

*Athletic Contests and Events Pools Act*

In moving this motion, seconded by the Hon. Member for Brampton-Georgetown (Mr. McDermid), this Party recognizes the desirability of engaging a competent, responsible auditor who will be required to report to the House, someone who has done so with a great deal of honesty, clarity, conciseness and sincerity. That is the only kind of auditor we should have for a games corporation as envisaged by this Bill, and we urge the passage of this motion.

● (1610)

**The Acting Speaker (Mrs. Appolloni):** The Hon. Member for Brampton-Georgetown (Mr. McDermid).

**Mr. John McDermid (Brampton-Georgetown):** Thank you, Madam Speaker, and congratulations on your lofty promotion to the Chair!

I wish to participate in this part of the debate to express the concern which we in the backbenches have as we are examining costs and expenditures of various departments and, in particular, Crown corporations. We are time after time frustrated in our examination of expenditures of Crown corporations in their business dealings. I remember the time I was at a committee where we were examining the expenditures of Petro-Canada. Its then executive vice-president, Joel Bell, was in attendance, together with the president, Mr. Hopper. They answered the questions they wanted to answer. They would not answer questions that perhaps touched on sensitive issues which might expose the corporation, and what it was up to in some of the areas which were questionable at best.

Therefore, we feel very strongly that if we are going to set up a "numbers racket" game, it must be examined very carefully. We cannot think of anyone who is better qualified, who will level with the Canadian people more, than the Auditor General. Unfortunately, the experience of auditing firms over the last few months has been disappointing. One firm which audited the books of Canadair somewhere along the line missed some of the expenditures. That is a shame because that casts a bad light on the accounting profession. Certainly, these people being human, Madam Speaker, mistakes are made. However, in dealing with money which is being used for gambling purposes, we want to ensure that if the Government rams this ill-conceived idea through this House, in fact this corporation is audited very carefully by the Auditor General. We can then take a look at the types of expenditures which are being made.

We were given a list of people who have already received money, but we have no idea on what they spent the money. The only reference is to "research". What kind of research was done? Was it research to find out who buys lottery tickets, or where the money comes from? Was polling done to find out if a numbers game is the most popular type of game? Would a numbers game sell in this country? Would the public buy the tickets? Would anyone have won the other night if this type of ticket was sold on a baseball game? Who would have ever guessed that the Toronto Blue Jays would have won 19-7? There is no way under the sun that anyone would have guessed who would win that game.

According to the list, there is money spent for ticket design and production. Three organizations received money for ticket design and production. We have not seen any of this, although I must say that my colleague, the Hon. Member from Oakville, one day magically produced a "numbers racket" ticket which the Minister denied he had anything to do with. However, we found out later on it was in fact from a group of people who were working on the sports pool development.

We would like to know, for example, where Loto Canada spent the \$10.4 million in 1977-78 on advertising. Of course, one of those fine Liberal advertising firms picked themselves up a cool \$1.5 million that year. The next year they picked themselves up a cool \$1.8 million on \$13,139,000 spent on advertising. We want to know the breakdown of that advertising expenditure. Why, for example, would \$40 million be spent in advertising promotion and administration in order to give away \$123 million? The financing on this is horrendous. Why would it one year cost \$3 million to print tickets and the next year \$8 million to print tickets, and the net receipts went down from the year before? It just does not make sense. Why does it cost in year two of full operation of a lottery twice as much for furniture as it did in year one? We do not receive these answers. Why does market research in year two cost twice as much as it does in year one? Why are net expenses of draws three times as much in the second year as in the complete year one? Why did salaries increase from \$2.5 million to \$3.3 million year over year? We do not know these answers. They have not been explained to us. We want to make sure that an auditor does examine expenses such as this and reports to the House of Commons so that we will be able intelligently to question the Minister responsible for this particular Crown corporation when his or her estimates come before the committee.

I must say, Madam Speaker, that I am very disappointed in the Government, which has not seen fit over the last two days of debate in the report stage to put up one speaker. It puts up the odd heckler like the Hon. Member for Ottawa Centre (Mr. Evans), but it does not put up one speaker in the entire debate. That is a shameful display of the responsibility of Liberal Members of Parliament. I know that many of them, in speaking to them privately, feel exactly the same way we do on this side of the House. They are very concerned about the set up of this corporation and about the accountability of these people responsible for the administration of those funds to Members of Parliament. Therefore my colleague, the Hon. Member for St. Catharines (Mr. Reid), has moved, and I am very proud to second, a motion to change that particular clause in Bill C-95, Clause 21, by striking out lines 15 to 43, which go through a great deal of rigmarole as to who can and who cannot audit the books. That will make it very simple. It will simplify the legislation. I know the Canadian people themselves would have far more confidence if in fact this particular motion was accepted by all present. Each year the Auditor General of Canada would do the audit and present that audit to the House of Commons.