

mitment to the people of Canada that, if elected, we would endeavour to embark upon a new era of federal-provincial relations. This new approach will be based on a solid foundation of trust, respect and understanding and will, of necessity, be born of the realization that our political system, its institutions, this very House of Commons, our geography, diversity and history, have all conspired to create a climate in which interdependence between the federal and provincial governments is a simple fact of our political life. Yet sadly, more often than not this fact has not been recognized.

In Monday's Speech from the Throne, repeated references were made to the Government's firm conviction that it is time to renew our relations with the provinces. It is time to reconcile long-standing differences. It is time to work together in a genuine atmosphere of co-operation, trust, and respect. It is time, quite simply, for a fresh start. This legislation, as I said earlier, became a symbol of that irritation between the provinces and the federal Government. That is why it has received such early priority from our Government.

That being the case and the reason for the legislation, let us turn to the specifics of this legislation which, if Members have read Bill C-2, they will see is very brief and straightforward. I would like to take a short look at the history of the sports pool and Loto Canada which, with the passage of this legislation, will become history.

As all Members are aware, the federal Government created Loto Canada for the purpose of raising money to help defray the cost of the 1976 Montreal Olympics. I remember as a new Member in 1972 that the first parliamentary committee I served on was the Standing Committee on Miscellaneous Estimates. As a new Member, I did not know what miscellaneous estimates was all about. I found very quickly that the first piece of legislation put before us was the Loto Canada Bill. That was the coin legislation which allowed the Government to strike specific coins to help defray the cost of the Montreal Olympics.

At that time we had various representatives come before the committee. When we asked them how this legislation would help defray costs, we were always assured that there would be no overrun, that there would be no deficit. The then Mayor of the City of Montreal appeared before the committee and made the famous statement about certain abilities that he thought he would have. Of course, none of us has yet seen that happen. We will leave that also to the matter of history.

The point was made that the Loto Canada Bill should be put into place for a period of time and for a specific purpose. The period of time was to help defray the costs from Montreal. That was its specific purpose. It was not to be an opportunity for the federal Government suddenly to see a voluntary tax approach taken beyond the Olympic requirement or objective. History has proven since then that once the federal Government saw that it had an opportunity to get that kind of money, it wanted to stay in that field.

I recall debating with the then Postmaster General whether that was really the way to go. I asked whether we should not be straightforward with the Canadian people and say that the

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Olympic cause, the Olympic movement, the hosting of the Olympics, was important for all Canadians, whether it was in Montreal in 1976 or in Calgary in 1988, and tell Canadians "This is our cost. This is what we are going to put before the Canadian people. We are going to raise the money by a legitimate means because it is for a legitimate purpose, rather than go into the whole matter of lotteries". We know the history.

It was also said at that time that the Olympics would be self-financing. I will not go through that history. All of us are aware of it. What is important is that in 1979 my colleague who has been elevated to the position of joining you, Mr. Speaker, and others in the Chair, the Hon. Member for Edmonton North (Mr. Paproski), had responsibilities in the Government for Loto Canada and he acted decisively with the intention of getting the federal Government out of the lottery field. He took the guideline of proper federal-provincial relations, met with the provinces and made a commitment on behalf of the Government. The commitment was straightforward: the federal Government would get out of the lottery field. The provinces, having exclusive operational rights within that field would in reciprocity give the federal Government for its purposes, primarily for fitness and amateur sport, a sum of money, then established at an amount of \$25 million annualized, to be increased through a calculation based on the inflation rate. That money would come to the federal Government coffers for the specific purpose of fitness and amateur sport. The federal Government would be getting out of that field.

An agreement was signed. At that time it was \$25 million per year. That figure is now in the order of approximately \$35 million. We as a federal Government signed that agreement in good faith and the provinces signed that agreement in good faith.

After the 1980 election campaign, the then Leader of the Opposition pledged that he would restore the federal Government's power to conduct lotteries. I know that Liberals opposite have been saying throughout those four years that a bad deal had been struck. They might even be saying that today.

Mr. Boudria: A rotten deal.

Mr. Epp (Provencher): They even call it a rotten deal. I want to tell the House and Canadians how rotten a deal it was that the Liberals had. I do not know of any other government getting into the lottery field and in fact losing money, but it did that. Not only did it get back into the lottery field, but it lost money.

Mr. Boudria: It is not a lottery, it is a pool.

Mr. Epp (Provencher): Well, if \$46 million does not mean much to the Hon. Member, he can explain that. That being the case in 1980, the Government took very specific steps to try and get back into the lottery field or gaming business. There were no negotiations with the provinces. It simply said it was coming back in.