

*Adjournment Debate*

know my friend the Sports Minister would like to have taken part in the debate.

The question I asked on March 27, as reported at page 2472 of *Hansard*, was directed to the Minister of State for Fitness and Amateur Sport (Mr. Olivier). There have been three such Ministers prior to this Minister. One is in the other place. He is now going to lose a baseball franchise, along with another Senator. They are very worried because of the sports pool. The other one was a sports broadcaster. I thought he would, without making unilateral decisions, sit down with some of his provincial counterparts. Then there was the Hon. Member for Montreal-Mercier (Mrs. Hervieux-Payette) who was looking for Canadian unity so that she could get as much publicity as she could in her portfolio but she really did not do very much.

I am delighted that the Minister of State for Fitness and Amateur Sport is here today to answer my question. I want to bring to the attention of the House the current unilateral action of the Liberal Government, which in effect abrogates the 1979 federal-provincial lottery agreement. It is a direct assault on co-operative federalism. The Chairman of the ILC shareholders' committee has twice made specific invitations to the federal authorities to discuss federal-provincial differences over lotteries.

The new sports pool could result in a tremendous proliferation of sports pool/lottery games as the Canadian Sports Pool Corporation tries to meet its heavy start-up costs. The poor results of Loto Quebec's Hockey Select suggests that the federal Sports Pool will fail if they do not create a number of lottery-type games. Since there is a limit to the lottery market, the resulting competition could result in higher administrative, advertising and commission costs, resulting in lower profits to distribute to culture, amateur sport, fitness, recreation, health and environmental research.

As well as treating a legal federal-provincial agreement with disdain and thereby threatening all federal-provincial agreements, the Liberal Government seems to be reneging on the 1979 agreement since it was agreed to by the Clark P.C. Government. That could set a particularly bad precedent, putting into question whether a new Brian Mulroney Government could likewise unilaterally terminate any or all legal agreements which the former Liberal Government had entered into.

It should be recalled that the 1979 agreement was a good agreement. It established in Canada a practice common to most other federal jurisdictions, such as the United States and West Germany, wherein lotteries/sports pools are left to the provincial level of jurisdiction. Even economically, the 1979 agreement was beneficial for the federal Government. For doing nothing, except vacating the lottery field, the federal treasury has received to date \$124 million or \$125 million from the ILC, and could receive approximately \$35 million this year. I am sure the Minister would agree.

While the provinces have done well in the four years they have managed exclusively the lottery field, the true comparison of what the federal Government has gained is when you compare what the federal Loto Canada turned over to the federal treasury compared to the ILC payments. In 1977,

1978, 1979 and 1980, four years, the total profits in Loto Canada were \$210 million. The federal treasury received \$10.5 million and 5 per cent of the total profits were supposedly earmarked for physical fitness, amateur sport and recreation. I say supposedly since, unlike Ontario where lottery profits are designated by legislation, the federal Government has put the ILC payments it receives directly into the general revenue. I plan to check over the last four years to see whether both the federal Department of Multiculturalism and the Department of Fitness and Amateur Sport each received their full 50 per cent share of the ILC payments for the last four years, or whether they were shortchanged, and whether any of these lottery moneys were used to replace basic funding.

• (1805)

There is also a potentially embarrassing issue pertaining to some \$3.2 million in unclaimed Loto Canada prizes. Loto Canada retained this money instead of ensuring that the Canadian public was able to win it through some kind of bonus draw like Loto 649 or proportioning it according to the distribution of its profits.

I will not deal with this now, but today I raised a question referring to the fact that there was \$12.8 million in the kitty initially, and I asked how the Minister transferred those funds into the other fund. I know that the Minister will at least ask his counterparts to discuss this matter because, if he does not he will lose the baseball franchise and get himself into more trouble.

[Translation]

**Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)):** Mr. Speaker, I want to thank the Hon. Member for having given me this opportunity to speak on this subject. The House will recall that the provinces have shown their intentions, and what is more, they have gone already to Court. I shall therefore be careful what I say. Where my hon. friend opposite claims that we broke an agreement he himself signed in 1979. My answer is, simply, that we did not break this agreement because we have no intention of administering a lottery.

What we intend to do is to administer a sports pool, which is entirely different from a lottery. In a lottery, you take a number at random and you have a chance of winning. A sports pool is mainly a test of a person's intelligence and the individual's knowledge of sports, all of which must be used in determining who the winner or loser will be.

My hon. friend opposite says that we did not hold consultations. I am sorry, but my senior officials have held consultations with lottery authorities across the country to advise them that we did not intend to break this agreement. The best proof is, Mr. Speaker, that only today, I heard through the media that people who signed the 1979 agreement sent us a cheque for \$8 million. So, when you have a party who says he is not observing the agreement, he is not paying, and who says the next day that you did not observe the agreement, I think this is