

*Olympic Bill*

produce them. Heretofore the mint and the government have operated on a cash basis in respect of coins distributed either for legal tender within the system or for numismatic purposes. They do not and should not operate on credit. For the mint to engage in a program of producing coins and providing them to the Post Office Department of anybody else for sale or distribution on a credit basis would be like giving an alcoholic a credit card in a liquor store. We would end up with an inability to pay for those coins. They must be handled on a cash basis, and I hope that is what will happen, although it is not clear that that is what is contemplated in this section.

● (1420)

Mention has been made that banks should or might be the distribution agency for these coins. Heretofore, private chartered banks in Canada have never purchased numismatic pieces from the Mint for resale to their customers. I do not believe they are about to do it in this case either, for the very simple reason that the private chartered banks, like anybody else, will have to put out cash to buy numismatic pieces and hold them for resale. They cannot put them into the system for distribution, and they do not even collect interest on them, whereas that souvenir or collectors' money which might be sitting in their coffers does. They have not done so until now, and they are not about to hold those coins.

References have been made to Germany minting and selling coins. As the right hon. member for Prince Albert (Mr. Diefenbaker) said this morning, 90 per cent of those coins for the Munich Olympics were sold within Germany. That may well be true, but there are tens of millions of dollars worth of German Olympic coins undistributed. Where did the 90 per cent, or a large part of it, of internal consumption in Germany go? It went through the banks which are stuck with those coins, and at present they are discounting them. My colleague, the hon. member for Fraser Valley West (Mr. Rose) says that they amount to \$175 million. I had not sought to determine what that amount might be, but I have been told by people in the banking institutions here in Canada who know what is going on in banks in other countries that banks in Germany are stuck with them. No one will ever know what the loss has been to the German government and the German taxpayer over that. Will this money be recalled? Will the banks get back the money they paid for it, or will it be melted down? No one knows as yet.

The statement that 90 per cent of the coins for the Munich Olympics were sold within the country is misleading because the coins are still in the hands of the banks. As I understand it, 80 per cent of the budget of COJO is to be realized from the sale of these coins. I pointed out before that in our best year we did not sell one million of these special coins in this country, and that was in 1967. Now, we are about to embark on a project, as a result of accepting the assessment of Mayor Drapeau and others in Montreal, to sell 65 million pieces of coins over less than a four year period through the Post Office Department. I am not particularly impressed by the ability of the Post Office Department to distribute the mail that it gets for delivery, let alone to promote and sell these coins. I do not expect great sales from this.

[Mr. Howard.]

Let us look at this in rough figures and see what we are talking about. If all those 65 million pieces sold were \$10 pieces, and 40 per cent in rough figures was the cost of production at the Mint, then 60 per cent would be the seigniorage at face value, and we would end up with an income of \$390 million. If they were all \$5 pieces, the income would be \$195 million. If we break the difference and assume that equal numbers of each will be sold, the income would be \$292 million, which would be sufficient if you are looking for \$250 million from the sale of these coins. But we will not be able to sell and promote, which we need to do, an average of 16 million \$5 and \$10 pieces each year, including this year. We are half way through this year already and no steps have been taken to produce the 1973 quota of coins because the bill is still here. We will have to embark upon a program of trying to sell 16 million pieces each year, and when our best year in the past has produced less than a million pieces in any one year, how can we hope to sell that many pieces this year?

Who is the government trying to kid that this is going to be a financially successful venture? Somebody will end up—by my calculations and I am being extremely conservative about this by taking the lowest figures—with a deficit of something in the neighbourhood of \$200 million on this particular aspect alone. My prompter from the curtains, the hon. member for Fraser Valley West, says that that is also the estimate of the Treasury Board. If my estimate coincides with that of the Treasury Board, then perhaps there is something wrong with my estimate. However, that is my estimate. We will be short from the sale of coins alone by \$200 million if we carry out the commitment that the Prime Minister (Mr. Trudeau) made to the people of Canada that no federal taxpayers' money will go to this.

We are not talking now about the cost to the taxpayer for the CBC coverage or the cost to the taxpayer for the involvement of the Department of National Defence and the RCMP, or the cost for the \$26 million to \$54 million of the CMHC involvement. I am referring to the straight question of money anticipated to be raised by the sale of coins which at present is \$250 million but which will end up by being \$200 million short. If the commitment of the Canadian government is carried out that the Canadian taxpayer will not be asked to make up that \$200 million, who will do it? The people in the city of Montreal and the government of Quebec will have to do it. It is a crying shame to bring upon the people in Montreal and the province of Quebec the prospect of having to foot a \$200 million bill because some coin dealer sold Mayor Jean Drapeau a bill of goods about how many coins could be sold. This government bought it and is trying to pass it on to this parliament as being a worthwhile venture. It is not going to be worthwhile and I for one, on that basis alone and apart from what I may feel about the Olympic question and athletic matters, am led to conclude that I should not support the bill.

There is the question of lotteries involved in the bill, and that is perhaps the way out. This may be the subterfuge and the "technique" contemplated by that wily old politician, the mayor of Montreal, and others who have the same thoughts. Think of the prospect of having \$200 million worth of Olympic coins unsold. In the first place, COJO, which will apparently operate the lottery, can buy