

Criminal Code

unless I know what I am talking about. I did consult with the President of the Privy Council before and I agreed to this procedure today.

Mr. Speaker: I take it there is unanimous consent for the introduction of the motion.

The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Amendment (Mr. Hnatyshyn) agreed to.

Mr. Speaker: Mr. Jelinek, for Mr. Crosbie, moves that Bill C-81, an Act to amend the Criminal Code (lotteries), be read the second time and, by unanimous consent, referred to Committee of the Whole.

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, I am pleased on behalf of the Government of Canada to make a few comments on Bill C-81, an Act to amend the Criminal Code regarding lotteries. It was just over one year ago that I began negotiations with provincial lottery Ministers, asking them to contribute \$100 million towards this Government's commitment to the 1988 Winter Olympics in Calgary. In return I proposed, on behalf of the Government of Canada, that we would amend the Criminal Code, which would in effect put into legislation the 1979 lottery agreement giving the provinces sole jurisdiction over lotteries and other specific gaming operations. I am happy to announce again that on June 3, 1985, the federal and provincial Governments concluded and signed an agreement incorporating the \$100 million funding. The Bill we are discussing today is the result of that agreement.

The provisions in the Code are very complex, perhaps as complex as some tax statutes. At times their meaning must be discovered with the help of lawyers or the courts. For years uncertainties in the law have existed. This resulted in the launching of law suits by each Government over the proper interpretation of the present law, and the rights and responsibilities of each level of Government concerning the operation of lotteries and other gaming activities. These legal battles led to ill feeling between federal and provincial Governments, and diverted public resources to needless court battles. When this Government took office, it decided to put an end to unproductive federal-provincial wrangling and embark upon a course of action which would achieve mutual agreement among the two levels of Government for the public benefit.

One of the provisions of the June agreement provided for consultation with the provincial Ministers responsible for justice. Since that time, officials of the Department of Justice and their provincial counterparts have consulted each other concerning other changes to the Criminal Code consistent with the substance of the proposals contained in the agreement. The negotiations concerning funding for the Calgary Olympics provided an opportunity for achieving mutual federal-provincial reconciliation of these outstanding legal issues. Therefore,

the agreement included proposals for both out of court settlement of outstanding federal-provincial litigation, and clarification of the legal rights, powers and responsibilities of each level of Government.

I would like at this time to detail for the benefit of the House the exact nature of the amendments proposed in the Bill which would achieve that clear clarification I just mentioned. The repeal of Section 188.1 of the Criminal Code would end the legal authority of the federal Government, and the Governments of one or more provinces which have entered into an agreement jointly with the federal Government, to operate and manage sports pool betting. As the House knows, one of the first Acts of this Government when it took power was to dismantle the administrative structure of the Canadian Sports Pool Corporation. You will recall that this corporation was at that time losing some \$1.5 million a week of taxpayers' money, not to mention creating a federal-provincial irritant which went way beyond the scope of already existing irritants between the two levels of Government. The present amendment would legally kill the ability of the federal Government to restart the operation of federal sports pools by any new Crown corporation.

As I mentioned, in 1979 the then Conservative Government agreed with the provinces that it would no longer operate federal lotteries. However, that agreement was not put into legislation. The proposed repeal of Section 190(1)(a) of the Criminal Code now would go further in preventing the federal Government from restarting the operation of federal lotteries. These two amendments would thereby remove the legal authority for the federal Government to operate sports pools, lotteries and other gaming activities. Such activities would only be permitted under direct provincial management and control, or under the operation of other persons such as boards of fairs or religious or charitable organizations, in accordance with a licence issued by the province. That, of course, is already taking place in a number of our provinces. Furthermore, this Bill would extend the privileges that agricultural fairs enjoy now to include any fair or exhibition with regard to the running of games. In other words, this Bill is legislating what is already in effect so far as the laws of the provinces are concerned, as well as putting into legislation the 1979 agreement between the federal and provincial Governments.

For many years Canadian companies have been highly regarded for their expertise in matters related to technology and printing. One of the amendments in this Bill will include the expansion of that expertise because it has been sought world-wide. This Bill now permit Canadian companies to export materials related to lotteries and gaming, thus adding another dimension to our export package.

● (1530)

For many years as well the definition of lotteries has been a contentious point. This Bill fully clarifies the term "lottery" in a clear and concise manner. In addition, the proposed amendments in this Bill clarify what types of lotteries and gaming activities the provinces may operate and conduct.