a look at some of the advantages of the system. First, it will allow tracks to make better use of their capital